These accusations against a Government that we would all prefer to see paraded as a model employer is not an unfounded criticism; it is true that there is still no legislation in existence which establishes a firm labor-management policy for public employees.

For this reason, I have introduced legislation which would correct this deplorable state of affairs. This proposal, H.R. 15101, would set clear and precise guidelines for stable and lasting employee-management relations procedures.

This legislation is needed and has been needed for quite some time. Several well-respected groups have commented about the Government's personnel management problems since the end of World War II. Among these groups have been the members of the first Hoover Commission and the special committee on labor relations of the American Bar Association.

The Hoover Commission included the following observations in its report released in 1949, a few years following World War II:

> The Government has lagged behind American industry in improving employer-employee relations.
>
> Federal employees, while given some degree of protection against abuse, discrimination, and unjust treatment, are not provided a positive opportunity to participate in the formulation of policies and practices which affect their welfare.
>
> The President should require the heads of departments to provide for employee participation in the formulation and improvement of Federal personnel policies and practices.

Six years later the American Bar Association's committee similarly commented:

> The special legal status claimed for government as an employer which placed governmental employees in a less advantageous position than private employees in the area of management-labor relations is an apparent anachronism.

This anachronism has been somewhat alleviated since 1962. During that year, President Kennedy issued Executive Order 10988 which sought to begin a new era in employee-management relations in the Federal civil service. Dated January 17, 1962, the Executive order set forth a policy outlining the responsibilities of employees and administrative officials; it was a set of directives long-needed.

Executive orders, however, no matter how helpful and concise, do not provide the strong and lasting impact of enacted legislation. Important topics such as those involving numerous employees and general governmental policy should bear the legislative stamp of approval.

This legislation, H.R. 15101, includes a declaration of policy that is an excellent summary of policy for any progressive business enterprise. The declaration reads as follows:

> Participation of employees with management through employee organizations or unions in decisions which affect them, contributes to the effective conduct of the public business. Therefore, strong, democratically run employee organizations or unions are in the public interest and their development should be encouraged by lawful means.
>
> The right of officers or representatives of a union or organization of Government employees representing the employees of a department or agency or subdivision of such department or agency to present grievances in behalf of their members without restraint, coercion, interference, intimidation, or reprisal is recognized and encouraged. Violation of such right on the part of an administrative official shall be cause for his suspension or removal or such other punitive action as the head of the department or agency may deem advisable.

After this declaration, the bill sets forth the specifics of obtaining good employee-management relations. Most of the responsibility for carrying out the provisions are given to the Secretary of Labor, and specific procedures for the settlement of differing opinions are clearly laid down.

When problems arise which cannot be settled through regular channels, either party would be permitted to invoke the services of the Federal Mediation and Conciliation Service. If such efforts would fail, either party could then turn to the services of the Government Labor-Management Relations Panel. This Panel would be composed of a chairman, an executive secretary, and from four to six additional members, most of whom would be appointed by the President, and would not be otherwise employed by the Federal Government. This Panel could hold hearings if they themselves could not first help the parties arrive at a settlement, and following these hearings, the Panel's decision would be binding.

It seems to me that these provisions are helpful and necessary. As the needs of our Nation continue to expand, our dependence on the public servants responsible for our communication process through the mails and for administering various economic and social programs will continue to increase. A firm and stable legislative set of guidelines covering our Government's employee-management relations is therefore mandatory.

Let us work together to make charges of "unfair labor practices" in the Federal Government into a past-tense phrase useful only in our history books.

I, therefore, urge the House Post Office and Civil Service Committee to conduct the necessary legislative hearings to make this long-overdue legislation a reality.

HOUSE OF REPRESENTATIVES—*Wednesday, February 7, 1968*

The House met at 12 o'clock noon.

Rev. C. Fred Williams, D.D., minister, Central Methodist Church, Arlington, Va., offered the following prayer:

Humble yourselves under God's mighty hand, that He may lift you up in His own good time.—I Peter 5: 6 (Good News for Modern Man).

O God the Father Almighty, Maker of heaven and earth, remind us of our dependence upon Thee. Remind us also that Thou dost depend upon us.

Thou who are the guardian of our souls, and the Guide of our pilgrim way, have mercy upon us. Forgive us for surrender to the idols and the half-gods which command us; save us from arrogance and from national vanity; protect us from obsession with pomp and power.

Deliver us from conformity to easy answers; save us from rashness in speech and from hastiness in conduct. Keep us sensitive to Thy will, with our ears keen, amid the clamor of a noisy day.

Grant that our motives and methods may be seasoned by the spirit of Him who went about doing good. May we shun the condescending pose. Give to us, a favored nation, the desire and the judgment to be an answer to the world's needs, instead of adding to its tragedy.

In our moments of quietness, may we hear a voice, saying:

> "Though the road be long and dreary
> And the end far out of sight,
> Tread it bravely, strong or weary,
> Trust in God and do the right."

Thus, do we pray as citizens, lawmakers, and humble servants of God. 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.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO HAVE UNTIL MIDNIGHT FRIDAY TO FILE REPORT ON H.R. 14743

Mr. PATMAN. Mr. Speaker, I have cleared this with the gentleman from New Jersey [Mr. WIDNALL], the ranking minority member on the Banking and Currency Committee, and it is satisfactory with him.

Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Friday to file a report on the gold bill, H.R. 14743, reported out by the Banking and Currency Committee.

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

There was no objection.

SCOUTING HELPS THE COUNTRY "BE PREPARED"

Mr. PICKLE. Mr. Speaker, I ask unanimous consent to address the House

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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, I was honored this morning to attend the annual Report to the Nation Breakfast of the Boy Scouts of America.

No organization can be credited with a greater impact on the morals and values of the young men of our country, and it is truly a warm feeling to hear again of the work Scouting is doing. This morning, we heard from Mr. Alden G. Barber, the chief Scout executive; Mr. William Harrison Fetridge, the vice president of the Boy Scouts; and Mr. Edwin H. Gott, the chairman of region 3. Also present was Mr. Marshal Monroe, the national executive director of BSA, who is also a good friend of mine, and he was active with Scouting in the Southwest and Texas.

As an Eagle Scout, I have known firsthand the benefits that come from Scouting. Last month, I spoke to the adult Scouters of East Austin on the theme for the year, "God and Country." In the troubled days that face our country, I believe it is altogether fitting that the Boy Scouts should choose this theme for 1968.

Mr. Speaker, I am introducing today, for myself and on behalf of several colleagues, a concurrent resolution to emphasize again the valuable contribution the Boy Scouts have made. In keeping with their congressional charter, they already have made great progress in aiding the disabled and the disadvantaged. Scouting is a program for all boys and for the benefit of all Americans. I am sure that the purposes of the resolution I introduce today will have wide support in this body, and I urge all of my colleagues to join.

FOOD FOR PEACE

Mr. DOLE. 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 Kansas?

There was no objection.

Mr. DOLE. Mr. Speaker, I take this time to remind Members that the food-for-peace program—Public Law 480—will be considered and, I hope, extended during this session. The Committee on Agriculture commenced informal discussions on this vital program today.

I am proud of the fact that the food-for-peace program was conceived by two Kansans—the late Senator Andrew Schoeppel and former Congressman Clifford Hope. To me, this program has been an outstanding example of the great humanitarian instinct and motivation of the American people. Since 1954, we have distributed billions of dollars worth of agricultural products to over a hundred different nations to meet hundreds of crises under this program.

Perhaps since this program is being considered at a time when we have just seen a year of bumper harvests throughout the world, some may ask if there is a world food crisis. I would hope that we are not misled as experts tell us that in a few short years the problem of too many people and too little food will be acute.

I strongly support this vital program and urge that it be extended and modified as necessary to meet the following objectives:

First. The American farmer will continue to make great contributions to meet world food needs; but, he must receive adequate compensation for his labor and investment.

Second. Public Law 480 must be used as an instrument to boost domestic farm prices, not depress them.

Third. The Federal Government must play a vital role by assisting free enterprise, negotiating with those countries in need of assistance, encouraging economic development in underdeveloped countries, and in coordinating overall activities under the program.

Fourth. Emphasis must be placed on the development of commercial agricultural exports through private trade channels as the economy in the developing nations permits.

Fifth. Agricultural technical assistance must be accelerated to assist the developing nations.

FAIRPLAY FOR AMERICANS

Mr. WYATT. 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 Oregon?

There was no objection.

Mr. WYATT. Mr. Speaker, in a televised statement to the American people last week President Lyndon Johnson once again used honeyed words to disguise an ugly truth from the American people.

In referring to the major Vietcong guerrilla offensives staged in Saigon and elsewhere in South Vietnam, the President stated that the enemy had failed to achieve a significant military victory.

His words implied that, indeed, we had achieved a victory over the Vietcong. In what was perhaps his greatest understatement of fact, the President reported that the Vietcong terrorist drives had produced "civilian casualties and a disruption of public services."

All we have to do is to read the daily news dispatches from the Vietnam war zone to realize that this warping of words has very little to do with the military realities of the Cong offensives. Without mincing words or twisting facts it is obvious that our forces have suffered a very obvious military setback, and crushing psychological defeat.

It is little wonder that the people in this Nation are not united behind our stand in Vietnam. It is little wonder Americans are confused and restless over this prolonged campaign.

When the American people have the truth hidden from them by polite phrasings and twisted words they are inclined to feel cheated. It is time that those Americans who are being asked to support this effort are given a fair and accurate report on it. We are entitled to nothing less.

POSSESSION OF LSD

Mr. BUSH. 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 Texas?

There was no objection.

Mr. BUSH. Mr. Speaker, Federal law does not allow physicians to prescribe LSD or drugstores to sell it. Yet it is legal for individuals to have LSD in their possession. Since I feel that this is a serious loophole, I am today introducing a bill which will amend the Federal Food, Drug, and Cosmetic Act to make it a crime to possess LSD and other hallucinogenic drugs.

This bill provides that no person, except those specifically named in present law, may be authorized to possess any hallucinogenic drug, unless prescribed by his physician. I can see no reason to allow persons, who are not qualified to administer LSD or conduct research with the drug, to have it in their possession.

By establishing possession of LSD as a crime, this Congress can help our law enforcement officers crack down on the use of this dangerous drug. Now they have to establish illegal sale, manufacture or disposition in order to have a case.

I have no doubt that LSD is dangerous in inexperienced hands and I believe that this Congress should do everything it can to see that this drug is not easily available to the teenagers of this country.

THE NEED FOR FREE EXERCISE OF RELIGION

Mr. BUSH. 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 Texas?

There was no objection.

Mr. BUSH. Mr. Speaker, we, as parents, expect to give our children a strong moral training, but we also expect the schools to continue this training when our children are away from home. I believe that there can be no morals without religion, hence some religious content is necessary for the schools to fulfill our expectations.

The bill which I am introducing today would restore to the schools this function. More importantly, it would restore the rights of a great majority of children to free exercise of their religion in the public schools—rights now being denied because of the objections of a small minority.

This bill is very carefully drawn, preserving minority rights and preventing official dictation in religious matters. Participation must be voluntary. This bill does not attempt to do much, but what it attempts to do is important.

CONSUMER PROTECTION

Mr. CAHILL. 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 New Jersey?

There was no objection.

Mr. CAHILL. Mr. Speaker, I read with interest the recommendations of the President yesterday. I am delighted to see he has recommended the enactment of the Deceptive Sales Act of 1968.

I would point out to the House, however, that I introduced this legislation in the House of Representatives on February 1, 1968. The bill, H.R. 15038, is published in the RECORD for that date. I would urge the Members of the House to consider cosponsoring the bill.

I also was delighted to observe that the President called for an investigation of the automobile insurance industry. While I agree with the reasons describing the need for the investigation, I disagree with the course of action recommended by the President. I do believe that to send this investigation to the Department of Transportation will develop statistics, not dialog; observations, not legislation; delay and not decision. I believe the proper forum is the Congress and that the entire matter of auto insurance should receive the attention of either an appropriate committee of the House or the other body.

WE SHOULD BLOCKADE NORTH VIETNAM

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I believe we need to halt the unmolested flow of war materiel through Haiphong as a long overdue, practical step to end the aggression against South Vietnam.

It would not be necessary for the United States to impose an official blockade against North Vietnam, since with a little imagination a ship could be scuttled in the narrow passes leading into Haiphong harbor. Certainly Yankee ingenuity is such that the harbor entrances can effectively be bottled up with a minimum of diplomatic complications.

The latest battle reports from Vietnam tell of the North Vietnamese use of Soviet tanks, rockets and flamethrowers against a Special Forces camp and we recognize that these weapons of war would not be available to the aggressor if Haiphong were closed to shipping. It is even conceivable that bombing raids over the North could be reduced to a bare minimum if petroleum products were not entering through Haiphong. Thus, North Vietnamese military transportation would grind to a halt and further infiltration into the South would be severely limited.

There is no need for me to elaborate over what has already been said over the credibility gap and diplomatic blundering of the administration. The lack of policy ingenuity compounds our military problems and demonstrates the total absence of imagination and foresight in the Johnson administration foreign policy.

The United States must take the offensive against the international Communist conspiracy on economic, psychological and diplomatic levels instead of reacting to Communist pressures in a confused and inconsistent manner. Soviet penetration in the Middle East, the impotency in the *Pueblo* incident, and complete disarray of NATO are all evidence of basic collapse of our foreign posture.

LOUIS J. LEFKOWITZ, THE CONSUMER'S COUNSEL

Mr. KUPFERMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. KUPFERMAN. Mr. Speaker, yesterday we received a message from the White House "To Protect the Consumer Interest"—CONGRESSIONAL RECORD of February 6 at page 2288—in which the President suggested that there be a Consumer Counsel at the Justice Department.

We in the State of New York have been very fortunate to have an attorney general, Louis J. Lefkowitz, who, since he took office in 1957, has been not only the people's lawyer, but their consumer counsel.

He established the first bureau of consumer frauds and protection in the country and has personally directed its activities.

The President and the Attorney General of the United States would do well to consult with him on the operations of the proposed Office of Consumer Counsel.

CONSUMER FOOD PROTECTION NEEDED

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

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

There was no objection.

Mr. BENNETT. Mr. Speaker, this Congress has passed some landmark consumer protection legislation, including the Wholesome Meat Act, and the truth-in-lending bill, approved overwhelmingly by the House last week.

The President's message yesterday, "To Protect the Consumer Interest," includes more productive and much needed legislative proposals, and I congratulate him upon the suggestions.

Two of his suggestions follow legislation I have already introduced in this session of the Congress. They deal with poultry and fish inspection.

One is H.R. 14594, the Wholesome Poultry and Fish Act, which would allow the Federal Government to assist in efforts by States and other government agencies to protect the public from poultry and fish products that are unwholesome, adulterated, and misbranded.

The other bill, H.R. 14902, would require imported foodstuffs to meet standards required by the Federal Government for domestic foodstuffs.

These are important ideas to combat great health problems throughout our country. The American housewife and consumer has the right to expect good and clean poultry and fish, and my bills would provide this protection.

I join the President in his desire to protect the American consumer, and I am sure the Congress will act swiftly on the legislative proposals.

SAN RAFAEL WILDERNESS

Mr. BATTIN. 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 Montana?

There was no objection.

Mr. BATTIN. Mr. Speaker, as a Representative of the great State of Montana and a strong proponent of the national wilderness preservation system which the Congress created and to which my own State can make a major contribution, I am concerned that this first new addition to the wilderness system may be less than worthy of the Congress by reason of leaving out of the wilderness area contiguous wild lands which are thoroughly compatible with the Wilderness Act. The act defines wilderness, in part, as an area which "may contain ecological, geological, or other features of scientific, scenic, or historical value." All of these values are present in generous measure in the 2,000 acres which the House saw fit to add to the Senate-passed version of the San Rafael Wilderness. While the acreage is small, the values involved are not.

I strongly urge the House to stand by its original action which would have created a wilderness unit of which this Congress could be proud. We settle for less than the best if we do not reject this deletion of the House addition which was urged by the Forest Service and agreed to by the Senate and, indeed, the conferees. The reasons for the deletion no longer have validity; therefore, the House should stand by its amended and improved San Rafael wilderness bill.

PERMISSION FOR SUBCOMMITTEE ON ACCOUNTS, COMMITTEE ON HOUSE ADMINISTRATION, TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration may sit today during general debate.

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

There was no objection.

TO INSURE THE PUBLIC SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 250)

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 meet the challenge of crime to our society, I propose the following program of action for our Nation:

For our Governors and Mayors:

1. The Governors of our States and the Mayors of our Cities should examine their local situations—to make certain that they have the necessary laws in effect, that they are committing sufficient resources to their entire systems of criminal justice, and that they have efficient, well-trained and fully supported police departments and law enforcement agencies.

For the Congress and the Executive Branch of the Federal Government:

2. Prompt passage of the Safe Streets and Crime Control Act which I proposed last year.

3. A major Federal assistance program to provide educational opportunities and more training for the Nation's law enforcement personnel.

4. Appropriation of $100 million for the Safe Streets Act in fiscal 1969, double the amount I proposed last year.

5. Passage of the Juvenile Delinquency Prevention Act.

6. Enactment of an Alcoholism Rehabilitation Act, to help provide more effective treatment—rather than simple detention—of alcoholics.

7. Coordination of the Federal anti-crime effort under the Attorney General.

8. Establishment of a strong and unified United States Corrections Service within the Department of Justice.

9. In the fight against drug abuse,

—Legislation to make the illegal manufacture, sale and distribution of LSD and other dangerous drugs a felony, and possession a misdemeanor.

—A more than 30-percent increase in the number of agents enforcing our narcotics and dangerous drug laws.

—That the National Commission on Reform of Federal Criminal Laws undertake immediately a full-scale review of these laws.

—A step-up in our research, education, manpower training and rehabilitation efforts.

—Transfer to the Department of Justice the functions of the Bureau of Narcotics from the Treasury, and the Bureau of Drug Abuse Control from the Department of Health, Education, and Welfare.

10. A felony law aimed at those who cross state lines to incite and take part in riots.

CALL OF THE HOUSE

Mr. ROUDEBUSH (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. 20]

Ashley	Gude	Reinecke
Burleson	Gurney	Resnick
Celler	Hansen, Idaho	Reuss
Clark	Hansen, Wash.	Rosenthal
Clausen, Don H.	Hardy	Rumsfeld
Cleveland	Hébert	St. Onge
Cramer	McFall	Scott
Devine	Mathias, Calif.	Skubitz
Diggs	Moss	Smith, Okla.
Dwyer	O'Hara, Mich.	Utt
Everett	Pelly	Watkins
Foley	Pollock	Wilson, Charles H.
Giaimo	Pucinski	
	Rees	

The SPEAKER. On this rollcall, 389 Members have answered to their names, a quorum.

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

TO INSURE THE PUBLIC SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 250)

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

The Clerk read as follows:

11. In the fight against organized crime, top priority for the Justice Department's Strike Forces in cities beset by racketeering.

12. New laws to enhance the Federal attack on big-time gambling.

13. Immunity legislation to compel the giving of testimony concerning activities linked with organized crime.

14. Legislation to permit the Government to appeal a pretrial court order granting a motion to suppress evidence.

15. Passage of effective gun control legislation.

16. Funds for 100 additional Assistant U.S. Attorneys in offices throughout the country. 100 additional FBI agents, and an increase in the number of lawyers in the Criminal Division of the Justice Department.

17. A program to develop better law enforcement communications.

18. An intensified effort to develop more modern weapons and equipment for police.

19. A Bank Protection Act.

20. An Auto Theft Prevention Act.

21. That a model crime prevention program be required in each Model Cities plan.

22. A Right of Privacy Act.

THE COST OF THE FEDERAL EFFORT

Our total Federal anti-crime effort will require more than one-half billion dollars—some $557 million—in appropriations in the coming year. This is an increase of about 28% above this year's total of $435 million, and almost three times the amount appropriated in 1960.

THE COST OF CRIME

For decades our system of criminal justice has been neglected. As a result:

—Local law enforcement is undermanned and underpaid.

—Correctional systems are poorly equipped to rehabilitate prisoners.

—Courts at all levels are clogged; procedures are often archaic.

—Local juvenile offender systems—which must deal with increasing numbers of delinquents—are understaffed and largely ineffective.

For decades the conditions that nourish crime have been gathering force. As a result, every major city harbors an army of the alienated—people who acknowledge no stake in public order and no responsibility to others.

Thousands of Americans are killed or injured each year by criminal acts. Many thousands more are unable to use the streets of their cities without fear, or to feel secure in their homes or shops.

Far too many of our youth are saddled with a criminal record early in life, repeat their violations again and again, and find life-long difficulty in obtaining decent employment and social acceptance.

Property valued at almost $4 billion is lost through crime every year. Millions of dollars are taken from the productive economy by organized racketeers—money that should be in the pockets of the poor, or in the bank accounts of honest businessmen.

Drug abuse presents an insidious and growing threat to our Nation's health, particularly the health of young people.

These conditions strike at all citizens, regardless of economic status. Neither affluence nor poverty affords protection against crime and violence.

OUR RESPONSE

In the year just ended, the Federal Government—and some cities and States—made a significant new beginning toward coping with the intolerable costs of crime.

In 1965 I appointed a Commission of the ablest lawyers, judges, and experts in law enforcement to study every aspect of crime in America. This Commission conducted the most comprehensive review and analysis of crime in our country that has ever been undertaken. We have made this report available to thousands of policemen, criminologists, and city and state officials to assist them in their work against crime. We are already beginning to see the healthy effects of the Commission's research and insights.

Today,

—The Federal organized crime drive is at an all-time high.

—The Department of Justice, through its Office of Law Enforcement Assistance, has helped fund hundreds of valuable projects, from police patrol helicopters to computerized criminal information networks.

—Other Federal agencies are contributing their share to this effort—in such fields as alcoholism control, juvenile delinquency, urban law enforcement planning, narcotics and drug control, prisoner rehabilitation programs and police-ccmmunity relations.

—Half of our States have established State law enforcement planning commissions to help coordinate statewide efforts.

—Federal, State, and local agencies are sharing knowledge, pooling their resources and experimenting with new techniques and organizations.

—A Federal Judicial Center has been established to revitalize and modernize our Federal court system.

This year America must decisively capture the initiative in the battle against crime.

The major effort must be made by our cities and towns. State Governments must provide maximum support.

For our part, we must strengthen our Federal law enforcement effort to deal promptly, firmly and effectively with those who violate Federal criminal laws and we should assist states and cities in their local efforts.

I pledge my part.

I urge the Congress to do its part.

And most important, I urge the Governors and Mayors to do their part.

The Governors and the Mayors, as well as the Congress and the Executive Branch, must this year reaffirm for the American people the basic principle I stated last year: "Public order is the first business of government."

1. *The Responsibility for Local Law Enforcement.*

The Federal Government must never assume the role of the Nation's policeman. True the Federal Government has certain direct law enforcement responsibilities. But these are carefully limited to such matters as treason, espionage, counterfeiting, tax evasion and certain interstate crimes.

Crime is essentially a local matter. Police operations—if they are to be effective and responsible—must likewise remain basically local. This is the fundamental premise of our constitutional structure and of our heritage of liberty.

The existing pattern of law enforcement makes it clear that local governments must play the primary role in any effective program to combat crime:

—Of the 40,000 law enforcement agencies in the Nation, more than 39,750 are local, while some 200 are State, and the remaining few are Federal.

—Of the 371,000 full-time law enforcement officers in the Nation, 308,000 are local, while only 40,000 are State and 23,000 are Federal.

Under our Constitutional system, the prevention and punishment of crime in the streets is committed to State and local governments. It is essentially the task of mayors and local police, supported by their governors.

Today, I call upon every Mayor and every Governor of our Nation to:

—Examine the local ordinances and state criminal laws to see that they are fair, firm, effective and adapted to the criminal justice problems of the Twentieth Century.

—Review the adequacy of their correctional efforts: not just jails, but detention centers, half-way houses, social services, juvenile delinquency efforts, and well-trained probation and parole officers.

—Examine their judicial systems to make certain there is an adequate number of judges and prosecuting attorneys and that arraignments and trials are promptly held.

—Fully support their local police not only in public statements, but with the funds necessary for adequate salaries, first-rate training and the most modern equipment.

Two years ago—on March 9, 1966—I asked "The Attorney General to work with the Governors of the fifty States to establish statewide committees on law enforcement and criminal justice." Since then 25 States have taken advantage of Federal grants to help establish such statewide commissions: California, Connecticut, Delaware, Florida, Georgia, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, Utah, Washington, West Virginia, Wisconsin.

I urge the remaining States to act this year. And I urge the Mayors of our cities to establish their own local crime commissions.

2. *The Safe Streets and Crime Control Act.*

While we reject Federal domination of law enforcement, we recognize that the Federal Government has an inescapable responsibility to help strengthen local law enforcement efforts.

Today, I renew my urgent request to the Congress for immediate passage of the Safe Streets and Crime Control Act which I proposed last year.

This Act is the cornerstone of the Federal anti-crime effort to assist local law enforcement.

It builds upon the fundamental tenets of the Crime Commission's report:

—That crime prevention is a major national priority.

—That better paid, better trained, better equipped police are urgently needed in almost every community.

—That correctional and other law enforcement agencies must have better information on the causes and control of crime.

—That we need substantially more—and more efficiently used—resources and personnel to provide faster action at all levels.

—That the entire system of criminal justice, at every level of government, must be modernized.

The bill I sent to Congress last year emphasizes flexibility and local responsibility. It provides:

—100% grants for research and demonstration projects.

—90% planning grants to State and local governments.

—60% action grants to implement new programs.

—50% construction grants for new facilities.

3. *Federal Assistance for education and training of law enforcement officials.*

Law enforcement means more than putting on a uniform. It means learning about the Constitution, about our laws, about weaponry, about people. It means keeping up to date as our knowledge grows and our techniques and equipment improve. Many local law enforcement agencies cannot now supply the advanced training our men need.

Because this training and education are so essential, I propose that the Safe Streets Bill as originally recommended be amended to:

—Authorize the Federal Bureau of Investigation to expand its training programs for State and local law enforcement personnel, both in the field and at the FBI National Academy at Quantico.

—Provide more substantial financial assistance to State and local law enforcement agencies to develop their own training programs.

—Establish a specific program of fellowships, student loans and tuition aid for State and local law enforcement officers.

—Create a National Institute of Law Enforcement and Criminal Justice to develop a major Federal research program for the application of the most advanced science and technology to law enforcement.

4. *As a measure of this program's urgency, I call on the Congress to appropriate $100 million for the Safe Streets Act in fiscal 1969—double the amount I proposed last year.*

5. *Youth and Delinquency.*

The great majority of our young people—members of the healthiest, the most intelligent and forthright generation this country has ever known—are devoting their energies and idealism to affirmative and useful endeavors. Millions are personally involved in bringing justice, strength and prosperity to America and to the world. In the Armed Forces, in the Peace Corps, in high schools and universities, in the poverty program and in other productive jobs, the youth of America are making a constructive record that is unequaled by any generation of Americans.

But for thousands of others, the years of youth are spoiled by crime:

—Youngsters under 18 accounted for one-fifth of all non-traffic arrests in 1965.

—Those under 24 accounted for half of all those arrested for major crimes of violence—homicide, rape, robbery and assault.

—Three out of four of those arrested for larceny, burglary, and auto theft were under 24.

This problem will not disappear by itself. It will not disappear simply as a consequence of the passage of criminal laws.

No child is born a criminal.

But, we know that children born into certain environments all too often view the policeman—and the civil order he protects—as an enemy, rather than as a protector. Many parents fail to impart to their children that respect for lawful and just authority on which a decent society depends. Thousands of these early, individual failures later become parts of a national tragedy.

In the past few years, we have devoted immense resources to education, job training, urban planning and rehabilitation and civil rights.

But these efforts are not enough. We need a more direct and immediate effort to deal with juvenile delinquency at the local level.

I urge the Congress to pass the Juvenile Delinquency Prevention Act that I proposed last year. This Act would:

—Authorize $25 million in assistance to

State and local agencies in the first year to develop new plans, programs, and special facilities to deal with youthful offenders.

—Encourage the development of new community correctional programs which avoid the stigma and isolation that often follow prison experience.

—Help local authorities deal with delinquents effectively in terms of their individual needs, and avoid, whenever possible, separating young offenders from their families and from the society they will rejoin.

—Develop a greater range of alternatives to jail—for example, half-way houses, youth rehabilitation centers and family-type group homes.

Young Americans are our Nation's most valuable and valued resource. No loss is greater than when a youth—with the world before him—is cast into adulthood as a marked criminal. The health of our Nation requires a determined effort to master the problem of delinquency. But we must never forget that there is—as there should be—a limit to the extent to which public efforts can properly affect private lives. Neither the Executive nor the Congress—nor the policeman nor the youth worker—can substitute for parents. In their hands lie the ultimate responsibility.

6. *Alcoholism.*

Alcoholism is tragically high on the list of our Nation's health problems.

Five million Americans are alcoholics. They bring incalculable grief to millions of families. They cost their families, their employers and society billions of dollars.

While alcoholism is essentially a medical problem, it is also a problem of law enforcement. The local policeman—not the doctor—is usually the first point of contact between society and the public drunk, the intoxicated driver or the down-and-out derelict.

Alcoholics and heavy drinkers overburden our law enforcement and judicial systems:

—There are currently about two million arrests each year for drunkenness—nearly one-third of all arrests.

—Excessive drinking plays a part in nearly half of all fatal traffic accidents.

—Local police and courts spend a disproportionate amount of time and effort on what is essentially a medical problem—time that should better be spent dealing with serious offenses.

—A large percentage of all inmates in short-term correctional institutions are there solely because of public intoxication and related minor offenses.

Yet these crowded institutions generally provide no services or programs to treat them. In virtually all our communities, alcoholics receive less adequate care than other sick people.

The Department of Health, Education, and Welfare is now engaged in a major program dealing with the causes and treatment of alcoholism. I recommend that the Congress strengthen this program with appropriations next year of $13.4 million in fiscal 1969.

To deal with the alcoholic whose behavior brings him into contact with the law, I propose the Alcoholic Rehabilitation Act of 1968. This Act would provide Federal leadership and assistance to States and localities in developing non-jail alternatives for the handling of alcoholics.

THE FEDERAL EFFORT

The Federal Government must have the tools it needs to become a more effective instrument in the war on crime; stronger laws, more personnel, and more resources.

7. *Coordination.*

The first step in an accelerated Federal anti-crime drive is better coordination. Our efforts must not be dissipated. Responsibility must not be fragmented.

At the present time, a large number of Federal agencies play a significant role both in front-line enforcement, and in programs to aid State and local agencies. The resources and experience of many different departments and agencies are needed in this effort. But, there must be a control room for Federal action.

Today I am acting in several ways to provide this coordination, and to mobilize the agencies of Government that participate in the work of fighting crime.

I signed this morning an Executive Order designating the Attorney General to:

—*Coordinate the criminal law enforcement activities of all Federal Departments and agencies,*

—*Coordinate all Federal programs that assist State and local law enforcement and crime prevention activities.*

The Attorney General will establish a special office in the Justice Department to carry out this critical work.

State and local law enforcement agencies will now have a single office in Washington to contact for information concerning all Federal programs which may affect them. These include projects as varied as:

—The Labor Department's training programs for sub-professionals in police and court work.

—Juvenile delinquency and alcoholism prevention efforts of the Department of Health, Education, and Welfare.

—The Department of Housing and Urban Development's planning and other assistance programs that affect law enforcement.

—The police-community relations programs in the Office of Economic Opportunity.

The Attorney General will not operate these programs. He will coordinate them and issue guidelines to ensure that they make the maximum impact in meeting the Nation's public safety needs.

8. *Strengthened and Unified Corrections.*

The apprehension and conviction of a criminal is doomed to ultimate futility if we do not deal effectively with him while he is in the hands of the law.

Our correctional system serves two primary functions. It protects the public through the detention or close supervision of convicted offenders. It also seeks to return them to a productive life through education, training, and other programs.

The number of released offenders who subsequently revert to a life of crime is disturbingly large. The Crime Commission estimated that about one-third of released criminals return to prison within five years.

The task of supervising hardened criminals, and of repairing and strengthening lives is difficult, and often unappreciated. This work requires highly trained personnel and carefully-supervised programs of parole and probation.

Today the Nation's correctional system is undermanned and underequipped. We must make it a strong arm in our total effort to protect the public from crime.

To achieve substantial improvements in this long-neglected area, I ask the Congress to increase the program funds available to the Bureau of Prisons by $3 million.

The Federal Government has developed a system of institutions and services—penitentiaries, reformatories, youth centers, parole and probation—to protect society and to lead violators to more worthwhile lives.

Yet our correctional system is fragmented. The courts supervise parole and probation, while the Executive Branch administers the prisons.

This division of responsibility impedes our efforts to build a strong and effective correctional system. We need a single, unified organization to coordinate the prison personnel who are responsible for the treatment of prisoners and the community personnel who supervise their parole.

I again ask the Congress to unify this system by establishing a United States Corrections Service within the Department of Justice.

9. *Narcotics and Drugs.*

In no area of law enforcement is there a greater need for a concentrated drive than in dealing with the growing problem of narcotics and dangerous drugs.

These powders and pills threaten our Nation's health, vitality, and self-respect.

Heroin addiction is largely an urban problem, focused in slum areas. But hallucinogens, such as marihuana and LSD (Lysergic Acid Diethylamide) have spread to suburban and rural regions, and are taken by far too many American youths. The improper use of dangerous drugs—barbiturates, pep pills, speed, other amphetamines—cuts across all segments of the population.

The present Federal laws dealing with these substances are a crazy quilt of inconsistent approaches and widely disparate criminal sanctions. Responsibility for their administration is found in no single Department of the Federal Government.

The Department of the Treasury, through the Bureau of Narcotics, is responsible for narcotics and marihuana enforcement—because historically jurisdiction in that area was based on the taxing power of the Federal Government. This Bureau has only about 300 agents for the United States and all its foreign operations.

The Department of Health, Education,

and Welfare enforces the dangerous drug laws through its Bureau of Drug Abuse Control, which has only about 300 agents.

Penalties for improper use of these substances are inconsistent—and in the dangerous drug field, too weak.

The illegal sale of LSD, a powerful hallucinogen, is only a misdemeanor punishable by a maximum prison term of one year for the first offense. There is no penalty at present for possession of LSD for personal use.

Possession of marihuana, another hallucinogen, is punishable by a minimum term of two years and a maximum of ten for the first offense. Illegal sale is punishable by a minimum of five years.

These inconsistencies have seriously hampered law enforcement—for drug and narcotics peddlers do not observe bureaucratic niceties. More than 90% of seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau is not authorized to make arrests for illegal trafficking in marihuana.

We can no longer deal with this major problem in a haphazard way. We must mobilize now to halt the growing trade in harmful narcotics and drugs.

I propose that the Congress immediately:

—*Enact legislation to make the illegal manufacture, sale or distribution of LSD and other dangerous drugs a felony and the illegal possession of these drugs a misdemeanor.*

—*Provide funds to increase the number of Federal narcotics and dangerous drug agents by more than one-third.*

In addition, I am requesting:

—The National Commission on Reform of the Federal Criminal Laws—an expert and distinguished Commission established by Congress last year—to give its immediate attention to a review of all our narcotics and drug abuse laws, and to recommend a balanced and consistent approach to this problem as soon as possible.

—The Secretary of Health, Education, and Welfare to increase the activities of his Department in the area of rehabilitation of drug addicts, and in alerting young people to the threat addiction poses to their lives.

Finally, and most important, I am today transmitting to the Congress a reorganization plan to transfer the functions of the Bureau of Narcotics and the Bureau of Drug Abuse Control to the Department of Justice.

There, in a new Bureau of Narcotics and Dangerous Drugs, these functions can work together with greater effectiveness and efficiency. This step implements the recommendation of the Hoover Commission of 1949, and of the 1963 Presidential Advisory Commission on Narcotics and Drug Abuse.

The new Bureau of Narcotics and Dangerous Drugs would be in a strong position to:

—Use the experienced manpower of the two existing Bureaus more efficiently by avoiding duplicating and overlapping investigations,

—Economize by consolidating regional offices,

—Provide a single channel of communications with State, local and foreign narcotic control authorities, and

—Improve liaison with the Organized Crime Section of the Department of Justice, and thus strike at an important aspect of organized crime—the illegal drug trade.

10. *Riot Control.*

Last summer many of our cities were shaken by disorders that cost scores of lives and millions of dollars in damage.

All Americans have thought about and discussed the causes of this national tragedy. We know the answers are complex. For this reason, I appointed, last August, a National Advisory Commission on Civil Disorders, and charged its members with three questions:

"What happened?"

"Why did it happen?"

"What can be done to prevent its happening again and again?"

We await their report and recommendations.

But there is no need to wait before protecting society against those who would tear it apart for whatever purpose.

I propose the Federal Anti-Riot Act of 1968.

This new law will make it a felony, punishable by up to 5 years in prison, for any person to incite or organize a riot after having traveled in interstate commerce with the intention to do so.

This is a narrow and carefully drawn bill. It does not impede free speech or peaceful assembly.

It is not a solution to our urban problems. But it does give the Federal Government the power to act against those who might move around the country, inciting and joining in the terror of riots.

This bill does not involve the Federal Government in dealing with disturbances that are locally incited and properly a matter for State and local authorities.

I urge those authorities—the Governors and Mayors of this Nation—to review carefully their State and local anti-riot laws to make certain they provide effective protection for their citizens.

This new law should be coupled with the Federal Firearms Bill. Both seek a common end—to reduce crime and disorder in our cities by restricting the interstate movement of two causes of death and destruction—the criminal agitator and the gun.

11. *Organized Crime.*

Organized crime is big business in America.

Its sinister effect pervades too many corners of America today—through gambling, loan sharking, corruption, extortion, and large movements of narcotics.

The Crime Commission reported:

> Organized crime is a society that seeks to operate outside the control of the American people and their governments. It involves thousands of criminals, working within structures as complex as those of any large corporation, subject to laws more rigidly enforced than those of legitimate governments. Its actions are not impulsive, but rather the result of intricate conspiracies, carried on over many years and aimed at gaining control over whole fields of activity in order to amass huge profits.

These conspiracies have taken over legitimate businesses. They have attempted to invade the councils of our cities.

It is clear that sporadic, isolated, uncoordinated attacks on this disciplined army of the underworld cannot obtain lasting results. Organized crime can be defeated only by organized law enforcement.

Under the direction of the Organized Crime and Racketeering Section of the Department of Justice, a "Strike Force" program has recently been initiated. Experienced investigators and attorneys from several Federal departments and agencies work together in a campaign concentrated on a single, organized criminal syndicate in a particular geographic area.

Strike Force Number One, centered in a large northern city, used skilled investigators from the Bureau of Narcotics, the Customs Bureau, the Secret Service, the Department of Labor, and Internal Revenue Service and the Federal Bureau of Investigation. This Strike Force, in cooperation with Canadian and local officials, was responsible last year for Federal indictments of 25 underworld figures.

Additional strike forces are now being formed. Within the next few months they will be moved, without public notice, into several parts of the Nation where organized crime now flourishes.

I have directed the Attorney General and this Government's law enforcement agencies to give his program the highest priority. Funds are included in my budget to support these additional Strike Forces.

STRONGER CRIMINAL LAWS

12. *Gambling Laws.*

Gambling provides the major source of revenue for organized crime. It is vital that the Government have statutory means to play a leading role in striking at illegal gambling activities.

The federal wagering tax produces needed revenue for the Federal Government from a source that is highly appropriate as long as illegal gambling flourishes. It is important that this tax, imposed by the Congress, be collected efficiently, and without infringing the constitutional rights of taxpayers.

I recommend that our gambling laws be strengthened this year.

First, we should broaden the law to make it a Federal crime to engage in gambling as a substantial business affecting interstate commerce.

Second, the Federal Wagering statute should be modified to preserve this valuable taxing authority in a form that does not raise constitutional problems.

These legislative proposals will be sent to the Congress shortly. *I urge their prompt consideration.*

13. *Immunity Legislation.*

Last year I requested immunity legislation to compel the giving of testimony concerning activities having strong links with organized crime. This kind of authority has proven its value in the past, but its current scope is limited. *I renew my proposal that immunity legislation be extended to the Racketeering Travel Act, to the Obstruction of Justice statute, to the criminal bankruptcy law, and to*

matters involving bribery, graft, and conflict of interest.

14. *Effective Prosecution.*

Today, the prosecution in a Federal criminal case cannot appeal when a District Court grants a pre-trial motion to suppress evidence. In many cases, the suppression of that evidence may effectively terminate the prosecution.

The House of Representatives has enacted legislation authorizing the Government to appeal such orders when they believe an appeal is justified.

I ask the Senate to pass this legislation promptly.

15. *Gun Control.*

We cannot control crime without controlling the random and wanton distribution of guns.

There is little need to restate the arguments for taking this action. We must stop what amounts to mail order murder.

Newspapers and radios proclaim each day the tragic toll of death and injury caused by firearms. An estimated 750,000 Americans have died by this means since 1900—far more than have died at the hands of all our enemies in all the wars we have fought.

Once again I urge the Congress to enact the bill I proposed last year to:

—*Prohibit interstate mail order sales and shipments of firearms, except between Federal licensees.*

—*Prohibit over-the-counter sales of handguns to out-of-state purchasers.*

—*Regulate the sale of firearms to minors.*

—*Further regulate the importation of firearms into this country.*

As I said one year ago:

"This legislation will not curtail ownership of firearms used either for sport or self-protection. But it will place a valuable restraint on random trade in handguns—the use of which has more and more characterized burglaries and other crimes."

We know the facts. Failure to act upon them is irresponsible.

NEW STRENGTH FOR LAW ENFORCEMENT

16. *Additional Federal Anti-Crime Officials.*

Since 1960, the pending criminal caseload in the Federal system has increased by 90%. The total number of grand jury proceedings has grown by 31%. The total number of appeals has grown by 133%. During this period the number of District Court judges increased by 40%.

But the total number of Assistant United States Attorneys—the men throughout the country who bring the people's cases to court—increased by only 16%.

I am requesting the Congress to provide funds to enable us to add 100 additional Assistant U.S. Attorneys in offices around the country.

I am also requesting funds for more than 100 additional agents for the Federal Bureau of Investigation, and for a substantial increase in the number of lawyers for the Criminal Division of the Justice Department.

EFFECTIVE CRIME CONTROL IN AN AGE OF TECHNOLOGY

At its heart, the law enforcement problem has always been—and will remain—a human problem. Wretched living conditions produced high crime rates a century ago in immigrant neighborhoods. Today, slum conditions are producing equally serious crime problems among the new immigrants to our cities.

We have dedicated ourselves to change those conditions—and we shall.

But our responsibilities require us to find more immediate solutions to the rising crime rate, that will help us maintain order while we build better foundations for urban life.

17. *Improved law enforcement communications.*

The Crime Commission Report showed that the ability of the police to make an arrest often depends upon the time within which affected citizens contact them, the speed with which radio messages can be transmitted, and the response time of neighborhood police.

In spite of our advanced technological knowledge and capacities, it often takes many minutes for help to reach a citizen. Further, communications facilities for essential emergency services in many metropolitan areas are over-crowded and out of date.

To implement a four-point program to improve law enforcement communications:

—I am instructing the Attorney General to cooperate with the Federal Communications Commission, local law enforcement authorities, and the telephone companies to develop methods to make the ordinary telephone more effective for summoning police aid in times of emergency. Such a step, recommended by the Crime Commission, was recently endorsed by the largest telephone company in the Nation.

—I have requested the Federal Communications Commission to give the highest priority in the allocation of new radio channels to police and other emergency services in our largest cities.

—I am asking the Presidential Task Force on Communications Policy, established last August, to undertake a study to determine the total public safety radio-communications requirements and present capabilities in selected metropolitan areas.

—I am directing the Attorney General and the Secretary of Defense to develop a prototype, low-cost, lightweight personnel radio, which can be used by patrolmen throughout the Nation.

18. *Modern Weapons and Equipment.*

Revolvers and nightsticks are clearly inadequate for the many different crises faced by the police. New weapons and chemicals—effective but causing no permanent injury—have been and are being developed.

But too little is now known about their potential to preserve order while protecting lives. Too little is known about their limitations.

I am instructing the Director of the Office of Science and Technology, working with the Attorney General and law enforcement officials, to study these new weapons and chemicals and other new techniques in crime control. The results of this study will be made available to enforcement agencies throughout the country.

19. *Bank Protection.*

We must bring modern crime detection and protective equipment into our banks.

Robberies of financial institutions have increased continuously in the past decade.

In 1955 there were 526 robberies committed against financial institutions protected by Federal law. In 1966 there were 1,871 such offenses—an increase of about 250%.

Silent alarms and camera systems now exist that can both deter these crimes and aid in investigation and prosecution. Yet many financial institutions have not yet installed them.

I urge the Congress to enact a Bank Protection Act of 1968, to direct those Federal agencies with responsibilities for banks and savings and loan institutions to issue regulations requiring the installation, maintenance, and operation of appropriate protective systems.

20. *Auto Theft Prevention.*

We must reduce the great number of automobiles that are stolen each year.

Auto theft is the third most frequent, and the second most costly crime in America.

It is a crime that involves the young. Over 60% of all auto thefts are committed by persons under the age of 18. This is often the first step in a life of crime—a first step that might be easily prevented.

A principal device in auto theft is the so-called "master key," which can be used to start a car's ignition. These keys are advertised. They can be ordered by mail.

I propose the Auto Theft Prevention Act of 1968, to prohibit the advertisement, mailing and shipment in interstate commerce of motor vehicle master keys and information and devices from which such keys can be made.

This Act, together with auto safety regulations proposed by the Secretary of Transportation—which would require anti-theft devices to be included in automobiles manufactured after December 31, 1969—should help counter the rising rate of auto thefts. Some of our automobile manufacturers have already announced plans to include such devices in future models.

21. *Model Precincts.*

We must take advantage of our Model Cities program—the most comprehensive urban development program this country has ever undertaken—to promote the goal of effective law enforcement.

The Model Cities program gives us an opportunity to plan ahead for law enforcement in a new environment. Many cities have begun to do so.

I am directing the Secretary of Housing and Urban Development, in cooperation with the Attorney General, to require each of the 63 cities now included within the Model Cities program, as well as any new grantees, to include within its total program a well-designed system for crime prevention and control. These could include such items as:

—Establishment of model precincts.

—Improvement of police-community relations.
—Creation of effective recruitment and training centers.
—New programs for youthful offenders.

The Model Cities program gives us an opportunity to create safe streets in safe neighborhoods through more effective crime prevention and law enforcement systems. We must seize that opportunity.

22. *Right to Privacy.*

We must protect the American people against a new threat to one of our oldest and most precious rights—the right of personal privacy.

The principle that a man's home is his castle is under new attack. For centuries the law of trespass protected a man's lands and his home. But in this age of advanced technology, thick walls and locked doors cannot guard our privacy or safeguard our personal freedom. Today we need a strong law—suited to modern conditions—to protect us from those who would trespass upon our conversations.

Last year I recommended to the Congress the Right of Privacy Act. *I urge the Congress to enact this legislation this year.*

CRIME CONTROL—A TASK FOR ALL AMERICANS

This 22-point program will, if adopted and put fully into practice, make the conditions of life for most law-abiding citizens safer, and thus freer and happier.

But in implementing it we must remain aware of its limitations, as well as its goals:

It is not a substitute for action by local law enforcement officials. The job of law enforcement—the basic responsibility—is for the local police, the local mayor, the city council, in short the people of our towns and cities.

It is not an answer to the frustrations of many young people. But it will help to steer thousands of young offenders to more productive lives.

It is not a solution to the illnesses of alcoholism and drug addiction. But it will enable us to deal with them more effectively.

It is not an answer to the blight of our cities and suburbs. But it will help to make our metropolitan areas more livable.

It does not establish a national police force, but it will help enable the Federal government to do its part well.

The Nation needs vigorous and substantial programs to meet the challenge of crime on all levels of Government—but most importantly at the local level where it affects us all most immediately and most directly.

There are some who view the crime problem in racial terms. The facts belie this. Crime affects all Americans. It is not a problem of rich against poor or white against Negro, because the hard facts show that crime victimizes most severely and most directly those in poverty and those in minority groups.

No people need or want effective and fair law enforcement more than those who live in our crowded inner cities.

For all Americans we must improve and strengthen our law enforcement system.

Speeches and strong words and good intentions will not solve our Nation's crime problem.

This message will not solve our Nation's crime problem.

Only action will be effective to control crime in the cities and states of our country: action at the local level, action at the state level and action by the Congress of the United States.

Today I pledge the resources of the Federal Government to support the governors and mayors of our Nation in an all-out war against crime.

I urge the Congress to join with me by passing the legislation I have recommended in this message.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968.*

The message was, without objection, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee of the Whole House on the State of the Union and ordered to be printed.

THE JOHNSON STRATEGY TO FIGHT CRIME AND VIOLENCE

Mr. McCORMACK. Mr. Speaker, the President has proposed to us nothing less than a total strategy to control crime and violence in our country.

The 20-point program outlined in the President's message is clear and necessary. It touches every area of strife, crime, and disturbance in our society.

The President very clearly recognizes that there must be an adequate mix of control and reform measures if we are ever to get at the roots of the crime problem.

And so he has proposed a Safe Streets and Crime Control Act which would give local law enforcement officials new tools and resources to combat crime in the community.

The President has asked for an antiriot bill. He has asked for tougher legislation against drug use and distribution. And he has reaffirmed his public call for a strong gun control bill.

But he is also interested in the reform of corrections methods; in a full-scale review of our corrections laws; in the need for new institutions for the rehabilitation of youthful offenders, and in research into new weapons and controls for police.

This is the most intelligent approach to crime problems in years.

The President is not content just to make speeches against crime. He has presented a program to attack the roots and manifestations of crime. And the Congress ought to approve this Johnson anticrime strategy as soon as possible—and vote the needed funds to implement it.

Mr. ALBERT. Mr. Speaker, President Johnson has submitted the most comprehensive crime control proposals in the history of Congress.

The President's requests, if enacted, will provide a badly needed lift to the Nation's total effort to curb the rising crime rate.

These are thoughtful, carefully studied proposals that focus on areas of the greatest need in improving crime control techniques and enforcement procedures. I feel certain that the President will be strongly supported by the Nation's crime prevention officials, as well as by the overwhelming majority of the American people.

These proposals—from strengthening narcotics control laws to urging an auto theft prevention act—are among the most urgent matters to be considered by Congress this year.

I feel certain that the 90th Congress will act promptly and sympathetically to enact President Johnson's anticrime proposals. In this field, there can be no delay or indifference. For the forces that breed crime must never be allowed to overwhelm those who place their trust in law and order.

And President Johnson has served notice today that crime can—and shall—be vanquished by a determined and resolute people.

Mr. MURPHY of New York. Mr. Speaker, we face a sinister threat to the domestic tranquillity and security of our country. I acclaim the President for pointing out the threat by the forces of organized crime. The Task Force on Organized Crime of the President's Commission on Law Enforcement and Administration of Justice has revealed a sordid picture of the intricate and cunning activities of the crime syndicates. Through gambling, loan sharking, narcotics peddling, extortion and prostitution, the hidden lords of crime corrupt police, prosecutors, judges, city officials, State legislators, college and professional athletes, and exert a pervasive influence on the Nation's economical and political life. Although gambling is the single greatest source of income for organized crime, probably one of the most perverted and lucrative activities engaged in today by the minions of organized crime is the peddling of narcotics and other dangerous drugs. Many of the sales are to our young people. Here the evil of underworld crime can have one of its most serious impacts. The person who peddles drugs to our children is the true modern-day slave master who transports the young into a lifetime of addiction. I want to express my support of the proposals in the President's crime message pointed to a coordinated law enforcement effort against organized crime.

Mr. ANNUNZIO. Mr. Speaker, I applaud the President's message on crime.

The President has now begun to implement the recommendations of his Commission on Law Enforcement and Administration of Justice. While the President realizes, as he stated in March of 1966, that "ancient evils do not yield to easy conquest," his proposals—if enacted—will be a first step in the battle.

The Federal Government cannot solve the problem of crime in America. The President recognized this in his state of the Union message. But the Federal Government can—as it has done in the past—point the way to reform and innovation for State and local enforcement agencies.

The President's proposals concerning drug abuse control, firearms restrictions, organized crime, safe streets, and aid and assistance to local law enforcement are a recognition of the role the Federal Government must play if we are to conquer this national malignancy.

As the President's Commission on Crime stated:

> There is much crime in America, more than ever is reported, far more than ever is solved, far too much for the health of the Nation. Every American knows that. Every American is, in a sense, a victim of crime.

The Commission concluded by saying that:

> America must translate its alarm about crime into actions that will give the criminal justice system the wherewithal to do the job it is charged with doing.

The President's recommendations are the type of actions that America needs in its war on crime.

Mr. BOGGS. Mr. Speaker, President Johnson's anticrime message to Congress is a call to national action to make a safer America our first order of business.

Each year, criminal acts cause injury and death to thousands of innocent citizens and destruction to billions of dollars of property. Organized crime drains incalculable resources from our productive economy and from our honest businessmen.

Yet, while our crime rate has soared, our system of criminal justice has been sadly neglected. Local law enforcement officers are often under financed and ill equipped; juvenile delinquency is often handled in an archaic manner; and organized crime has invaded more and more of America.

America cannot long afford to pay this tragic cost. Through President Johnson's comprehensive anticrime programs we can make an investment in a better, more secure future.

The President's sweeping anticrime program deals with all the major areas of concern in the criminal field—ill-equipped police forces; rising juvenile delinquency which affects thousands of American youngsters; recurring alcoholism and drug abuse which threatens the health of our people; and pervasive organized crime.

Moreover, the President's new programs will seek closer coordination of Federal anticrime efforts; a strengthened and unified corrections system; and new laws to stem the rising tide of bank robberies and auto thefts.

We too must heed this call and act in the national interest by enacting the anticrime program.

Mr. BLATNIK. Mr. Speaker, once again the President of the United States has spoken out against the criminal element of our society. Once again he has asked the Congress to respond to the needs of the people and to enact measures which will provide for a meaningful effort toward a safer Nation. The President has my compliments on this program—and he has my support.

The law-abiding citizens of this country must be safe to be on the streets of our cities. Our children must be safe to play in our parks. Our businessmen must be able to devote their time and resources to productive efforts rather than prevention of theft. We must enact the measures necessary to accomplish these goals. Support of the President's program should be a matter of immediate action for the Congress.

Mr. McCLORY. Mr. Speaker, I am much impressed by portions of the message on public safety received from the President in the House of Representatives today.

In my opinion, the President, in recommending amendments to the Law Enforcement and Criminal Justice Assistance Act of 1967, appears to have adopted the substance of title III as amended in this House and passed overwhelmingly by the House membership.

As the principal sponsor of the substitute title III, I particularly wish to commend the President on his references to an expanded role by the Federal Government in the training and education of law enforcement officials.

While the measure passed by the House reposed this function in a National Institute of Law Enforcement and Criminal Justice operating through regional institutes, it is possible that similar objectives may be fulfilled by the Federal Bureau of Investigation—as recommended by the President. I was pleased to note the President's approval for "substantial financial assistance" for the development of State and local law enforcement training programs.

Additional parts of the amendments proposed by the President also appear to be consistent with the House-passed title III. In this regard, I cite the President's support for a National Institute of Law Enforcement and Criminal Justice to develop a major Federal research program for the application of the most advanced scientific and technological devices in improving law enforcement.

Indeed, much of the President's message reflects programs and objectives advanced by the Members of this House at the first session of the 90th Congress. I do not criticize the President for his change of position in adopting programs initiated by the House. On the contrary, I congratulate him for his willingness to embrace the reasonable and necessary steps he has announced.

Mr. SCHEUER. Mr. Speaker, the President in his message on crime has given the Congress a forceful and timely assessment of the steps which must be taken to combat the mounting incidence of crime.

Crime is a matter of urgent public concern. It is a major domestic problem requiring an immediate and comprehensive action program. The President's Crime Commission, after thorough research, recommended a substantial program of Federal assistance to State and local law enforcement agencies. This recommendation is incorporated in the Safe Streets and Crime Control Act. It must be implemented now. Every day that we fail to act, the problem grows another step beyond us.

The Safe Streets and Crime Control Act will provide substantial Federal financial assistance and guidance to State and local governments in the field of law enforcement. It will not, however, infringe upon the autonomy of these agencies. The war against crime will remain, as it is now, primarily the responsibility of State and local government. The Commission found, and I believe all of us will agree, that these State and local governments do not now have sufficient resources to meet the problem. Community law enforcement agencies themselves have requested the assistance which the Safe Streets Act will provide.

Last year the House passed my amendment to the Safe Streets and Crime Control Act creating a National Institute for Criminal Justice. This legislation now pending in the Senate under the sponsorship of Senator EDWARD F. KENNEDY, would provide a central research bureau within the Department of Justice. Such a facility would have the resources to apply contemporary technology and the behaviorial sciences to the problems of crime prevention, detection, and data collection, as well as our rehabilitation and corrections system.

I congratulate the President on his statement and I urge each Member of Congress to work for the prompt passage of the Safe Streets Act.

Mr. GARMATZ. Mr. Speaker, the President of the United States has asked the Congress to legislate against crime. We must give him our support. We must make every effort to improve our law enforcement facilities so that the risk of apprehension alone will deter one from a career in crime.

Respect for the law by all members of our society will be assured only when there is respect for all of our law enforcement officials. A well-trained and a well-equipped officer commands respect. We can make progress toward this goal through programs which have been set forth by the President. This, coupled with the strengthening of the Federal criminal statutes, can do much to restore a sense of safety and security to the people of this country. It is essential that we do so.

The President's Commission on Law Enforcement and Administration of Justice has made a report which cites many areas of need. That Commission has also made suggestions for meeting that need, some of which are embodied in those programs presented by the President. It is not enough that we are shown the need and given direction, we must fulfill our responsibility by acting upon these vital measures.

I congratulate the President in the part that he has done. He has my full support.

Mr. DINGELL. Mr. Speaker, I want to commend the President for presenting to the Congress a strong and meaningful program for a war against crime.

A poorly trained and ill-equipped law enforcement officer is an ineffective and costly answer to the problem of crime. Technological advancement and expanded training facilities can be made available to every level of law enforcement. The President has proposed this and it is our responsibility in Congress to see that such is made available.

We can no longer ignore the fact that crime in many of its aspects is no longer merely a local problem. Modern communication and transportation facilities have made it possible for criminals to organize and range far and wide across the country. Crime does not respect State lines.

Thus, there is a need for attention to these problems by the Federal Government. The Federal Government must

provide the ways and means, in cooperation with State and local authorities, to gain an early solution to the problem of organized crime.

The President has pointed out the direction which should be followed. He has my support in almost every particular.

Mr. ANDERSON of Tennessee. Mr. Speaker, the President, in his message on crime, has delivered to this body the best and most comprehensive proposals on crime and lawlessness of any President in American history.

It is true that the architects of the war on crime should be bipartisan. But it is also true that the Republicans seek to exploit this as a national political issue, while offering no constructive solutions on their own.

President Lyndon B. Johnson, through his timely and forthright action, as clearly evidenced in this message, has proven his ability—not merely to react to serious problems—but to find solutions.

Speaking politically, the Republicans expected to find some teeth in this matter, again without projecting solutions. Lyndon B. Johnson has just extracted 32 Republican teeth, by his highly constructive and statesmanlike proposals.

The President in his message on crime today while recognizing that law enforcement lies primarily with local police systems, pointed out that the Federal Government can and must assume a strong role in supporting the States in their fight against the increase in crime.

Under the safe streets and crime control bill there was provision for the Federal Government to make grants to State and local governments for the improvement and development of procedures to fight crime. The President has now suggested the amendment of this legislation to include Federal assistance for the education and training of law enforcement officials. It would seem to me to be ideal to expand the present Federal program for training State and local law enforcement officers and to encourage the development of training and education facilities to aid in the procurement of more efficient State and local law enforcement officers.

The President calls for a specific program of fellowships, student loans, and tuition aid. Such a program has already been drafted into legislative form: It is H.R. 6628, the law enforcement education bill, which has received the vigorous support of the International Association of Chiefs of Police, the American Legion, the mayors of 25 of our largest cities, and scores of colleges, universities, and police agencies.

H.R. 6628 is a proposal to put 110,000 man-years of new specialized higher education into the war on crime during the next 4 years. It is a Government-funded education program for the law enforcement professions with very strong recruiting provisions. The effective humane focus of this bill is on the police officer with badge and gun on the streets, in the station house, and in the investigative and managerial branches.

The President is to be commended for his recognition of the tremendous importance of specialized education and training in any effective war on crime. He clearly merits our support in this recognition.

Few, if any, professions are so centrally responsible for the preservation of civil stability and public order in this time of accelerating social change as that of the policeman. Few, if any, professions are so crucially charged with individual responsibility as that of the policeman. Few, if any, professions are more demanding of well-informed, clear, sound judgment in so great a variety of fields and situations, under such conditions of stress as that of the policeman.

If these generalizations are true—and I have personally encountered no one who has challenged them—then it follows that, for the Nation at large, few if any professions have a greater need of, or a higher priority claim upon, higher education. The sobering fact is that most of the American law enforcement profession is presently operating at an educational disadvantage to the society it is asked to police, and the trend is not improving. Now I believe that it can be demonstrated that this unbalance between the need and the supply of higher education in law enforcement is a situation loaded with trouble, both present and potential. It adversely affects performance, professional confidence, public image, recruiting, pay raises, and other forms of career compensation. Conversely, the remedy to this unfilled need offers the prospect of gains in across-the-board competence, enhanced public respect and professional pride, a markedly improved recruitment position, better community relations, and a powerful stimulus for higher pay scales.

If there is any group of men in our society whose higher education the citizen would reasonably wish to insure, is it not that select group to whom is entrusted the unique authority and responsibility to employ legitimate force in the name of government?

The President has demonstrated excellent analytical qualities and commendable foresight in recommending this educational mechanism for securing the continuing supply of first-rate manpower to sustain a successful war on crime.

Mr. BROWN of California. Mr. Speaker, crime is not just a big city problem. It is a problem of our small towns and of our suburbs as well. Crime is increasing faster in the smaller cities than it is in metropolitan areas and smaller cities are hard pressed to cope with the problem. They do not have sufficient experience in crime prevention and control; they have smaller police forces with less equipment, less training, and expertise. They must have help: the administration's safe streets bill will provide it. The Safe Streets Act will support more and better training for their police forces, assist them in improving their operations and provide technical assistance and model programs for them to follow. It will also provide planning grants that will encourage units of local government, or the State government and units of local government to join together to map out a concerted attack on crime.

Since the fall of 1965, the Federal Government has been engaged in a pioneering effort which has laid the groundwork for the safe streets program. Under the Law Enforcement Assistance Act, $17.5 million in grants have been awarded to law enforcement and criminal justice agencies. The safe streets program will be a broader, more comprehensive program that will build upon this modest beginning and permit wide-scale attack upon the crime problem.

It is the keystone of the national strategy against crime which was outlined today in the President's crime message. The time for its passage is now.

Mr. DONOHUE. Mr. Speaker, the President's message today, to the Congress and the country, on the vital subject of public safety is truly an expression of national determination to promptly initiate adequate action to reduce crime in the United States and provide a safe environment for all our citizens.

In his comprehensive recommendations the President has outlined programs that merit the cooperative study and implementation of all of us who believe the time is overdue for less discussion and more immediate, meaningful action.

Toward this end it would certainly appear that a reasonable commitment of Federal funds in a multi-grant, varied program plan of assistance to the States and communities throughout the country to help combat and reduce the frightening acceleration of crime, especially by and among our youth, is not only economically feasible but it would be a priority investment of foremost wisdom and prudence.

Although there may be sincere differences on some few Presidential recommendations, there can be little if any doubt that the overall program and objective, to insure the public safety, deserves the fullest cooperation of the Congress in legislatively dealing with a problem of urgent and major national significance and I am sure the Congress will extend such cooperation in the public interest.

Mr. RODINO. Mr. Speaker, an unfortunate concomitant of our increased urbanization is the mounting incidence of criminal conduct. Crime threatens the freedom of our democratic system, and an atmosphere of fear pervades the lives of many decent, law-abiding citizens. The National Crime Commission reported the shocking fact that one-third of all Americans consider it unsafe to walk alone at night in their neighborhoods. This is inconsistent with the ideals of our country.

The President's message to Congress reflects the concern of the vast majority of Americans who demand Federal action against this paramount domestic problem.

The Federal Government is not impotent to react to this problem. The Safe Streets and Crime Control Act would allow the Federal Government to assist State and local governments in the discharge of their responsibilities. It would provide Federal financial assistance for training, education, research, and development in law enforcement. Primary responsibility for law enforcement, as it should, would remain on the local level. However, the considerable resources of

the Federal Government would be employed to create the excellence in law enforcement systems needed to curtail crime in our communities.

I am happy to indicate my support of the President's most comprehensive and essential program to combat crime.

Mr. GALLAGHER. Mr. Speaker, President Johnson's message today, "to insure the public safety," is a significant and meaningful outline of the actions—local, State, and National—that we must put into effect if we are to control crime in America, reverse its rising trend and restore a measure of law and order to our society.

Perhaps the most important single statement in this message, and I might add one of the most obvious, is the emphasis on the responsibility of local police agencies for local law enforcement. As the President so well states:

> The Federal Government must never assume the role of the Nation's policeman.

Not only should the Federal Government never try to assume that role, the Federal Government does not have the ability or constitutional power to assume such responsibiilty.

The President has redoubled his call for an effective firearms control law and laws to protect the citizen's right to privacy. These are matters with which I have been concerned and which I have supported and advocated strongly. I join with the President in calling for swift action by both the House and Senate on these important matters.

Mr. MINISH. Mr. Speaker, the program outlined by the President to combat crime and criminal activities throughout the Nation would provide a desirable and effective method for a combined Federal-State frontal attack on crime.

As the sponsor of H.R. 12034, which is designed to curb the interstate traffic in guns, I was pleased to note the inclusion of Federal gun control legislation in the President's message. The administration recommends more effective controls over interstate transactions in firearms and assistance to the States in controlling the unrestricted flow of firearms within their own borders.

Mr. Speaker, with increasing violence in our major urban centers, we can no longer afford to ignore the need for sensible firearms controls. In public opinion polls taken over the last 3 years, three-fourths of those questioned have consistently favored increased gun control. How many more disasters must occur? How many more Lee Harvey Oswalds are needed?

Specifically, the legislation would—

First, prohibit interstate mail order sale of firearms, except with respect to rifles and shotguns where purchased in person at the seller's place of business and then shipped interstate to the purchaser at his residence;

Second, make it unlawful for a licensee to sell or deliver a handgun to a person under 21 and under 18 in the case of a rifle or shotgun;

Third, prohibit sale or delivery of firearms to persons prohibited by State or local law from receiving or possessing such firearms;

Fourth, prohibit the sale or delivery of a firearm—other than a rifle or shotgun—to a person who is not a resident of the State in which the sale or delivery is made;

Fifth, prohibit interstate transportation of destructive devices, machineguns, and short-barreled shotguns and rifles except between Federal licensees;

Sixth, provide standards and increase license fees for Federal licensees;

Seventh, prohibit interstate transportation, shipment, or receipt of firearms with intent to commit a felony; and

Eighth, provide the Secretary of Treasury with authority to regulate importation of firearms.

This type of legislation poses no threat whatsoever to the legitimate hunter or target shooter. It is, rather, a reasonable attempt to curb the evil of guns—to make it difficult for criminals, for the insane, and for the irresponsible, to arm themselves. The right to life and good health preempts any imaginary right of individuals to buy and use firearms indiscriminately.

Mr. CAREY. Mr. Speaker, the President, in his special message on crime, has again asked the Congress to approve major aid legislation in support of State and local law enforcement. This is the heart of his national strategy against crime, and it is a need which cannot be ignored.

The Safe Streets and Crime Control Act of 1967 is backed by the landmark studies and findings of the President's Crime Commission and by more than 2 years of experience in grant program administration under the Law Enforcement Assistance Act of 1965. It is compelled by national statistics which tell a shocking story of deterioration of public safety and escalation of all forms of criminal activity—street crime, organize crime, white collar crime, civil disorder.

Action by this Congress in 1965 made possible a significant test in the introduction of grant-in-aid and research and administration support to agencies of law enforcement operating in our society and localities. Under the Law Enforcement Assistance Act the Department of Justice has awarded $17.5 million to support over 300 different projects in the areas of law enforcement, courts, and corrections. New research, demonstration, training, and education have been made possible because the Federal Government was willing to help but this has hardly scratched the surface. The time has come for full commitment of resources to the critical problems facing law enforcement and criminal justice agencies.

The cost of crime in America is high, running to $27 billion each year. The cost in human life and suffering is inestimable. The cost for full-scale and prompt support of the President's program is a cost that our society can no longer ignore.

Mr. EILBERG. Mr. Speaker, I wish to congratulate the President for an excellent message on crime. He has given Congress a timely and forceful assessment of the crime problem as it now exists in this country and outlined the steps which must be taken in order to cope with it.

I am particularly interested in the President's discussion of narcotics and dangerous drugs. It was shocking to learn that 5 percent of all urban college students had used LSD at one time or another and 20 percent has used marihuana. The President pointed out trafficking in LSD is a misdemeanor while trafficking in marihuana is a felony. Comparing the seriousness of the offenses, one would be led to believe that marihuana was the more dangerous drug, but actually marihuana is only a mild hallucinogen while LSD is a potent and dangerous hallucinogen. Inconsistencies such as this must be corrected.

The President's message has laid the foundation for the enactment of uniform and comprehensive narcotics legislation. I firmly believe that this legislation is needed and I urge every Member of Congress to give his support to the passage of these bills.

Mr. CORMAN. Mr. Speaker, the problem of crime in this country cannot be overemphasized. I support the President in his efforts to combat the rising rate in crime by a comprehensive plan of action.

We live in a mobile society and few problems remain confined to one geographic area. A spirit of cooperation among Federal, State and local law enforcement agencies is essential if we are to cope with this national problem. The President's program provides for this cooperation as well as for the strengthening and expansion of the local agencies.

I urge all the Members of the Congress to add their support to early enactment of the measures which President Johnson has presented to us. According to the annual report of the Federal Bureau of Investigation, in 1966 a serious crime was committed, on the average, every 12 seconds. We cannot afford to delay.

Mr. JACOBS. Mr. Speaker, for too long, America has neglected its law enforcement responsibilities.

Police and other agencies in our system of criminal justice have been denied the resources and manpower necessary to accomplish the gigantic tasks which we have assigned to them.

President Johnson has today proposed a sound and efficient program for ending this neglect, and building law enforcement agencies which are equal to the tasks confronting us.

The Safe Streets and Crime Control Act can mean a new era in effective law enforcement and a significant increase in public safety.

The threat of crime demands that the Congress accept the President's challenge and pass this legislation promptly.

Mr. TENZER. Mr. Speaker, many foreign and domestic problems currently confront this Nation. I applaud the President for his candid message recognizing that the most critical domestic problems facing our Nation is the acceleration of the commission of serious crimes. I am disturbed, as I am sure we all are, by the rise of the crime rate in our Nation. I am alarmed at the resultant fear which has spread throughout our population. I support, and will continue to support, every effort to resist and reduce this spread of crime and every pro-

gram to alleviate the conditions in which crime and criminals breed.

As the President has indicated in his most recent statement on public safety which contains a 22-point program to combat crime, our serious criminal problems are beyond the capacity of unassisted State and local law enforcement agencies to control. Law enforcement is only as strong as the strength of the local police force and the effectiveness of the individual policeman. If he is not given the means and the incentive to do a good job, it is the law-abiding public that ultimately suffers. The administration's safe Streets and Crime Control Act is the cornerstone of the program and is designed to assist the States in the discharge of their responsibilities.

Public sentiment is strongly in favor of national legislation which will remove the fear for personal safety that pervades the lives of many Americans. We must address ourselves to the underlying causes of crime, while at the same time we must make it clear that no condition justifies criminal conduct and that such conduct will not be tolerated.

Federal assistance must be provided to States and local governments in their fight against crime by encouraging accelerated research and training programs at the local level. The President's proposed Safe Streets and Crime Control Act will strike at the root causes of crime in the United States today. It will strengthen local law enforcement agencies. It will provide for the training of local officers in the techniques necessary for mastering the sophisticated procedures of modern criminology. It will also provide funds for educational programs which will attract competent professionals into this critical field of public service.

Federal legislation such as that proposed by the President today is necessary if we in the United States are to walk the streets without fear. Because of the scope of the crime problem we must provide Federal assistance to the end that an effective partnership may be formed between the Federal, State, and local governments to strengthen the attack on the growing menace of crime in the United States.

This bill is important, in fact, it is essential. It not only aids local governments in meeting the crime problem, but also serves notice that this Government will not tolerate efforts to undermine the law and order upon which our society is founded.

The proposals of the President deserve serious consideration by the Members of Congress. The $100 million appropriation for the Safe Streets Act in fiscal 1969 will provide an acceleration point from which we may attack the problem of crime in the United States. Therefore, we must devote our energies not only to anticrime bills, but also to legislation which goes to the root causes of crime—the clearing of our slums and providing adequate housing for our citizens. While we concentrate on reducing crime, we must not overlook our obligation to eliminate the conditions in which crime breeds. Let us not forget that the society which refused to face up to its responsibility to create total equality, must now bear partial responsibility for the ruins in its urban centers.

The proposals in today's Presidential message seek to strike a balance between the protection of society and the protection of the rights of the individual. The 90th Congress should overwhelmingly approve meaningful and effective legislation to provide the necessary assistance.

There are a number of proposals in the President's message on crime which, upon introduction of the specific bills, will require further study and congressional hearings. But apart from these few proposals, we in the House of Representatives must take immediate action on the legislation proposed today. If our streets are to be free from crime, and our children free from the dreaded scourges of criminals, effective action is required now so that we may meet this national problem which increases every day.

Mr. BYRNE of Pennsylvania. Mr. Speaker, I was heartened by the strong stand the President has taken in his crime message, and want to voice my support for the measures he has proposed to reverse the Nation's spiraling national crime trend. The continuing crime increases cannot be rationalized or tolerated in today's society. The time for concerted Federal action can be delayed no longer.

I am particularly glad that the President has recognized the need for additional legislation to deal with the staggering volume of automobile thefts which continues to rise. The FBI's annual report for 1967 indicates 4,794 convictions for stolen vehicles in the fiscal year, under Federal law alone. Many of the offenders against Federal or local auto theft laws are juveniles, because this crime, above all others, involves the youth of the country. Although auto theft is not so heinous a crime as murder, rape, or armed robbery, it is a problem which demands immediate attention.

Although many of the stolen vehicles are recovered, the average financial loss for each recovered is approximately $200. These losses, added to the total losses from stolen autos which are not recovered, place the overall loss from theft at over $140 million each year.

More than 50 percent of all auto thefts are committed by youngsters under the age of 18. The consequences of a "joyride" in a "borrowed" vehicle are often arrest, trial, conviction, and a criminal record, which carries with it a stigma, and difficulty in obtaining employment.

In addition to being a serious source of crime and juvenile delinquency, auto theft constitutes a menace to highway safety. The fleeing auto thief endangers the lives of innocent citizens on the highway. Furthermore, the stolen auto often becomes a vehicle for the commission of a crime such as burglary, armed robbery, or kidnaping.

One measure we can take toward the reduction of auto theft is to prohibit the transportation of so-called master keys for motor vehicles in interstate commerce. By the use of these keys, which are readily obtainable to anyone and everyone through mail order sales, a person can operate the ignition of most cars manufactured in the United States. Several important steps are being taken by automobile manufacturers to discourage motorists from leaving their cars unlocked. But such measures will be of little avail if cars can be entered by readily obtainable master keys.

I have introduced legislation, H.R. 13226, which makes it a criminal offense to introduce or manufacture for introduction in interstate commerce so-called motor vehicle master keys, or to disseminate in commerce any advertisement for the sale of these items. Criminal penalties should be prescribed for the violations of the proscriptions.

Mr. TAYLOR. Mr. Speaker, I was pleased that President Johnson pledged an escalation in the war on crime. In my judgment the most serious problem facing our Nation is crime in the streets or the breakdown of law and order. Major crime increased 16 percent during the last 9 months, 48 percent during the last 6 years, is increasing six times as fast as our population. We cannot go on like that.

The criminal has received all of the protection to which he is intitled under the Constitution. The Supreme Court has seen to that. Now is the time for Congress to protect the rights of law-abiding citizens.

In my judgment the Nation has stood for almost 200 years because we are a nation of laws that we have been willing to enforce. Immediate and decisive force must be the first response to law violation, including riots and planned massive violations. The certainty of punishment is still the best deterrent to crime.

I was especially pleased that the President called for a tough antiriot law. I introduced such legislation early last summer and gave it strong support when it passed the House. We must find a way to curb those irresponsible individuals who have the arrogance to place themselves above standards of civilized society and to openly deny established principles of law and order.

I will give strong support to legislation curbing the sale of LSD and other drugs.

I was particularly gratified to find that there was included on the President's agenda, legislation to require that federally insured banks and savings and loan associations install and operate devices and procedures to discourage robbery and burglary, and to assist in the apprehension and conviction of the criminals responsible for such crimes.

From time to time we see in the newspaper a dramatic photo of a robber caught redhanded in a bank holdup, and learn of his subsequent identification and apprehension as a result of this photographic evidence. Only recently our Metropolitan Washington area newspapers carried photographs of an armed bandit taken by a hidden camera in a bank holdup in nearby Prince Georges County. The robber had unknowingly been photographed as he stood waiting in line before a teller's cage.

These reported incidents tend to give a false impression that equipment such as silent alarms, hidden cameras, and concealed microphones is now considered

standard for banks and other repositories of large sums of money. But such is not the case. The FBI has reported in a recent publication, entitled, "Assaults on Banks," that many financial institutions lag behind retail establishments in the protection they provide against robberies, burglaries, and larcenies.

The crime statistics indicate that whatever protective measures are in use are inadequate. The Bureau reports that violations of the Federal bank robbery statute rose in the calendar year 1967 to 2,551, from last year's previous all time high of 1,817. This indicates an increase of approximately 30 percent.

There is at present no law which requires Federal agencies to oversee or approve the security measures which are adopted by the banks and savings and loan associations which they supervise for other purposes. Clearly the Federal Government can direct the appropriate supervisory agencies to promulgate and enforce rules and regulations establishing minimum standards with which each bank or savings and loan association must comply with respect to the installation, maintenance, and operation of security devices and procedures. There is a need for legislation to require them to do so.

Mr. ASHLEY. Mr. Speaker, crime in the United States is a matter of major concern—crime and juvenile delinquency are on the increase in all of our communities. None of our traditional criminal justice institutions are capable of meeting the present challenges without meaningful Federal assistance. The Presidential crime message points out the need for a continuation of the Federal-State-local partnership instituted under the Law Enforcement Assistance Act of 1965.

The Law Enforcement Assistance Act as proposed by President Johnson and as enacted by the Congress has provided over 300 State and local police, court, and correctional agencies with assistance so that they could carry out research, demonstration, and action programs.

Crime in our streets is now a big business. Crime prevention must also be a big business and like big business it must turn its attention to research and development if it is to cope with the problem. We must seek new methods and techniques for law enforcement—and more importantly we must seek the best in men and material for our law enforcement agencies.

This administration has examined the nature and extent of crime in America in an unprecedented way—two Presidential commissions have drawn upon the best judgments of our most knowledgeable experts; their recommendations are a matter of record. The President now asks that we enact the Safe Streets and Crime Control Act of 1968 as an immediate step against crime. The act will provide for long needed funds and will assist our local governments in meeting their most crucial problem. The Congress should take prompt action to secure the public from the ever increasing crime menace. The President deserves the highest praise for his perseverance in the war on crime.

Mr. ADAMS. Mr. Speaker, President Johnson has presented Congress with the tools for dealing meaningfully with the problems of crime in America.

The President's anticrime proposals offer the opportunity for significant advancement in rooting out crime, in guarding the public against lawbreakers, and in modernizing our enforcement procedures and facilities.

I believe Congress will react quickly and positively to these important proposals and provide the American people with the needed protections they want and deserve.

Mr. WHITENER. Mr. Speaker, I commend the President for his emphasis upon the crime problems facing America today. His message on crime is a constructive one and I urge my colleagues to give immediate attention to his suggestions.

There are many and varied opinions as to how our Nation can meet the growing problem of crime. The President has stated his views with clarity. If others in the Government, and particularly in the Congress, have varying views it is my hope that they will state them promptly in order that those of us serving on the Judiciary Committee may evaluate each idea. This is the least that we can expect.

It is my belief that partisanship should not be involved in meeting our responsibility in combatting crime. Crime is not partisan in its devastating effect upon individuals and the body politic. It is a problem and threat to every American. We must so treat all legislative proposals dealing with the subject.

The President is correct in stating that law enforcement is basically a local and State responsibility. Excluding strictly Federal criminal offenses, we must preserve the jurisdiction of the local authorities. But, this does not mean that the Federal Government has no role to play in stimulating local agencies to improve the structure and methods of law enforcement. Much can be done by the Congress to assist the President as he seeks to improve the chances of every American to safely walk the streets and carry on his day-to-day activities.

I assure the President and every citizen of our great country that I shall give full and careful consideration to the proposals that have been and will be offered to improve our American life by combatting the criminal element which constitutes one of our most pressing problems today.

Mr. THOMPSON of New Jersey. Mr. Speaker, the President's Commission on Law Enforcement and Administration of Justice has done a comprehensive study of crime in our society. That Commission has pointed out in its report that while alarm about criminal activities has most often been localized, many circumstances now call greater attention to crime as a national, rather than a purely local, problem. I commend the President for his message on crime. His earlier messages have outlined an attack on this national problem. He is presently expanding those proposals and it is our responsibility as legislators to see that those proposals are carried out.

We are all concerned when there are criminal activities in our own communities. However, our responsibilities to our communities are not fulfilled until we have made every effort to eliminate the threat of violence and corruption through every means available—local and national. I believe that the President's program is a comprehensive one and I urge full support and early action on these measures by the Congress.

Mr. BRASCO. Mr. Speaker, I want to congratulate the President on his program to combat crime. We cannot afford to delay in enacting the measures which he has proposed to the Congress. Crime is a costly matter. It is costly in lives, resources, and emotions. It is costly in dollars.

The economic impact of crime was a subject of study for the President's Commission on Law Enforcement and Administration of Justice. The results are staggering. Business alone loses more than $2 billion annually from crimes for which losses can be estimated. The emotional costs and the cost in American lives cannot be estimated with any real accuracy, but is one which we cannot afford to ignore. Our efforts must be directed toward better law enforcement in this country.

The President has requested a program by the Congress that could have a real affect upon this widespread problem. We must now follow his leadership and take early action on this vital legislative matter.

Mr. WILLIS. Mr. Speaker, the President's significant proposals for crime prevention reflect the national concern regarding the rising crime rate. Recent summers have been marred by urban unrest climaxing in vicious and destructive riots. It is no longer possible to say that these are issues of exclusively local cognizance. While law enforcement must remain the primary responsibility of State and local governments, the Federal Government can use its vast resources to stimulate improvement in the war against crime and respect for law and order in the United States.

The President's Safe Streets and Crime Control Act is designed to provide the necessary Federal assistance to the local law-enforcement agencies. The proposal which would allow Federal grants which could be used to raise the salaries of local law enforcement officers is particularly significant. Adequate compensation is vital to the ability of local agencies to attract professionals of high caliber into this essential field of public service. We cannot allow criminal activities, irrespective of their cause, to deprive the law-abiding Americans of the benefits of our society.

While I do not embrace all of the provisions of the President's crime control proposals in toto, I think with appropriate amendments the Judiciary Committee should send this bill to the Rules Committee and that the Rules Committee should make it in order to be considered on the floor of the House. As I say, I will have amendments to the bill but this is the type of bill that we can use as a vehicle to promote the maintenance of and respect for law and order at the local, State and national levels which we need so badly at this time.

Mr. DANIELS. Mr. Speaker, I wish to join with those who have expressed approval of the President's message on crime. It clearly describes the continuing threat of lawlessness present in all levels of society and outlines the steps necessary to stem the rising crime rate.

One of the most serious problems discussed by the President was that of controlling the use of dangerous drugs and more particularly LSD. The President has proposed that trafficking in LSD be punishable as a felony. LSD is a potent and dangerous hallucinogen used primarily by young adults between the ages of 20 and 35. There are also indications of a rapidly increasing use of LSD by high school age persons.

The increasing use of dangerous drugs is an ever-present threat to the American public, and I urge Congress to support and adopt the President's proposal for drug control.

Mr. KYROS. Mr. Speaker, President Johnson has made it crystal clear that crime control is a top priority of his administration. The President's broad-ranging proposals provide the impetus for further modernization of local law enforcement and important tightening of drug distribution that contributes significantly to crime in America.

I commend the President for very wise, judicious and thoughtful recommendations in crime control. The Congress should now promptly and positively support them.

I am particularly pleased that the President has continued to emphasize the need for major assistance to local law enforcement agencies and new legislation to curb illegal traffic in drugs. In this respect, I already have joined a number of my colleagues in sponsoring legislation which would establish a national program of new educational opportunities and improved training for State and local law enforcement personnel, as well as legislation to establish penalties for the possession of or unauthorized traffic in the distribution of LSD and other dangerous hallucinogenic drugs.

Because of the damage which already has been done to the youth of our Nation by the abuse of drugs, I feel there is no greater need for a concentrated drive than in dealing with the growing problem of narcotics.

In addition, I believe the most effective campaign in the continuing battle against crime must be carried out at the State and local levels in order to achieve our goal in the shortest space of time.

Mr. YOUNG. Mr. Speaker, President Johnson, in his message on crime to the Congress, has directed our attention to one of the most acute problems facing our Nation today. In addition he has provided leadership in this field. Under his leadership the Office of Law Enforcement Assistance has been established and the Commission on Law Enforcement and Administration of Justice has provided an extensive study of the problems of crime in our society.

Now the President has presented to the Congress a program which attacks crime on a national scale while providing for cooperative measures with local and State law enforcement agencies. I support the President in this program and I urge its early implementation by the Congress.

Mr. WILLIAM D. FORD. Mr. Speaker, President Johnson has declared in his crime message to Congress an all-out war on our rising crime rate—a war in which we can be satisfied with nothing less than victory.

The stakes in this battle are high. The injured and dead, the loss and destruction of valuable property, the unsafe streets and insecure shops mark a national tragedy.

We can tolerate the continued affront to America's laws no longer. Restoration of public safety, public confidence, and public order must be given our most urgent priority as President Johnson has given it his.

The President's message presents a legislative mixture of proven programs and imaginative new proposals to fight and defeat crime, whether committed by organized gangsters or angry youngsters.

Crime in America has reached epic proportions. It requires the firm, bold, and comprehensive answers supplied by the President.

Congress must not turn its back on crime. A nation is up in arms—we cannot let it down.

Mr. HANNA. Mr. Speaker, Congress must move quickly to enact the strong Safe Streets and Crime Control Act and other of the President's proposals outlined in his message, to insure the public safety.

The President's 20-point proposal to meet the challenge of crime to our society is the most sweeping anticrime measure ever forwarded. Although revolutionary in its approach to crime, this bill does not tamper with the fundamental primacy of local law-enforcement agencies. The foremost point of the bill is that State and local officials must do all within their power to strengthen both laws and law-enforcement agencies.

The package the President proposes will enable the Federal Government to better support State and local anticrime efforts by improving police training capability, by imposing much stronger penalties on these who traffic in dangerous drugs, and by stimulating efforts to develop more effective police hardware. The Federal Government will assist in these ways, State and local agencies to vastly improve their anticrime capability.

The President's proposal also advocates strengthening Federal efforts to attack organized crime. The message calls for a concerted attack on narcotics and hallucinogenic drug abuse with all efforts controlled from a single command post. Likewise, an assault by special strike forces on crime syndicates will be personally coordinated by the Attorney General.

These vital proposals deserve and require our early attention. I hope my colleagues on the Judiciary Committee will move rapidly to report this legislation for final action.

Mr. CELLER. Mr. Speaker, President Johnson has committed the resources of our National Government to strike the cancer of crime from American life. We in Congress must be prepared to do the same.

As the President's anticrime message notes, crime prevention and enforcement is constitutionally a local matter—but soaring crime rates have become a source of national concern. Criminal enforcement must rest largely with local governments—but the Federal Government has the responsibility to strengthen local enforcement. The Johnson administration has fully assumed that responsibility.

The President's program is a blueprint for prevention of all types of crime—crime in the streets, as well as organized crime; crime by the young, as well as crime through incitement to riot.

The President renewed his plea for prompt passage of his safe streets bill—to better equip and pay policemen; the Juvenile Delinquency Prevention Act—to formulate new correctional programs; and the Gun Control Act—to halt mail-order murder.

But the President also recognized the need to tailor new proposals to persistent problems. The Alcoholics Rehabilitation Act of 1968 will assist in developing rehabilitation programs. More stringent penalties are proposed for trafficking in LSD and other dangerous drugs.

A new Executive order will assure coordination of all Federal anticrime efforts.

Moreover, the President has proposed legislation to enable banks to employ modern protective devices, and to eliminate a major source of auto thefts—master keys.

A new antiriot act will severely penalize those who cross State lines to incite riots.

These are no mere palliatives—they are well-thought-out programs tailored to solve special problems. They do not merely add to our good intentions—they supply the foundation upon which we can launch an all-out war against crime.

Mr. ST. ONGE. Mr. Speaker, the large and growing incidence of crime in the United States is clearly intolerable, and we should settle for nothing less than the full mobilization of the resources necessary to permanently solve this problem. Ultimately we must destroy the source of crime at its roots which lie in poverty, illiteracy, poor housing, and unemployment. We must also fully develop and apply the most advanced scientific and psychological procedures to the task of anticipating and preventing crime before it takes place, and for effectively rehabilitating the criminal personality.

The immediate need, however, is to make our cities and towns safe from the insidious scourge of criminal acts. If this requires a policeman on every corner, then this is what we must do and we must do it now. Any further delay will only cause a greater corrosion of our moral fiber, and we owe a much higher duty to the decent and respectable citizens who make up the vast majority of our population.

The incisive and strong proposals which the President has submitted to the Congress are designed to assist the State

and local governments in the discharge of their responsibilities for preventing crime. The President's Safe Streets and Crime Control Act will provide for the training of local agents in the techniques necessary for meeting the sophisticated procedures of modern criminology.

Crime is the most serious internal threat facing this country today. While law enforcement must remain the primary responsibility of the local jurisdictions, public sentiment requires the enactment of Federal programs, such as those suggested by the President, to assist local agencies. An assault will also be required on the underlying causes of criminal conduct, but we cannot wait for long-range solutions to take effect before directly combatting crime. No condition justifies criminal conduct, and public sentiment indicates that it will not be tolerated.

I am happy to indicate my complete support for the President's proposals.

PROPOSED BUREAU OF NARCOTICS AND DANGEROUS DRUGS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 249)

The SPEAKER pro tempore (Mr. ALBERT) laid before the House the following message from the President of the United States, which was read:

To the Congress of the United States:

In my first Reorganization Plan of 1968. I call for the creation of a new and powerful Bureau of Narcotics and Dangerous Drugs.

With this action, America will serve notice to the pusher and the peddler that their criminal acts must stop.

No matter how well organized they are, we will be better organized. No matter how well they have concealed their activities, we will root them out.

Today, Federal investigation and enforcement of our narcotics laws are fragmented. One major element—the Bureau of Narcotics—is in the Treasury Department and responsible for the control of marihuana and narcotics such as heroin. Another—the Bureau of Drug Abuse Control—is in the Department of Health, Education, and Welfare, and is responsible for the control of dangerous drugs including depressants, stimulants, and hallucinogens such as LSD.

Neither is located in the agency which is primarily concerned with Federal law enforcement—the Department of Justice.

This separation of responsibilities—despite the relentless and dedicated efforts of the agents of each Bureau—has complicated and hindered our response to a national menace.

For example, more than nine out of ten seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau has no jurisdiction over marihuana.

In many instances, we are confronted by well organized, disciplined and resourceful criminals who reap huge profits at the expense of their unfortunate victims.

The response of the Federal Government must be unified. And it must be total.

Today, in my Message on Crime, I recommended strong new laws to control dangerous drugs. I also recommended an increase of more than thirty percent in the number of Federal agents enforcing the narcotic and dangerous drug laws.

I now propose that a single Bureau of Narcotics and Dangerous Drugs be established in the Department of Justice to administer those laws and to bring to the American people the most efficient and effective Federal enforcement machinery we can devise.

Under this Reorganization Plan the Attorney General will have full authority and responsibility for enforcing the Federal laws relating to narcotics and dangerous drugs. The new Bureau of Narcotics and Dangerous Drugs, to be headed by a Director appointed by the Attorney General, will:

—consolidate the authority and preserve the experience and manpower of the Bureau of Narcotics and the Bureau of Drug Abuse Control.

—work with states and local governments in their crackdown on illegal trade in drugs and narcotics, and help to train local agents and investigators.

—maintain worldwide operations, working closely with other nations, to suppress the trade in illicit narcotics and marihuana.

—conduct an extensive campaign of research and a nationwide public education program on drug abuse and its tragic effects.

The Plan I forward today moves in the direction recommended by two distinguished groups:

—the 1949 Hoover Commission.

—the 1963 Presidential Advisory Commission on Narcotic and Drug Abuse.

This Administration and this Congress have the will and the determination to stop the illicit traffic in drugs.

But we need more than the will and the determination. We need a modern and efficient instrument of Government to transform our plans into action. That is what this Reorganization Plan calls for.

The Plan has been prepared in accordance with chapter 9 of title 5 of the United States Code.

I have found, after investigation, that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 901 (a) of title 5 of the United States Code.

I have also found that, by reason of these reorganizations, it is necessary to include in the accompanying plan provisions for the appointment and compensation of the five new positions as specified in section 3 of the plan. The rates of compensation fixed for these new positions are those which I have found to prevail in respect to comparable positions in the Executive Branch of the Government.

Should the reorganization I propose take effect, they will make possible more effective and efficient administration of Federal law enforcement functions. It is not practicable at this time, however, to itemize the reduction in expenditures which may result.

I recommend that the Congress allow this urgently needed and important Reorganization Plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968.*

The message, together with the accompanying papers, was, without objection, referred by the Speaker pro tempore (Mr. ALBERT) to the Committee on Government Operations and ordered to be printed.

THE PRESIDENT'S MESSAGE ON NARCOTICS

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

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

There was no objection.

Mr. EDWARDS of Alabama. Mr. Speaker, in his message today on narcotics, the President is right and then he is wrong. He is right in taking from HEW the division on Drug Abuse Control. The control of LSD and other such drugs has no place in HEW.

Mr. Speaker, the President is also right in proposing to combine the division of Drug Abuse Control with the Bureau of Narcotics. I have been advocating this for some time and in the near future will introduce a bill to the effect. I will propose that the combined operation be continued in the Treasury Department where the Bureau of Narcotics has done an effective job of enforcement.

But, Mr. Speaker, the President is dead wrong in proposing to turn the whole problem of drug control over to Attorney General Ramsey Clark. We need strong enforcement, we need new laws to make for better enforcement and we are just not going to get any such results from a department headed by a man who is more interested in being a social reformer than in being a forceful prosecutor of the law.

The Treasury Department can do the job if it has control of all drug abuse. This is where the authority should be placed.

EXPORT-IMPORT BANK ACT EXTENSION

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6649) to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion offered by the gentleman from Texas.

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 further consideration of the bill H.R. 6649, with Mr. LANDRUM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending an amendment in the nature of a substitute offered by the gentleman from Texas [Mr. PATMAN]. Are there further amendments to the amendment in the nature of a substitute?

Mr. HALL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Evidently a quorum is not present. The Clerk will call the roll.

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

[Roll No. 21]

Brown, Calif.	Gude	Resnick
Burleson	Gurney	Reuss
Celler	Hansen, Idaho	Rosenthal
Clark	Hansen, Wash.	Rumsfeld
Clausen, Don H.	Hardy	St. Onge
Cleveland	Hébert	Scott
Corman	Holland	Skubitz
Cramer	Irwin	Smith, Okla.
Devine	Mathias, Calif.	Springer
Diggs	Moss	Utt
Dorn	Pelly	Watkins
Downing	Pollock	Wilson, Charles H.
Everett	Pucinski	
Foley	Rees	
	Reinecke	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, 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. 6649, and finding itself without a quorum, he had directed the roll to be called, when 388 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.

Mr. WIDNALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. WIDNALL. Mr. Chairman, one of the high points of the first session of the 90th Congress was the manner in which both the House and the Senate reacted to the disclosure that the Export-Import Bank had, for many years, been in the business of supplying credits for arms sales to underdeveloped countries without the knowledge of the Congress. Throughout the debate last year, partisanship was never injected. Members from both sides of the aisle were justifiably enraged at the extent of U.S. arms credit sales to underdeveloped countries under a cloud of strict secrecy.

On two separate occasions, by a record vote, a majority of the House of Representatives voted to control and, in fact, to stop such secret activity by the Eximbank. These votes occurred on the foreign aid authorization bill and on the foreign aid appropriations bill.

Partisanship was never injected until yesterday afternoon. The gentleman from Massachusetts, the distinguished Speaker of the House, leveled some serious charges at both me and the Republican Party when he claimed that my amendment would have hurt Israel; that my amendment would have foreclosed any possibility that Israel could purchase arms from the United States.

Nothing could be further from the truth.

The distinguished Speaker might be surprised to learn that during the last 2 fiscal years—a period of intense Arab pressure against Israel—seven times more Eximbank arms credits were granted to Arab countries than were granted to Israel.

Think of that, Mr. Chairman. For every dollar of arms credit provided to Israel, $7 for arms were granted to bordering Arab States. If we eliminated all Eximbank arms credits to underdeveloped countries entirely, the State of Israel would have benefitted by a 7-to-1 margin.

This is what has happened under this administration.

It was not a Republican administration that for the past several months has withheld the sale of needed jet aircraft to counterbalance huge quantities of Soviet-built Mig-21's going to the Arab States. During this entire period of indecision, the Export-Import Bank and the U.S. Government itself had ample authority to either grant or to sell these jets to the Israeli Air Force.

It was not a Republican administration that has permitted and encouraged by its indecision the State of Israel to have to depend upon France for its fighter bombers.

It was not a Republican administration that has shipped late model F-104's to the Jordanian Air Force.

It was not the Republican House leadership, but the Democratic House leadership which 3 years ago beat back efforts by the House Banking and Currency Committee to prohibit U.S. firms from responding to the insidious threats of the Arab boycott against Israel—a boycott that continues to grow by the day because of U.S. indecision. I suggest that the distinguished Speaker take a look at the rollcall vote in the House on June 8, 1965, when nearly every Republican in the House voted against the Arab boycott.

I shall not renew my fight to prohibit Eximbank credits for arms sales to underdeveloped countries. The House, by a partisan division, yesterday reversed the action taken by both the House and the Senate last year in prohibiting such credits. It is a foregone conclusion that the administration will revive the Pentagon revolving fund in this year's Foreign Assistance Act now that the House has reversed its firm position of last year.

By its action yesterday, the House has put the Export-Import Bank back in the business of providing arms credits to underdeveloped countries for the next 5 years at more than a billion-dollar level.

More important to the American people than the arguments, the phony arguments in my opinion, about Israel is the overwhelming public apprehension that the United States might get dragged in by its heels into another Vietnam. The public is justifiably concerned about the extent of U.S. arms assistance to unreliable and unpredictable governments of underdeveloped countries. The sale of sophisticated weapons to Latin America, Africa, and Middle Eastern governments has an invidious way of committing the United States to support whatever actions these governments might take.

The American people seriously question the wisdom of supplying sophisticated weapons to Latin American dictators, to fledgling African states and to both sides of the Arab-Israel and Indian-Pakistani conflicts.

The gentleman from Massachusetts referred yesterday to the fact that my amendment would cut off arms sales to our "friends." Apparently he did not realize or bother to check the record that one of the first Eximbank arms credit sales was indeed to one of our friends—neutral Austria—in 1962. The arms credits were given to Austria at a time when Austria and Italy were arguing over a border dispute in the Tyrol region. This is not secret. It has been printed in several newspapers.

It seems very strange to me that during the blackest days of the cold war in the 1940's and throughout the Eisenhower administration there was never any need to provide arms credits sales secretly through the Export-Import Bank. Obviously, the best course would be to take the Eximbank out of the arms credit business with regard to underdeveloped countries and, where sales credits are needed, the Pentagon has ample authority and more than enough friends in the Congress to provide such credits.

As I said, I shall not renew the fight against Eximbank arms credit sales to underdeveloped countries. The battle is lost for the next 5 years at least, and if the Congress thinks that we are going to be informed of these sales on a current basis, forget it. Instead, we could wake up one morning and read about U.S. jet aircraft dog fighting with other U.S. jet aircraft over the skies of Latin America or the African continent. And we should not be surprised when we learn that these aircraft were provided through the facilities of the Export-Import Bank.

Mr. KYL. Mr. Chairman, will the gentlemen yield?

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

Mr. KYL. At the very least it must be said that the gentleman from New Jersey has merely tried to carry out the original purposes of the Export-Import Bank through his amendment. The charter of that organization stated specifically that there were some exceptions in the discretion of making loans. It stated that no loans shall be made to defaulting nations. It said that no loan would be made to violators of international law, as determined by the Secretary of State. But note these two, and these are in the original Export-Import Bank charter:

There would be no loan for the purchase or sale of munitions or for aircraft,

with the exception of strictly and exclusively commercial aircraft.

So I say again, the least that can be said about the gentleman's amendment is that it intended to carry out the charter of the Export-Import Bank.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield at that point?

Mr. WIDNALL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think the gentleman's quotation which he read just now said that no loans for munitions would be made. The amendment which the gentleman from New Jersey offered stated that there would be no loans to underdeveloped countries for munitions. Why one principle for the prosperous, developed nations and another principle for the underdeveloped nations? I would like to hear that explained by the gentleman from New Jersey. I think this is where he stands on a very weak reed, if he claims he is standing on principle.

Mr. WIDNALL. I answer the gentleman in this way: One step at a time. I will support taking the Export-Import Bank out of loans to both developed and underdeveloped countries for the purpose of making purchases of arms.

Mr. KYL. Mr. Chairman, will the gentleman yield further?

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

Mr. KYL. I certainly cannot speak for this side of the aisle. I do know that the policy committee on this side did not consider the amendment which was offered by the gentleman from New Jersey. But if the gentleman from Oklahoma directs this question to me, I would make it a total prohibition. I do not think that the sale of munitions or jet fighter aircraft is in the interest of the Bank or in keeping with its original charter.

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

Mr. WIDNALL. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. The gentleman has just said today that the Congress in 1965 took certain actions, and again last year. Certain Members of the Congress, a sizable number, were indignant that they had found out that arms sales had been financed and secretly approved through the Export-Import Bank financing. The gentleman would not see anything wrong in Congress taking recognition of the fact that there might be some need to write it into the law so that Congress would have full knowledge of these things, would he?

Mr. WIDNALL. Certainly not.

Mr. WILLIAMS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS of Pennsylvania. I would like to say in further answer to a question asked a little earlier, why make a distinction between developed countries and underdeveloped countries? The fact is that in the case of these developing countries, this country is giving them large sums of foreign aid. Also, soft loans are being made to them in an effort to raise the standard of living of the people in these developing countries.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(On request of Mr. McCORMACK, and by unanimous consent, Mr. WIDNALL was allowed to proceed for 5 additional minutes.)

Mr. WILLIAMS of Pennsylvania. Then, Mr. Chairman, the resources of these countries are used in some way to buy arms, in some cases jet aircraft and things of that nature, so they are actually thwarting the original purpose of this country in helping developing countries to raise their standard of living for their people.

The fact that the Eximbank has been used only as a front for these country X loans for years has been indicated by two things. First of all, in testimony before our committee, it was brought out that these country X loans made by the Eximbank, are secured and guaranteed by the Defense Department. The second thing is that the President, the head of the Eximbank, Mr. Linder, testified he did not know for which countries the country X loans were being made and he did not care to know.

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

Mr. WIDNALL. I yield to the distinguished Speaker.

Mr. McCORMACK. Mr. Chairman, did I understand the gentleman, during his remarks, to make the statement that underdeveloped countries are, and the gentleman referred to them as, unreliable and unpredictable countries? I want to be sure.

Mr. WIDNALL. Yes, I did. I also would repeat it again, because they turn up on both sides of the argument, after these loans are made, and not as we predicted they would do.

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

Mr. WIDNALL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, responding to the argument of the gentleman from Pennsylvania, I do not think it is inconsistent to attempt to assure a successful defense of security in an underdeveloped country and to attempt to raise its living standards. It seems to me there may be just as much national interest for the United States—and maybe more—in helping to preserve the independence of the Republic of Korea or the Republic of China, or the nation of Israel as there is in trying to raise their living standards through economic aid. To say we cannot simultaneously give assistance for economic purposes to these countries and also give them credit to enable them to defend themselves against aggressive neighbors is to me not reasonable at all.

As a matter of fact, it may be very much more in our interest to see that they get the equipment that makes it possible to defend their borders than it is to assist them to raise the living standards of their people. Personally, I support both. I see both of these purposes and objectives as worthwhile and to tie one hand behind our back where credit resources are concerned in the case of the underdeveloped nations needing credit for defense simply does not make sense.

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

Mr. WIDNALL. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I think the record will show in the case of South Korea, and in the case of Turkey, and in the case of the Republic of China, approximately 99 percent of the military aircraft we have delivered to those countries came by military grant and not by credit sales, so the gentleman's argument is without validity.

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

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

Mr. KUYKENDALL. Mr. Chairman, is it not true that, with the Eximbank as it has been in the past, both Israel and Egypt may have borrowed money to buy arms? Is that correct?

Mr. WIDNALL. Yes, that is correct.

Mr. KUYKENDALL. Is it not true, with this amendment offered by the gentleman yesterday, if it were in effect, Israel would have no trouble buying arms in the United States? Is that correct?

Mr. WIDNALL. Yes, that is correct.

Mr. KUYKENDALL. Is it not true that Egypt would have quite a difficult time, particularly since they severed diplomatic relations, buying arms from the United States?

Mr. WIDNALL. Yes, that is correct.

Mr. KUYKENDALL. So is it not true the gentleman's amendment would have been in the best interest of Israel, and not opposed to Israel?

Mr. WIDNALL. That is the way I see it.

Mr. McCORMACK. Mr. Chairman, I move to strike the last two words.

Mr. Chairman, I am sure tomorrow morning and in the days ahead, when the gentleman from New Jersey reads the remarks he made today, he will regret seriously ever having made those remarks, because he only got himself in more hot water.

Now, the gentleman says "partisanship." It was never injected. There was no partisanship yesterday.

The gentleman offered his amendment. I took the floor in opposition to the amendment. I called the attention of the members of the Committee of the Whole to what the effect of the amendment would be.

I mentioned several countries that would be prohibited from negotiating with our country and making agreements for the sale of arms on credit terms, if they were what is called an underdeveloped country. Among those was Israel. The gentleman admitted it himself.

Also there were Korea, China, Turkey, the Republic of Vietnam, and about 115 others on this long list. There are many countries which are very strong and deep and firm friends of ours.

My friend in his remarks characterized these underdeveloped countries as "unreliable and unpredictable." I wanted to be sure he made that statement. That is why I asked the question. He admitted he did make the statement characterizing about 120 nations as "unreliable and unpredictable."

Even if the gentleman felt that way

in his own mind he should not state it publicly. How does he suppose these other countries will feel when they read the debate here and the charge made by a very prominent Member of this House and a very honorable Member of the House that their country, because it is underdeveloped, is "unreliable and unpredictable?"

The gentleman refers to the action taken last year, and he referred to it in the debate yesterday. I said, "What was wrong then does not make a right now."

That is so.

I opposed this amendment last year.

The members of the Committee of the Whole, in their wisdom, defeated the amendment yesterday. I compliment the members on both sides who voted against the amendment.

So when the gentleman tries to inject the issue of "partisanship," it never was injected.

Let me say to the gentleman from New Jersey that when President Eisenhower was President—and I believe the gentleman from Michigan will support this—I supported the President on foreign affairs; and whenever I could on domestic affairs I did.

I remember on one occasion we had a leaders' meeting and the President said to me, "JOHN, I wish you would help me on a certain bill that is pending." I said, "I wish you had not asked me that, Mr. President, because I am not very favorably disposed toward the bill. But," I said, "you have asked the question of me and you are my President, and I am not going to have it on my conscience that I said 'no' to the President of the United States." I said, "I will do what I can."

I believe the gentleman from Michigan will remember that incident.

In any event, partisanship, where it concerns the national interest of our country, is as far removed from my mind as any feeling possibly can be. So the gentleman's attempt to inject partisanship falls to the ground of its own weight.

Furthermore, the facts are as I stated yesterday. The facts are, and the gentleman admitted it, that our country would be prohibited from making sales to these countries and many others of arms on credit.

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

Mr. McCORMACK. The gentleman admitted that. Is that correct?

Mr. WIDNALL. Through the Export-Import Bank.

Mr. McCORMACK. Oh, we understand that. That was emphasized a dozen times yesterday.

What bill is before the House now? It is the Export-Import Bank bill.

I know what bill is before the House. The gentleman's amendment applied to the Export-Import Bank.

We, the Democrats, never offered that amendment during the 8 years of the administration of President Eisenhower. In those days they made direct grants, yes, but the authority existed. We never undertook to do that. Furthermore, there is a ban in this bill, and the gentleman undertook to close that ban, where the President would have no discretion even where the national interest of our country was involved. That was the key of the gentleman's amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

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

There was no objection.

Mr. McCORMACK. I simply repeat that in 24 hours from now the gentleman from New Jersey will regret exceedingly having made the speech he made today.

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

Mr. Chairman, I wish to commend the very clear and very forthright statement just made by the gentleman from New Jersey, which, in my opinion, sets the record very straightforward as to the circumstances of his amendment and the operations of the Export-Import Bank.

I was amazed to find that in the last 2 fiscal years—namely, fiscal years 1967 and 1968, according to recent figures—the Export-Import Bank has granted credit in a ratio of 7 to 1 for the Arab States over Israel for the purchase of military hardware. I think this is shocking. It is almost unbelievable.

However, let me speak, if I may, for a moment about what can be done to help those countries that are friends of ours under existing statutes.

By military grant we can and we have helped South Vietnam. Certainly South Vietnam is in no position to procure any military weapons through credit sales. By military grants in aid we have and we will undoubtedly continue to help the Republic of South Korea, the Republic of China, and many other countries that are deserving of our aid and assistance. By other credit means readily available countries that can afford it can buy our military weapons systems if it is in the best interest of our Nation to do so.

This side of the aisle, as the Speaker well knows, in this body has been materially helpful to this administration in the serious crisis that this country faces in Southeast Asia. As he well knows, the major criticism, the major needling of the President of the United States in the Congress of the United States on the problems we face in Southeast Asia comes from his side of the aisle, primarily in the other body. He knows as well as I do that the Republican leadership at many meetings at the White House in the last 3 or 4 years have made constructive suggestions and have not taken a partisan critical attitude at a time when the President has committed 525,000 U.S. military personnel into Southeast Asia.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for a question?

Mr. GERALD R. FORD. In just a minute.

I regret a partisan dispute has arisen on this legislation when I do not believe the differences justify such an atmosphere.

Now, Mr. Chairman, I will yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I appreciate the gentleman yielding very much for clarification of a statement just made.

With reference to the so-called 7-to-1 ratio of credits by the Export-Import Bank, the gentleman from Michigan is not suggesting that there has been a 7-to-1 ratio in favor of Nasser-oriented Arab States as opposed to Israel, is he?

Mr. GERALD R. FORD. Yes, if you consider fiscal years 1967 and 1968. Mr. Chairman, I ask the gentleman from Oklahoma [Mr. EDMONDSON] how many of the Arab States broke diplomatic relations with the United States during the recent conflict? How can we be certain arms sold to one Arab State will not get into the hands of another?

Mr. EDMONDSON. Mr. Chairman, if the gentleman will yield further, does the gentleman from Michigan concede that included in that ratio are included a number of states that have taken a stand against the Nasser-dominated countries, and that are countering the expansion of the Nasser influence, rather than assisting in aggression against Israel?

Mr. GERALD R. FORD. I believe the record will show that many of the Arab States did declare war on Israel, and I believe in that 7-to-1 ratio, some of the Arab States were included.

May I just conclude with this observation: We know that the defeat of the United Arab Republic by Israel—the Soviet Union has been mightily engaged in an effort to restore military weapons to Nasser and his associates. And this administration, despite the constant pleas of Israel, has been reluctant to help that gallant nation alleviate their military hardware deficiencies through the providing of aircraft and other implements of war which were requested.

Further, Mr. Chairman, it is my opinion that this administration should have taken an affirmative position with reference to helping Israel instead of dilly-dallying about it.

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

Mr. Chairman, let us consider for just a brief time what caused all this trouble. The Department of Defense wanted arms and munitions of war furnished to certain countries friendly to us. The Russians—the Communists—were furnishing certain arms to these countries in the Middle East. The purpose of getting those countries so well equipped and armed so that they could take advantage of the adjacent countries friendly to the United States, poses the question as to whether we should sit idly by and see the Communists come in and take over country after country, and for us not to do a thing toward helping those countries involved. That is exactly what is involved, the demand and need for support to certain underdeveloped countries, if you please.

Mr. Chairman, there are few countries in the world capable of making these loans.

Mr. Chairman, the Department of Defense had no place to go and, therefore, the Export-Import Bank had to take recognition of this fact and come to the aid of these countries which are involved.

Mr. Chairman, at this time of distress

and need, the Export-Import Bank did a wonderful job and performed a wonderful service to the countries involved, since these other institutions did not furnish such aid.

Mr. Chairman, our Committee on Banking and Currency had before it representatives from the Export-Import Bank, and the Department of State, as well as from the Defense Department. Why did not financial institutions advance that credit? We were told that they could not do it because the Government could not carry a compensating balance account and, further, the interest rate which was involved would be a higher interest rate.

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

Mr. PATMAN. Well, now, you have had your say. The Government could not make this particular type of loan and it could not receive upon it higher interest rates, because the long standing authority of the Export-Import Bank to make these loans was involved. The hearings indicated this fact.

No one can accuse them of any wrongdoing. Some of them accuse them of bad judgment, but where is the bad judgment when you are saving your country?

Right now Russia—and the gentleman from Michigan brought it out—a good point—is rearming those countries including Egypt, whose munitions and arms and supplies were destroyed in the recent short war.

Under this amendment offered by the gentleman from New Jersey [Mr. WIDNALL] and supported by the Republican Party, our country would be further denied the right to help those friendly to us that the Russians want to destroy. I do not believe that the Members of our minority want to go that far. I believe on reflection and proper evaluation they will back up and reconsider, and say we have gone too far, we do not want to do that, that is a terrible thing to do.

Right now, as the distinguished minority leader brought out, the Communists are rearming these countries. They are determined to destroy the countries adjacent to them who are friendly to us. And the Republicans are offering an amendment to make it impossible in the future for us to rearm our friends.

I believe that the House did the right thing yesterday. I believe the greatest speech we have had in the 90th Congress was made by the distinguished Speaker of the House, JOHN MCCORMACK, here on yesterday in behalf of defeating that amendment. And the greatest service, I believe, that was rendered to this Congress was rendered by the Speaker.

So I suggest: Does the Member on the minority side, the distinguished minority leader, want to compel the State Department and the Defense Department to pay a higher interest rate?

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

(By unanimous consent Mr. PATMAN was allowed to proceed for 2 additional minutes.)

Mr. GERALD R. FORD. Mr. Chairman, would the gentleman yield to me?

Mr. PATMAN. In just one moment.

Is the gentleman willing to force the payment of higher interest rates for munitions loans, and is he willing to say that the Government should put in compensating balances like individuals in order to get those loans? If he does, he is willing to force the payment of interest rates up to 8 and 10 percent on loans of that type.

Now I will yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Would the gentleman from Texas admit that under existing law, with existing funds, that this administration could finance fighter aircraft to Israel now, and could have done it at any time in the last 6 months?

Will the gentleman also admit that this Democratic administration has not done so, even despite the fact that the Soviet Union for the last 6 months has been supplying arms to the enemies of Israel?

Yes or no?

Mr. PATMAN. Well, of course, they can get credit from individuals up to a point.

Mr. GERALD R. FORD. No, I am talking about the Export-Import Bank.

Mr. PATMAN. I said up to a point.

Mr. GERALD R. FORD. In the last 6 months they could have financed the purchase of these aircraft for Israel, and they did not do it.

Mr. PATMAN. What right has the gentleman from Michigan to complain about that when he is sponsoring an amendment that would prohibit it being done?

Mr. GERALD R. FORD. I am talking about what they could do right now, and what they have not done for 6 months.

Mr. PATMAN. You do not come into court with clean hands, my dear sir.

Mr. GERALD R. FORD. Let me just point out one other thing to the gentleman from Texas: Are you telling the Members of this body that if they wanted to finance the purchase of these weapons systems for Israel through the Department of Defense revolving fund that Israel would have to pay a higher interest rate than they do under the Export-Import Bank financing?

Mr. PATMAN. Absolutely, much higher. And the testimony before our committee——

Mr. GERALD R. FORD. I am informed that the gentleman from Texas is as wrong on that as he is on many other things.

Mr. PATMAN. Well, the printed word is there; the printed word is there. The gentleman can read it for himself. There was no question about it. But the gentleman is just absolutely wrong about this amendment.

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

AMENDMENT OFFERED BY MR. WIDNALL TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. WIDNALL. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL to the substitute amendment offered by Mr. PATMAN: In subsection (e) of the amendment, strike "$13,500,000,000" and insert "$12,500,000,000".

Mr. WIDNALL. Mr. Chairman, since the committee ordered the Export-Import Bank bill reported in May of 1967, there have been two developments which should be considered in connection with the proposed increase of the Bank's lending authority from $9 billion to $13.5 billion. In light of these two developments this proposed $4.5 billion increase appears excessive.

Recently Britain announced the cancellation of procurement of F–111 planes. Export-Import Bank was to assist in connection with that procurement. The cancellation means that slightly over one-half billion dollars of Export-Import Bank financing related to that plane order will not be utilized, so clearly the requested increase in lending authorization is excessive by half a billion dollars.

The other development that has occurred which raises question as to the amount of the increased lending authorization, is the announcement by the President in his budget message and economic report of some sort of new Eximbank financing program to stimulate exports. No details of this new proposal are available although we are informed that it will require amendment of the Export-Import Bank Act and that the $500 million new program will be financed within the limitation of the increased lending authority for the Bank as authorized in this bill.

The Congress may or may not approve the new program. If the Congress does not approve it then clearly there is another half billion dollars of excess lending authority in the requested $4.5 billion increase.

Therefore, until the Congress has an opportunity to evaluate the new program it seems to me that it would be prudent for the Congress to lop off another half billion dollars from the increased lending authority to be provided the Bank by this legislation. When the new program is finally presented to the Congress, should the Congress think that the new program is a good one, it would be a simple matter, at that time, to increase the lending authorization by a half billion dollars to finance the new program.

Unfortunately as we learned from experience last year we found that with a large unused lending authority authorization lying around, the Bank suddenly turned up as a large financer of arms sales, with Defense Department guarantee, to underdeveloped countries. In short we found there was real need for the Congress to ride herd more closely on the activities of the Bank. I think one of the most effective means of doing so is for the Congress to retain more control on the purse strings of the Bank.

I urge adoption of the amendment reducing the authorized lending increase by $1 billion. Certainly no one could contend that such a reduction in any way would constrain legitimate operations of the Bank. The then remaining increase of $3.5 billion in lending authorization is no inconsequential change in authorized lending authority. It is still more than a one-third increase in the presently authorized lending authority of $9 billion. This gives ample flexibility and time in meeting any further lending authority increase should the Congress determine that this is desirable.

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

Mr. Chairman, the increase of U.S. exports over the next 5 years does not depend, as the gentleman from New Jersey implies, on the cancellation of one, or even a few, trade transactions, involving the Export-Import Bank.

The fact is that over a period of 5 years many unexpected cancellations, as well as unexpected new export opportunities, will occur.

Yet, in view of our present balance-of-payments situation, we must give the Government as much flexibility to expand exports as possible. The Widnall amendment takes the flexibility away.

Instead of decreasing the authority of the Bank to make good loans and to make money, the amount should be increased.

The Export-Import operations are conducted so that the Bank now draws on practically none of the taxpayers' funds.

Over the years the Export-Import programs have permitted U.S. businesses, both large and small, to maintain sizable and important foreign markets for U.S. goods.

Mr. Chairman, I think it is abundantly clear from the record of the Export-Import Bank of Washington that the Bank's operations have been conducted prudently, profitably, and under the direction of a Board of Directors and staff who are eminently qualified in the international lending field.

The Bank's bipartisan Board of Directors, who are appointed by the President and confirmed by the Senate, are people of outstanding ability and unquestioned integrity. The Bank over a period of time, with a capitalization of $1 billion that is furnished by the U.S. Government, the Treasury, has earned and paid back to the Government more than twice that much, and is paying every year right now $50 million profit into the Treasury.

Do you want to cut that $50 million down?

The Export-Import Bank seldom uses Government funds. It goes into the market and borrows its funds on the Bank's participation certificates. So it is not using Government funds. There is no agency—I challenge anyone to name any agency—that has done a better job for the people and the Government of the United States than the Export-Import Bank has done in time of peace and in time of war. You cannot name one, and at great profit to the Government that furnishes the original capital.

So I respectfully submit that instead of reducing this amount, the amount really should be increased in order to have these big payments coming into the Treasury every year without cost to the U.S. Government. We can use it. The balance of payments is a critical item. There is no better way on earth to improve upon our balance of payments than through Export-Import Bank loans. Every dollar of that money is spent right here in the United States of America. It helps us on our balance of payments. It causes the wheels of industry to keep turning faster and faster, giving more people jobs. That is one of the reasons we have the lowest unemployment record today that we have had in such a long time, many generations, because Export-Import Bank loans have improved the situation and helped our balance of payments.

A couple of days ago a statement was put into the RECORD, when this debate was first started, showing the big business concerns throughout our Nation pleading for the Export-Import Bank to be extended and given additional loan authority so they could make loans to foreign countries that need these loans to buy goods in the United States. Can you improve upon that? What is your alternative, if you want to slow down the Export-Import Bank?

If you want to cut out one-fourth of its additional lending power, give us some alternative. It would be awfully hard to match or beat the record that has already been achieved by the Export-Import Bank over these many years. When they came to the aid of the Defense Department and the Secretary of State in making loans for purchasing arms for these countries to keep the Communists from taking them over, I think they did a wonderful job and should be praised for it and not condemned for it.

Over the years, Eximbank's programs have permitted U.S. businesses, both large and small, to obtain and maintain sizable and important foreign markets for U.S. goods. Our ability to maintain our competitive position in these markets and to expand into new markets depends more than ever today on the availability of credit. Eximbank provides this credit assistance for our exporters when they are unable to obtain it through regular commercial channels.

In addition—a point which I wish to emphasize strongly—Eximbank's programs have in past years and will continue to contribute significantly to the positive side to the U.S. balance of payments.

Mr. Chairman, I think it is abundantly clear from the record of Eximbank that the Bank's operations have been conducted prudently, profitably, and under the direction of a Board of Directors and staff who are eminently qualified in the international lending field. The Bank's bypartisian Board of Directors, who are appointed by the President of the United States, and confirmed by the Senate, are persons of outstanding ability and unquestioned integrity. The present Chairman of the Board and President of the Bank, Harold F. Linder, has had an outstanding record of accomplishments too long to enumerate here in the fields of international economics and finance. Mr. Walter Sauer, Vice Chairman of the Board and Vice President of the Bank, has worked in numerous high-level positions in Eximbank since its founding in 1934. Mrs. Elizabeth S. May has had a remarkable career in positions both in and out of the government in the field of international economics. Mr. Tom Lilley who was appointed to the Board in 1965, came to the Bank from the Ford Motor Co. where he last served as a vice president in Ford's International Division. Prior to joining Ford, Mr. Lilley had been for some years on the Harvard Business School.

Mr. Hobart Taylor, Jr., who resigned from the Board only last week, had been Associate Counsel to the President of the United States prior to joining the Bank. Several of the Directors have held various positions of responsibility in numerous private organizations and associations dealing with international trade and commerce.

The Export-Import Bank has the strong support of U.S. businesses, trade associations, and lending institutions which are representative of an impressive portion of the international business and banking community.

Eximbank's operations are conducted so that the Bank now draws on practically none of the taxpayers' funds and in fact, as a profit-earning agency, makes a substantial contribution to the U.S. Treasury each year. The Bank derives funds for its day-to-day operations chiefly from two sources: its capital and reserves and its sales of participation certificates.

The Bank's capital stock of $1 billion is held by the Treasury Department. This investment has been more than matched with earnings generated over the years by the Bank's operations. Since its inception the Bank has earned net income, after all expenses, of about $1.6 billion, and from that amount it has paid dividends to the Treasury of $556 million. The Bank's expenses have included interest of $526 million paid to the Treasury on funds borrowed from it. Currently the Bank's annual net income runs in excess of $100 million from which a dividend of $50 million a year is paid to the Treasury. The remaining $1.1 billion of the Bank's aggregate income has been retained as a reserve against contingencies and defaults, and this amount together with the capital stock provides funds of almost $2.1 billion for the Bank's operations.

The Bank has the authority to borrow up to $6 billion from the U.S. Treasury. For many years the Bank turned to this source for funds needed in excess of its capital and reserves. In recent years, however, the Bank has shifted its financing to the private market, with the result that at the close of the last fiscal year the Bank actually had no outstanding borrowings from the U.S. Treasury. It has raised funds in the private market by selling certificates of participation in loans held by the Bank. At the end of fiscal 1967 the Bank had participation certificates outstanding of about $2.2 billion. The Bank is chartered to supplement private capital in financing U.S. trade, and with its participation certificates the Bank acts as an intermediary between exporters who need financing and commercial banks and other private sources of credit.

Eximbank's remarkable record hardly shows the Bank to be a burden on the taxpayer. Instead it shows quite the opposite. The Bank, after all, is not only a profitable institution but also one that distributes the profits to the public Treasury through a handsome dividend each year.

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

Mr. Chairman, one of the plainest facts of our economic life is that the continued economic vitality of the United States depends in large measure on the con-

tinued development and expansion of foreign markets for American manufactured products.

What the amendment before us disregards completely is that expanding exports require expanding credit facilities.

The Export-Import Bank came into existence because it was clear that private commercial banks simply did not have the resources to finance our export sales. The situation is no different today. As a matter of fact, the need for the Export-Import Bank's facilities is greater today than ever before because competition is keener—competition not only with respect to technology but competition also in the terms of financing offered by other industrialized countries competing for world markets.

Mr. Chairman, if we are serious about maintaining confidence in the dollar, clearly our balance of payments must be brought into equilibrium—and this means expanding, not reducing our exports and our export credit facilities. The President underscored this in his January 1 message on the balance of payments when he said he would ask Congress to earmark $500 million of the Export-Import Bank authorization to provide better export insurance, expand guarantees for export financing, and broaden the scope of Government financing of our exports.

The National Export Expansion Council, comprised of 71 of our largest exporting firms located in all 50 States, went on record at its meeting in Washington on February 2, 1968, to increase the Bank's lending authority by the full $4.5 billion.

I find it strange indeed that the amendment to cut the Bank's lending authority should be offered from the Republican side of the aisle and win such total Republican support. Yesterday it was the Republican side that voted down an amendment providing financial support for East-West trade when determined by the President to be in the national interest. This too was supported by the National Export Expansion Council. Today it is the same Republicans, voting en bloc, that seek to cripple the Bank's lending activities, both by reducing its lending authority and by prohibiting Eximbank credit for the export of military equipment to developing countries when determined by the President to be in our national interest.

Let there be no question about it, Mr. Chairman, if we want to hamper and restrain American business engaged in export, there is no better way than to adopt the Widnall amendment. Harold Linder, President of the Bank, testified before our committee that unless the additional authority of $4.5 billion is voted, "the Bank might well find it necessary to slow down negotiations with foreign buyers of U.S. exports, which might force these buyers to seek credit and equipment from our competitors abroad."

There was no contradictory testimony, nor was Mr. Linder challenged. Now we are told by the proponent of the amendment before us that the full $4.5 billion is not needed because of cancellation of the F–111 military aircraft contract by Great Britain. This is absolutely contrary to the further testimony of Mr. Linder when he said "the fact of the matter is that we expect to reach the $13.5 billion commitment figure by that date—1973—or conceivably earlier, without regard to possible future military loans." Since cancellation of the F–111 contract, Bank officials have repeated that Eximbank needs the additional $4.5 billion in lending authority on the basis of the demands expected from U.S. commercial exporters alone.

If anyone thinks that the Widnall amendment offers an opportunity to vote for economy, they are badly mistaken. As has been pointed out, the Bank does not intend to use its authority to borrow from the Treasury but instead expects to rely upon private financing. In fact, a vote for the Widnall amendment is a vote against economy because it would inhibit the Bank's operations and thereby directly adversely affect the export segment of our private sector.

The amendment must be voted down.

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

Mr. Chairman and Members of the House, I wish to make clear to you that the amendment which has been offered affects only lending authority. The $13.5 billion in the committee substitute sets a maximum ceiling on the amount of loans, guarantees and insurance that the Bank may have outstanding.

It has nothing to do with an appropriation, it has nothing to do with an authorization for appropriation, nor does it have anything to do with borrowing authority from the U.S. Treasury. Since 1963—and this would continue under the committee substitute we are considering—not one dime of public money has been used for lending purposes by the Export-Import Bank. The Bank is authorized to sell its debentures in the private money market, and since 1963 this has been the sole method of raising the capital used in its lending program.

The House should not think, if it votes to do what the gentleman from New Jersey has asked, we are voting to save any money or are voting for economy.

It would be, in effect, a vote against the private banking system from which we get this money. It would be a vote against permitting the American private enterprise system to compete fairly under its own ground rules with the Communist world operating under its ground rules.

The amendment of the gentleman in effect reduces the effectiveness of the Bank as a tool in opposing the spread of communism, and, therefore, it would help inadvertently—I know the gentleman does not mean it to have this effect intentionally, but inadvertently, it would help our enemies by not giving the Bank the additional lending authority.

I conclude by saying we are not asking for any economy in the operation of Government. We are merely taking the billion dollars out that could be utilized for the purpose of developing exports, that will assist us in implementing everything we are trying to do to have the balance of payments continue to be more favorable to us than it has in the past.

I ask the Members to join me in opposing this amendment.

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

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

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

Mr. HAYS. Mr. Chairman, I am sorry the distinguished minority leader is not still here—I tried to get the floor earlier, while the gentleman was still here, but he has stepped off the floor—but it seems to me, and I am not an expert on banking or upon this particular bill, and I do not even claim to be an expert on foreign affairs, which is the committee I sit on, I do know a little bit about it and I know a little bit about history.

When the minority leader made what appeared to me to be a rather blatant attempt to drag in Israel as a collateral issue, and a rather blatant attempt to get some votes from people in this country who might be sympathetic to Israel, it seems to me he overlooked some recent history, because I happened to be in this body when the first Israel-Arab war came about. It was not a Democratic administration which went in and stopped the Israelis and their allies cold in their tracks, from doing to Nasser what they would have done; then we would not have had this recurring problem.

I do know that the people who are friends of Israel in this country, and who vote, are not going to forget that, and then I do not think that they are going to be misled by any issue that we have not given Israel 50 planes or have not sold 50 planes to them at this moment. I suspect if it becomes obvious they are in dire need of the planes, they will get them.

But, as we know, there is no reason for the United States to jump in and give Israel any arms, when Russia is supplying them with arms, as I said the other day, via Egypt, because the Israelis got a billion and a half dollars worth of equipment during that war—either got it or destroyed it—and my information is that the Israelis have not been able to catalog what they captured yet, much less convert it so it will become useful to their Armed Forces—which they will.

I recall when the Israel-Arab war broke out a few months ago, that people were down here saying, "Let us help Israel."

I claim neither to be omniscient, nor omnipotent, to be a prophet, but I did take the floor then and I said, "Let us let Israel alone for a week or two. I do not believe they will need any help."

We did let them alone; not because I said so, I suppose, but because the State Department could not make up its mind within a week or two. This was true when the Republicans were in, as well as us, for that is the way it is. The State Department has a lot of civil servants, and they did not get anything done, so the Israeli took care of the situation themselves.

What I am trying to say is that bringing Israel into this debate about the Export-Import Bank is kind of an extraneous diversionary political tactic.

I would remind my good friend and

geographical neighbor from Michigan, the distinguished leader, every once in a while, as there is an old saying, even a blind pig will come up with an acorn. But this was a wormy one. I would suggest we try for better issues in this debate than to drag the Israeli question in, because I do not believe it went over very big.

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

Mr. HAYS. I will have to ask my friend to yield, since he yielded to me.

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

Mr. WIDNALL. I want to commend the gentleman for saying that bringing Israel in is an extraneous matter, as to the matter before the House for consideration. The matter was brought up yesterday by the Speaker of the House.

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

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

Mr. HAYS. I am just telling the Members today, so far as the 50 planes for Israel are concerned, that was brought up today. I first heard it brought up by the minority leader. That is the subject to which I am addressing myself.

I say that the fact that Israel was stopped, back in 1956, from finishing the job is part of the reason why we are in the shape we are in in the Near East now. That is part of the reason why the Suez Canal is closed. Frankly, that is the primary reason, because if we had left them alone and not put our repressive hand on that little country they would have done the job then.

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

Mr. MOORHEAD. I yield to the distinguished Speaker of the House.

Mr. McCORMACK. That was when our country went up to the United Nations, in collaboration with the Soviet Union, and joined with them on the passage of a resolution that stopped England, France, and Israel from taking over the Suez Canal; is that correct?

Mr. HAYS. That is correct. That is exactly the thing I am talking about.

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

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

Mr. EDMONDSON. It has been suggested that our distinguished minority leader might want to look again at his facts on a point or two. I should like to suggest he look again at his facts on the so-called 7-to-1 ratio of credits to Arab countries as opposed to Israel.

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

(On request of Mr. EDMONDSON, and by unanimous consent, Mr. MOORHEAD was allowed to proceed for 1 additional minute.)

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

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

Mr. EDMONDSON. The list just handed to me, which is supposed to be a fairly current list of countries that have been included from the first in these military loans, shows that to get anything like a 7-to-1 ratio with regard to credits to Israel one must include a number of countries which are not classifiable as Arab by any stretch of the imagination, unless we start to consider a lot of the Latin American countries as Arab countries.

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

Mr. Chairman, I rise to continue the discussion which has just been going on.

I have been able to make some inquiries during the past few minutes to find out about the claim made here a few minutes ago that the Eximbank has given seven times at much credit to Arab States—including those that broke relations with the United States—as to Israel. I have been totally unable to find any figures that would justify anything approaching a 7-to-1 ratio.

First I should like to say that, during the period for the fiscal years 1962 to 1967, which is what we have been talking about, the countries that broke relations with the United States in the June war did not get $1 of Eximbank credit for arms sales under the DOD guarantee program. Not one dollar. Zero.

Now, some Arab countries did get some Eximbank loans for arms.

However, they were not the ones who broke relations. The ratio there over that period of time is 2 to 1. It is two for the Arab countries who did not break relations with Israel, which is very different from a 7-to-1 ratio.

I would remind the Members that it was during that period that the Government of France was known to be the principal supplier of the Government of Israel as far as arms were concerned.

So the claim of a 7-to-1 ratio between the Arab States and Israel is without foundation and totally misleading.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey to the substitute amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. WIDNALL) there were—ayes 54, noes 62.

So the amendment to the substitute amendment was rejected.

AMENDMENT OFFERED BY MR. FINDLEY TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. PATMAN

Mr. FINDLEY. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY to the substitute amendment offered by Mr. PATMAN: On page 2 after line 20 add the following:

"The Bank may not insure, guarantee, make loans in support of, or otherwise finance exports to, or for use by, or in any country, unless the government thereof is a signatory to binding international conventions guaranteeing impartial third-party arbitration of commercial disputes and protecting patent rights, or the commercial contract involved contains such guarantee and protection."

Mr. FINDLEY. Mr. Chairman, this amendment affords this body the opportunity to improve international trade practices by requiring as a condition of transactions covered by Export-Import Bank loans or guarantees that any disputes arising out of these will be settled by impartial third-party arbitration. This would apply to patent rights as well as industrial processes, questions of quantity and quality, delivery, and such as that. Frankly, this would have little effect on the transactions that the Export-Import Bank is now engaged in and prospectively will be engaged in so long as the Vietnam war is in progress, because impartial third-party arbitration of disputes is already accepted as a standard clause in almost every international free-world trade agreement. The exceptions are where the transaction involves a state-trading country such as the Eastern bloc or the Soviet Union.

And, Mr. Chairman, I would hope that the life of this legislation, extending as it does for the period of 5 years, would lead us into the period of time beyond the war in Vietnam. I am not advocating, but I am anticipating, that the Export-Import Bank subsequent to that time will be engaged in some transactions with the Soviet-bloc countries. And, in these circumstances, these Communist countries would be required to accept impartial arbitration by a third party, the same as in exclusively free-world transactions. In my opinion this would be a protection to both the merchants involved and to the taxpayer, because the taxpayer is the one actually holding the risk bag on transactions covered by the Export-Import Bank.

It may be argued that hearings should be held upon my amendment. I agree that hearings could be held. They are needed. Third-party impartial arbitration is universally accepted by the marketplace community.

This amendment, is a means, prospectively, for us to get the state-trading countries to accommodate their practices to the marketplace system.

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

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, presumably, what the gentleman from Illinois is trying to do is to protect our exporters from this sort of mistreatment.

Insofar as I am aware, the exporter industry has not made a request for this type of protection.

Mr. FINDLEY. I think it is fair to say that this problem has been cited frequently by many concerns, and I might say that according to the so-called Miller report made by the Presidential Commission, arbitration of East-West transactions was cited as one of the problems of trade.

To cite a few specifics, patents on the Caterpillar D–7 tractor, the GM diesel engine, and the Fairbanks Morse locomotive were ignored by the Soviets, in their manufacture of these items. The sale of the initial items to Moscow was not covered by the Export-Import Bank loans, so far as I know, but the abuse of patents illustrates the problem.

Under similar transactions like that in the future, the amendment which I have proposed would insist that provision be made for arbitration not in Moscow, where the merchant and arbitrator would, in effect, be one and the same, but before a free-world impartial panel.

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

Mr. FINDLEY. I yield further to the gentleman from New York.

Mr. BINGHAM. Is it not true that under the gentleman's amendment, if the exporter did not have access to the Export-Import Bank, then he would have to look to private financing with reference to his plans and he would not have the Export-Import Bank to stand behind him in such transactions?

Mr. FINDLEY. I am sure the gentleman is not suggesting that the Government guarantee those transactions which are not covered by fair and reasonable regulations protection of the patent rights and assurance of impartial third-party arbitration. I think these principles are so widely accepted in the free world, that we should not hesitate to require them here. In that way, if and when the Bank covers Communist-bloc trade, these safeguards will already be required.

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield further, it would seem to me that while the industry involved might like to have those principles governing all exports and all trade—and if that can be done—they would not want to have just one element of that protection, and that is why they have not requested all elements of this protection.

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

Mr. Chairman, yesterday when the gentleman who introduced this amendment brought it up during general debate, I believe he answered the question—although I was not clear about it—when I asked him: I said, would the gentleman say that this would only apply to Communist countries?

And I understood the gentleman to say that that was correct; is that right?

Mr. FINDLEY. Will the gentleman yield?

Mr. PATMAN. No, I do not have time to yield. I would ask the gentleman to wait until I get through. I will not bring that up any more. I will assume that there is discussion about it, and objection, and not insist on it.

Anyway, my friends, this is clearly outside of a real, intelligent discussion, in the way I see it, of the issues involved in the Export-Import Bank.

The gentleman wants a provision in here that the Bank cannot do business with any country that is not a signatory to certain agreements involving patent rights. Well, I do not know whether it is good or whether it is bad, but I do know that it occurs to me it is rather farfetched to make such a requirement here in this bill without knowing more about the effect it would have upon all the nations of the world.

Upon investigation, I have discovered that this applies to 29 nations that are not Communist nations, and would probably prevent the Export-Import Bank from doing any kind of business with them It would be very disturbing and upsetting to our balance of payments, and destructive to our own domestic economy. There are at last 29 non-Communist countries that have not agreed to the latest International Convention on Patent Rights that the gentleman says must be signatories to it, or the Export-Import Bank cannot do business with them, including some of the major trading partners of the United States. It would be disruptive to some of our major transactions with some of our best friends and partners. These include such important allies and friendly countries as Australia, Austria, Brazil, Canada, Denmark, Ireland, the Netherlands, New Zealand, Spain, Sweden, and Turkey. These countries import hundreds of millions of dollars' worth of U.S. produced goods each year, much of which is financed through the Export-Import Bank. This amendment would stop this.

The Findley amendment would seriously and adversely affect the trade relations of the United States with these important countries around the world.

The Department of Commerce informs me that other commercial conventions are even less universal than the Patent Convention, and the Findley amendment would be even more damaging than if it referred only to the Patent Convention.

Therefore, Mr. Chairman, I earnestly urge the Members to vote against this amendment. It does not belong in here.

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

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

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for yielding. I fear that the gentleman has misread the amendment. It does provide for safeguard by means of conventions, but as an alternative, in the absence of convention, provides for inclusion of safeguard clauses in each transaction contract. That is a very important alternative.

Mr. PATMAN. Does that not make it even worse?

Mr. FINDLEY. No.

Mr. PATMAN. Not only to be signatories to certain conventions, but have certain requirements in contracts in addition to that. It looks to me like something else is involved in your amendment besides the Export-Import Bank.

Mr. FINDLEY. I pointed out in my earlier comments that almost every transaction in the free world trade does include in the contract the provisions that I have set forth here. So this means that transactions with Australia, Brazil, and these other countries the gentleman mentioned undoubtedly now include these safeguards. This would impose no encumbrance whatever upon transactions that are now in progress, at least those following universally common practice.

Mr. PATMAN. I do not believe they were even thought of. This is injecting an entirely new issue into this whole debate. I trust the gentleman will withdraw his amendment, introduce a bill and receive hearings before a committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY] to the substitute amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 26, noes 61.

So the amendment to the substitute amendment was rejected.

The CHAIRMAN. The question now occurs on the amendment offered by the gentleman from Texas [Mr. PATMAN] in the nature of a substitute.

The substitute amendment was agreed to.

Mr. MACHEN. Mr. Chairman, I rise in support of H.R. 6649. I believe that the Export-Import Bank serves a very worthwhile and much-needed function on the world scene. The Bank has enabled thousands of American manufacturers and suppliers, both large and small, to make export sales that would otherwise have been lost to foreign competition. Of equal significance, however, is the contribution of the Bank's exports to the U.S. balance-of-payments position. The Bank's loans are repayable in dollars and are utilized, almost without exception, to purchase goods and services. As repayments are received under these loans, the receipts of both principal and interest are recorded as favorable entries in our balance-of-payments accounts. These receipts are sizable. Last year, for example, it is estimated that repayments in interest on loans which the Bank made, guaranteed or insured, contributed about $1.5 billion to the credit side of the U.S. balance of payments.

The operations of the Bank also are particularly noteworthy because they contribute to the Nation's economy without cost to the taxpayer. The Bank's earnings, after payment of interest and other operating costs, have been running in excess of $100 million annually, and it is paying yearly dividends of $50 million to the U.S. Treasury.

It has been said by some that a limitation should be placed on the Bank's lending capacity by amending the charter to state that the Bank may not insure, make loans in support of, or otherwise finance exports to or for use in countries which shall be engaged in armed conflict, declared or otherwise with the United States, or military forces of such nations, or any nation the government of which shall be furnishing goods or supplies to a nation which shall be engaged in such armed conflict with the United States.

Several years ago, I would have been very firm in my opposition to such an amendment to the Bank's charter, because at that time it appeared that the theory of "building bridges to the East" was good for the overall future of the United States and was a much-needed initial step in our efforts to insure world peace. It was said that this policy would encourage the economic and political independence of the nations of the Communist bloc. I cannot argue the veracity of this theory because, quite frankly, I believe that it has been neither conclusively proved nor disproved.

The situation which the United States faces today is very much different from our experience when this "bridge building" theory was first put forth. We are engaged in a very real and costly war in

Vietnam and are faced with crises of mounting significance in North Korea and other parts of the globe. I cannot convince myself that it is in the best interests of this Nation to allow loans to be made available through one of its independent agencies to nations where there is a chance, and a very real chance in some instances I might add, that these funds, goods, or services might be used directy or indirecty to aid the war effort of countries which are either engaged in declared or undeclared war with the United States.

I support this amendment because I believe that Congress has the power and the duty to tell the executive branch or any Federal agency to take steps to cease and desist from trading or encouraging trade with countries which are either engaged in declared or undeclared war with the United States.

Mr. COHELAN. Mr. Chairman, before us today is the question of extending the life of the Export-Import Bank and increasing its lending capacity. In addition we face questions concerning Eximbank guarantees for sales to countries whose governments deal with North Vietnam, and of guarantees for the sale of arms to less developed countries.

I do not intend to take the time to deal with each of these points in detail. However, I do want to make three rather simple points.

First, the United States quite obviously faces balance-of-payments problems. We possess a considerable trade surplus, but the trade account is still the best and least painful place in which to improve our payments situation. And the Eximbank improves the trade account not by the restriction of imports, but by providing attractive financing for purchases of U.S. goods. Without the Eximbank, the balance in our trade account would be considerably less favorable than it is. Financial terms are as much a part of export sales as are the quality and price of the goods we offer. The Eximbank allows us to be competitive in the financing of our exports. For the sake of our balance of payments, as well as for the domestic economy, we should extend the operations of the Eximbank.

Second, those who are concerned with cutting off of all trade with the Communists should be attacking our entire trade policy—and not the Eximbank which carries out only a small portion of that policy. The Bank participates in the financing only of sales of American goods which are approved by the issuance of export licenses. Thus, the Bank does not make the export policy, it only furthers it after the policy decision has been made elsewhere.

I am a supporter of increased East-West trade. I support this trade because I believe that it is in the best interests of this country. It not only serves our economic interests by increasing our exports, but it creates greater contacts and a certain community of interests between our country and the Communists which, in my judgment, makes it less likely that there will be a major East-West conflagration. For these reasons I am opposed to measures, like the one presented in connection with this bill, which will restrict our flexibility in dealing with the Communists.

My third point is simply that the United States must not continue to sell large quantities of weapons to underdeveloped countries. The Congress has recognized this point several times in the last few months. In the 1967 authorization for foreign assistance and in the fiscal 1968 foreign aid appropriation steps were taken to limit the use of our aid money for the purchase of military weapons by poor countries.

These underdeveloped countries have few enough resources and many enough problems without diverting precious aid for the purchase of weapons. We should help these countries to help their people by giving assistance with economic, social, educational, and health matters. Ultimately the cause of social unrest is in miserable living conditions. In the long run, aid and not arms will be the best preserver of peace.

For this reason, I support the efforts of the committee to restrict the use of Eximbank credit for the sale of arms to less developed countries. I support the efforts of the committee to maintain a degree of flexibility in the financing of arms sales by the Bank. The committee amendment would allow the President discretion to finance arms sales to underdeveloped countries where it would not harm the peaceful development of the country, and where it is a democratic government, and where the country has not engaged in an arms race. This is narrow discretion, but it does allow a degree of flexibility to deal with the proper case.

Mr. Chairman, I urge adoption of the committee bill H.R. 6649.

Mr. OTTINGER. Mr. Chairman, I am in full support of legislation extending the important functions of the Export-Import Bank and increasing the Bank's loan and guarantee authority. The Bank's record in assisting underdeveloped nations—the international New Frontier—has been admirable. Its operations in promoting efforts are particularly vital now in resolving our grave balance-of-payments problems. Its accomplishments have contributed immensely to our national interest.

However, the legislation proposed originally by the administration contained a major defect in its failure to adequately limit the Export-Import Bank's authority to promote trade with Soviet bloc nations, in particular those supplying strategic materials to North Vietnam. This defect has been corrected by the amendment offered by the Banking and Currency Committee. The amendment clearly prohibits the Bank from financing trade with any nation supplying Hanoi.

Let me make clear that it is not my intention that the United States foreclose forever any trade with the nations of Eastern Europe. In my view, there are very real possibilities for exploiting the differences among Communist countries via trade contacts, thus driving the wedge even deeper between nations espousing "peaceful coexistence" and the aggressive, militaristic nations under Communist China's sphere of influence.

However, I cannot see giving aid at this time to any country contributing to the enemy in Vietnam, for this would indirectly finance the bullets being fired at our own boys. Low interest loans through the Export-Import Bank are a form of aid and therefore I feel constrained to oppose them at this time.

Some hard questions must be answered before the United States even relaxes any further its trade relations with the Soviet bloc. I strongly believe that step cannot be taken unless those nations are willing to make substantial diplomatic concessions in exchange for the opportunity to benefit by our trade.

It seems obvious that it is not in the national interest for the United States to in any way provide economic benefits to nations aiding North Vietnam's war effort. Too many American lives have been lost in this tragic conflict. While I profoundly hope that we can quickly and more effectively move to end the war through a negotiated settlement, until we do we must make clear to our allies and to all nations that we simply cannot and will not finance the means for destroying our own troops.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANDRUM, 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. 6649) to amend the Export-Import Bank Act of 1945, as amended, to shorten the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes, pursuant to House Resolution 993, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted in the Committee of the Whole?

If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. In its present form I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill, H.R. 6649, to the Committee on Banking and Currency with instructions to report the same back to the House forthwith with the following amendment: In subsection (e) of

the amendment, strike "$13,500,000,000" and insert "$12,500,000,000".

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 164, nays 233, not voting 35, as follows:

[Roll No. 22]

YEAS—164

Abbitt	Gathings	Nichols
Abernethy	Goodell	O'Konski
Adair	Goodling	Pelly
Anderson, Ill.	Gross	Pettis
Andrews, Ala.	Grover	Poage
Andrews, N. Dak.	Gubser	Poff
Arends	Hagan	Pool
Ashbrook	Haley	Price, Tex.
Ashmore	Hall	Quie
Ayres	Halleck	Quillen
Baring	Hammer-schmidt	Randall
Bates	Harrison	Rarick
Battin	Harsha	Reid, Ill.
Belcher	Henderson	Reifel
Berry	Herlong	Rhodes, Ariz.
Betts	Hunt	Robison
Blackburn	Hutchinson	Rogers, Fla.
Bolton	Ichord	Roth
Bow	Jarman	Satterfield
Bray	Johnson, Pa.	Saylor
Brinkley	Jonas	Schadeberg
Brotzman	Jones, Mo.	Scherle
Brown, Ohio	Jones, N.C.	Schwengel
Broyhill, Va.	King, N.Y.	Sikes
Buchanan	Kleppe	Smith, Calif.
Burke, Fla.	Kornegay	Smith, N.Y.
Burton, Utah	Kuykendall	Snyder
Bush	Kyl	Springer
Byrnes, Wis.	Laird	Steiger, Ariz.
Carter	Langen	Steiger, Wis.
Cederberg	Latta	Stuckey
Chamberlain	Lennon	Taft
Clancy	Lipscomb	Talcott
Clawson, Del	Lloyd	Taylor
Collier	Long, La.	Teague, Calif.
Colmer	Lukens	Teague, Tex.
Conable	McClure	Thomson, Wis.
Corbett	McCulloch	Tuck
Cunningham	McDonald, Mich.	Waggonner
Curtis	McMillan	Walker
Denney	MacGregor	Wampler
Derwinski	Marsh	Watson
Dickinson	Martin	Whalley
Dole	Mathias, Md.	Whitener
Dowdy	May	Whitten
Duncan	Meskill	Widnall
Edwards, Ala.	Michel	Wiggins
Eshleman	Miller, Ohio	Williams
Evins, Tenn.	Minshall	Winn
Fisher	Montgomery	Wyatt
Ford, Gerald R.	Moore	Wydler
Fountain	Morton	Wylie
Fulton, Pa.	Myers	Wyman
Fuqua	Nelsen	Zion
Gardner		Zwach

NAYS—233

Adams	Bingham	Broyhill, N.C.
Addabbo	Blanton	Burke, Mass.
Albert	Blatnik	Burton, Calif.
Anderson, Tenn.	Boggs	Byrne, Pa.
Annunzio	Boland	Cabell
Ashley	Bolling	Cahill
Aspinall	Brademas	Carey
Barrett	Brasco	Casey
Bell	Brock	Celler
Bennett	Brooks	Cohelan
Bevill	Broomfield	Conte
Biester	Brown, Calif.	Conyers
	Brown, Mich.	Corman
Cowger	Holland	Pepper
Culver	Horton	Perkins
Daddario	Hosmer	Philbin
Daniels	Howard	Pickle
Davis, Ga.	Hull	Pike
Dawson	Hungate	Pirnie
de la Garza	Irwin	Price, Ill.
Delaney	Jacobs	Pryor
Dellenback	Joelson	Purcell
Dent	Johnson, Calif.	Railsback
Diggs	Jones, Ala.	Reid, N.Y.
Dingell	Karsten	Rhodes, Pa.
Donohue	Karth	Riegle
Dorn	Kastenmeier	Rivers
Dow	Kazen	Roberts
Downing	Kee	Rodino
Dulski	Keith	Rogers, Colo.
Dwyer	Kelly	Ronan
Eckhardt	King, Calif.	Rooney, Pa.
Edmondson	Kirwan	Roudebush
Edwards, Calif.	Kluczynski	Roush
Edwards, La.	Kupferman	Roybal
Eilberg	Kyros	Ruppe
Erlenborn	Landrum	Ryan
Esch	Leggett	St Germain
Evans, Colo.	Long, Md.	Sandman
Fallon	McCarthy	Scheuer
Farbstein	McClory	Schneebeli
Fascell	McCloskey	Selden
Feighan	McDade	Shipley
Findley	McEwen	Shriver
Fino	McFall	Sisk
Flood	Macdonald, Mass.	Slack
Flynt	Machen	Smith, Iowa
Ford, William D.	Madden	Stafford
Fraser	Mahon	Staggers
Frelinghuysen	Mailliard	Stanton
Friedel	Matsunaga	Steed
Galifianakis	Mayne	Stephens
Gallagher	Meeds	Stratton
Garmatz	Miller, Calif.	Stubblefield
Gettys	Mills	Sullivan
Giaimo	Minish	Tenzer
Gibbons	Mink	Thompson, Ga.
Gilbert	Mize	Thompson, N.J.
Gonzalez	Monagan	Tiernan
Gray	Moorhead	Tunney
Green, Oreg.	Morgan	Udall
Green, Pa.	Morris, N. Mex.	Ullman
Griffiths	Morse, Mass.	Van Deerlin
Halpern	Mosher	Vander Jagt
Hamilton	Murphy, Ill.	Vanik
Hanley	Murphy, N.Y.	Vigorito
Hanna	Natcher	Waldie
Hansen, Wash.	Nedzi	Watts
Hardy	Nix	Whalen
Harvey	O'Hara, Ill.	White
Hathaway	O'Hara, Mich.	Willis
Hawkins	Olsen	Wilson, Bob
Hays	O'Neal, Ga.	Wolff
Hechler, W. Va.	O'Neill, Mass.	Wright
Heckler, Mass.	Ottinger	Yates
Helstoski	Passman	Young
Hicks	Patman	Zablocki
Holifield	Patten	

NOT VOTING—35

Burleson	Gurney	Rostenkowski
Button	Hansen, Idaho	Rumsfeld
Clark	Hébert	St. Onge
Clausen, Don H.	Mathias, Calif.	Schweiker
Cleveland	Moss	Scott
Cramer	Pollock	Skubitz
Davis, Wis.	Pucinski	Smith, Okla.
Devine	Rees	Utt
Everett	Reinecke	Watkins
Foley	Resnick	Wilson, Charles H.
Fulton, Tenn.	Reuss	
Gude	Rooney, N.Y.	
	Rosenthal	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rooney of New York against.

Mr. Everett for, with Mr. St. Onge against.

Mr. Utt for, with Mr. Foley against.

Mr. Davis of Wisconsin for, with Mr. Gude against.

Until further notice:

Mr. Moss with Mr. Reinecke.

Mr. Clark with Mr. Cleveland.

Mr. Charles H. Wilson with Mr. Don H. Clausen.

Mr. Pucinski with Mr. Button.

Mr. Rees with Mr. Devine.

Mr. Resnick with Mr. Schweiker.

Mr. Rostenkowski with Mr. Mathias of California.

Mr. Reuss with Mr. Watkins.

Mr. Burleson with Mr. Cramer.

Mr. Fulton of Tennessee with Mr. Hansen of Idaho.

Mr. Rosenthal with Mr. Skubitz.

Mr. Scott with Mr. Pollock.

Mr. Smith of Oklahoma with Mr. Rumsfeld.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 375, nays 19, not voting 36, as follows:

[Roll No. 23]

YEAS—375

Abbitt	Cowger	Hamilton
Abernethy	Culver	Hammer-schmidt
Adair	Cunningham	Hanna
Adams	Daddario	Hansen, Wash.
Addabbo	Daniels	Hardy
Albert	Davis, Ga.	Harvey
Anderson, Ill.	Dawson	Hathaway
Anderson, Tenn.	de la Garza	Hawkins
Andrews, Ala.	Delaney	Hays
Andrews, N. Dak.	Dellenback	Hechler, W. Va.
Annunzio	Denney	Heckler, Mass.
Arends	Dent	Helstoski
Ashley	Derwinski	Henderson
Ashmore	Dickinson	Herlong
Aspinall	Diggs	Hicks
Ayres	Dingell	Holifield
Barrett	Dole	Holland
Bates	Donohue	Horton
Battin	Dorn	Hosmer
Belcher	Dow	Howard
Bell	Dowdy	Hull
Bennett	Downing	Hungate
Berry	Dulski	Hunt
Betts	Dwyer	Hutchinson
Bevill	Eckhardt	Ichord
Biester	Edmondson	Irwin
Bingham	Edwards, Ala.	Jacobs
Blackburn	Edwards, Calif.	Jarman
Blanton	Edwards, La.	Joelson
Blatnik	Eilberg	Johnson, Calif.
Boggs	Erlenborn	Johnson, Pa.
Boland	Esch	Jonas
Bolling	Eshleman	Jones, Ala.
Bolton	Evans, Colo.	Jones, Mo.
Bow	Evins, Tenn.	Jones, N.C.
Brademas	Fallon	Karsten
Brasco	Farbstein	Karth
Bray	Fascell	Kastenmeier
Brinkley	Feighan	Kazen
Brock	Findley	Kee
Brooks	Fino	Keith
Broomfield	Fisher	Kelly
Brotzman	Flood	King, Calif.
Brown, Calif.	Flynt	King, N.Y.
Brown, Mich.	Ford, Gerald R.	Kirwan
Brown, Ohio	Ford, William D.	Kleppe
Broyhill, N.C.	Fountain	Kluczynski
Broyhill, Va.	Fraser	Kornegay
Buchanan	Frelinghuysen	Kupferman
Burke, Fla.	Friedel	Kuykendall
Burke, Mass.	Fulton, Pa.	Kyl
Burton, Calif.	Fulton, Tenn.	Kyros
Burton, Utah	Fuqua	Laird
Bush	Galifianakis	Landrum
Byrne, Pa.	Gallagher	Langen
Byrnes, Wis.	Gardner	Latta
Cabell	Garmatz	Leggett
Cahill	Gathings	Lipscomb
Carey	Gettys	Lloyd
Carter	Giaimo	Long, Md.
Casey	Gibbons	Lukens
Cederberg	Gilbert	McCarthy
Celler	Gonzalez	McClory
Chamberlain	Goodell	McCloskey
Clawson, Del	Goodling	McClure
Cohelan	Gray	McCulloch
Collier	Green, Oreg.	McDade
Colmer	Green, Pa.	McDonald, Mich.
Conable	Griffiths	McEwen
Conte	Grover	McFall
Conyers	Gubser	McMillan
Corbett	Hagan	Macdonald, Mass.
Corman	Halleck	
	Halpern	

MacGregor	Pirnie	Steiger, Wis.
Machen	Poage	Stephens
Madden	Poff	Stratton
Mahon	Price, Ill.	Stubblefield
Mailliard	Price, Tex.	Stuckey
Marsh	Pryor	Sullivan
Martin	Purcell	Taft
Mathias, Md.	Quie	Talcott
Matsunaga	Randall	Taylor
May	Reid, Ill.	Teague, Calif.
Mayne	Reid, N.Y.	Teague, Tex.
Meeds	Reifel	Tenzer
Meskill	Rhodes, Ariz.	Thompson, Ga.
Michel	Rhodes, Pa.	Thompson, N.J.
Miller, Calif.	Riegle	Thomson, Wis.
Miller, Ohio	Rivers	Tiernan
Mills	Roberts	Tuck
Minish	Robison	Tunney
Mink	Rodino	Udall
Minshall	Rogers, Colo.	Ullman
Mize	Rogers, Fla.	Van Deerlin
Monagan	Ronan	Vander Jagt
Montgomery	Rooney, Pa.	Vanik
Moore	Roth	Vigorito
Moorhead	Roudebush	Waggonner
Morgan	Roush	Waldie
Morris, N. Mex.	Roybal	Walker
Morse, Mass.	Ruppe	Wampler
Morton	Ryan	Watts
Mosher	St Germain	Whalen
Murphy, Ill.	Sandman	Whalley
Murphy, N.Y.	Satterfield	White
Myers	Saylor	Whitener
Natcher	Schadeberg	Whitten
Nedzi	Scherle	Widnall
Nelsen	Scheuer	Wiggins
Nichols	Schneebeli	Williams, Pa.
Nix	Schwengel	Willis
O'Hara, Ill.	Selden	Wilson, Bob
O'Hara, Mich.	Shipley	Winn
O'Neal, Ga.	Shriver	Wolff
O'Neill, Mass.	Sikes	Wright
Ottinger	Sisk	Wyatt
Passman	Slack	Wydler
Patman	Smith, Calif.	Wylie
Patten	Smith, Iowa	Wyman
Pelly	Smith, N.Y.	Yates
Pepper	Springer	Young
Perkins	Stafford	Zablocki
Pettis	Staggers	Zion
Philbin	Stanton	Zwach
Pickle	Steed	
Pike	Steiger, Ariz.	

NAYS—19

Ashbrook	Hall	Pool
Baring	Harrison	Quillen
Clancy	Harsha	Rarick
Curtis	Lennon	Snyder
Duncan	Long, La.	Watson
Gross	O'Konski	
Haley	Olsen	

NOT VOTING—36

Burleson	Hanley	Rosenthal
Button	Hansen, Idaho	Rostenkowski
Clark	Hébert	Rumsfeld
Clausen, Don H.	Mathias, Calif.	St. Onge
Cleveland	Moss	Schweiker
Cramer	Pollock	Scott
Davis, Wis.	Pucinski	Skubitz
Devine	Railsback	Smith, Okla.
Everett	Rees	Utt
Foley	Reinecke	Watkins
Gude	Resnick	Wilson, Charles H.
Gurney	Reuss	
	Rooney, N.Y.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Watkins for, with Mr. Utt against.

Until further notice:

Mr. Rooney of New York with Mr. Cleveland.
Mr. St. Onge with Mr. Hansen of Idaho.
Mr. Rees with Mr. Pollock.
Mr. Moss with Mr. Mathias of California.
Mr. Pucinski with Mr. Button.
Mr. Foley with Mr. Reinecke.
Mr. Charles H. Wilson with Mr. Railsback.
Mr. Hanley with Mr. Don H. Clausen.
Mr. Hébert with Mr. Cramer.
Mr. Reuss with Mr. Davis of Wisconsin.
Mr. Clark with Mr. Gude.
Mr. Everett with Mr. Skubitz.
Mr. Resnick with Mr. Smith of Oklahoma.
Mr. Burleson with Mr. Scott.
Mr. Rostenkowski with Mr. Rumsfeld.
Mr. Rosenthal with Mr. Devine.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, pursuant to House Resolution 993, I call up the bill S. 1155 and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 1155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635–635i), is amended by changing "Export-Import Bank of Washington", wherever that name refers to the legal entity created by the Export-Import Bank Act of 1945, to "Export-Import Bank of the United States".

(b) Section 2 of the such Act is amended by striking subsection (b) thereof and by substituting in lieu thereof the following:

"(b)(1) It is the policy of the Congress that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital; that loans, so far as possible consistently with carrying out the purposes of subsection (a), shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment; and that in authorizing such loans the Board of Directors should take into account the possible adverse effects upon the United States economy and the desirability of safeguarding the international balance-of-payments position of the United States."

(c) Section 2(b) of such Act is further amended by inserting at the end thereof two new paragraphs as follows:

"(2) The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in an extension of credit (A) in connection with the purchase or lease of any product by a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended), or agency or national thereof, or (B) in connection with the purchase or lease of any product by any other foreign country, or agency, or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country, as so defined): *Provided,* That, subject to the provisions of subsections (d) and (e) of this section, whenever the President determines that such guarantees, insurance, extension of credits, or participation in credits, would be in the national interest and reports such determination (within thirty days after making the same) to the Senate and House of Representatives, such guarantees, insurance, or extension of credits may be made, or participated in, by the Bank.

"(3) It is further the policy of the Congress that the Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with any credit sale of defense articles and defense services by the Government of the United States under the Foreign Assistance Act of 1961, as amended, or by United States exporters, the repayment of which is guaranteed under section 503(e) and section 509(b) of said Foreign Assistance Act: *Provided,* That whenever the President determines that such guarantees, insurance, extension of credits, or participation in credits, would be in the national security interest and reports such determination (within thirty days after making the same) to the Senate and House of Representatives, such guarantees, insurance, or extension of credits may be made, or participated in, by the Bank notwithstanding the policy herein stated: *Provided further,* That in no event shall the Bank have outstanding at any time, military export credits guaranteed under section 503(e) and section 509(b) of the Foreign Assistance Act of 1961, as amended, in excess of 7½ per centum of limitation imposed by section 7 of this Act."

(d) Section 2(c) of such Act is amended by striking out "$2,000,000,000" and inserting in lieu thereof "$3,500,000,000".

(e) Section 3(d) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "Members, not otherwise in the regular full-time employ of the United States, may be compensated at rates not exceeding the per diem equivalent of the rate for grade 18 of the General Schedule (5 U.S.C. 5332) for each day spent in travel or attendance at meetings of the Committee, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently."

(f) Section 7 of such Act is amended by striking out "$9,000,000,000" in inserting in lieu thereof "$13,500,000,000".

(b) Section 8 of such Act is amended by striking out "June 30, 1968" and inserting in lieu thereof "June 30, 1973".

SEC. 2. Section 2 of the Export-Import Bank Act of 1945 is amended by adding at the end thereof two new subsections as follows:

"(d) The Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit (1) in connection with the purchase of any product by any nation with which the United States is engaged in armed conflict (whether or not there has been a declaration of war), or any agency or national thereof; or (2) in connection with the purchase of any product by any nation (or agency or national thereof) the government of which is furnishing goods or supplies to a nation described in clause (1).

"(e) The Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with the purchase of any product for the construction of a facility for manufacturing automobiles by the Union of Soviet Socialist Republics or by any other nation or entity for use (to the knowledge of the Bank) in the Union of Soviet Socialist Republics."

AMENDMENT OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out all after the enacting clause of S. 1155 and insert the provisions of H.R. 6649, as passed, as follows:

"SECTION 1. The Export-Import Bank Act of 1945 is amended—

"(a) By changing 'Export-Import Bank of Washington', wherever that name refers to the legal entity created by the Export-Import Bank Act of 1945, to 'Export-Import Bank of the United States'.

"(b) By inserting '(1)' immediately after '(b)' in section 2(b) of that Act, and by adding the following at the end of section 2(b):

"'(2) The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product, technical data or other information by a national or agency of any nation

"'(A) which engages in armed conflict, declared or otherwise, with armed forces of the United States; or

"'(B) which furnishes by direct governmental action (not including chartering, licensing, or sales by non-wholly-owned busi-

ness enterprises) goods, supplies, military assistance, or advisers to a nation described in subparagraph (A);

nor shall the Bank guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase by any nation (or national or agency thereof) of any product, technical data or other information which is to be used principally by or in a nation described in subparagraph (A) or (B).

"'(3) The Bank shall not guarantee, insure, or extend credit, or participate in an extension of credit in connection with any credit sale or defense articles and defense services to any country designated under section 4916 of the Internal Revenue Code of 1954 as an economically less developed country for purposes of the tax imposed by section 4911 of that Code. The prohibitions set forth in this paragraph shall not apply with respect to any transaction the consummation of which the President determines would be in the national interest and reports such determination (within thirty days after making the same) to the Senate and House of Representatives. In making any such determination the President shall take into account, among other considerations, the national interest in avoiding arms races among countries not directly menaced by the Soviet Union or by Communist China; in avoiding arming military dictators who are denying social progress to their own peoples; and in avoiding expenditures by developing countries of scarce foreign exchange needed for peaceful economic progress.

"'(4) In no event shall the Bank have outstanding at any time in excess of 7½ per centum of the limitation imposed by section 7 of this Act for such guarantees, insurance credits or participation in credits with respect to exports of defense articles and services to countries which, in the judgment of the Board of Directors of the Bank, are less developed.'

"(c) By changing in section 2(c) of that Act, '$2,000,000,000' to read '$3,500,000,000'.

"(d) By changing the last sentence in section 3(d) of that Act to read: 'Members, not otherwise in the regular full-time employ of the United States, may be compensated at rates not exceeding the per diem equivalent of the rate for grade 18 of the General Schedule (5 U.S.C. 5332) for each day spent in travel or attendance at meetings of the Committee, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.'

"(e) By changing, in section 7 of that Act, '$9,000,000,000' to read '$13,500,000,000'.

"(f) By changing, in section 8 of that Act, 'June 30, 1968' to read 'June 30, 1973'."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6649) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1155, EXPORT-IMPORT BANK ACT EXTENSION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1155) to amend the Export-Import Bank Act of 1945, as amended, to change the name of the Bank, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, to restrict the financing by the Bank of certain transactions, and for other purposes, with a House amendment thereto, insist upon the House amendment, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Mr. PATMAN, Mr. BARRETT, Mrs. SULLIVAN, Mr. REUSS, Mr. ASHLEY, Mr. MOORHEAD, Mr. WIDNALL, Mr. FINO, and Mrs. DWYER.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

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

There was no objection.

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

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 THE PRESIDENT TO PROCLAIM THE PERIOD FEBRUARY 11 THROUGH 17, 1968, AS "LULAC WEEK"

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 947) authorizing the President to proclaim the period February 11 through 17, 1968, as "LULAC Week."

The Clerk read the title of the joint resolution.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I hope I may have the assurance of the gentleman from Colorado [Mr. ROGERS] that the adoption of this resolution is not going to cost the taxpayers of this country any money?

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Of course I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. No, sir, it will not.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 947

Whereas the League of United Latin American Citizens, better known as LULAC, a nonprofit, nonsectarian, and nonpolitical civic organization, in this year 1968 is observing its thirty-ninth anniversary; and

Whereas each year the week which includes February 17, the anniversary of LULAC's organization, is observed as LULAC week as provided by the league constitution; and

Whereas LULAC has achieved a proud record in training new Americans for citizenship, in improving the educational opportunities for young Americans of Spanish-speaking background and in promoting the highest standards of true patriotism among its members, while preserving the native charm of their Latin American heritage; and

Whereas this dedicated organization has consistently identified itself with worthy civic projects in the communities where LULAC councils exist; and

Whereas LULAC councils presently exist in nineteen States of the Union from New York and New Jersey to California and from Michigan to Texas: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the period February 11 through 17, 1968, as "LULAC Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: Strike out the "whereas" clause in line 1, page 2.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NAMING OF THE MISSISSIPPI VETERANS' HOSPITAL

Mr. RYAN. 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 to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, the Washington Post, in an editorial this morning headlined "Affront," deplores the proposal to name the Jackson, Miss., Veterans' Hospital for the late Congressman John E. Rankin. The Post writes that it is a flagrant affront to the very idea of human equality.

Mr. Speaker, I have opposed this offensive legislation for the past 5 years, since it was first before this House.

If a rule is granted for H.R. 150, I intend to offer an amendment to strike that section which would designate the

Jackson hospital for John E. Rankin. There can be no justification for affronting the veterans of all races and creeds who have served this country by naming a Government facility for one who filled the CONGRESSIONAL RECORD with notorious expressions of bigotry.

If this hospital is to be named for an individual, then we might consider naming it after Medgar Evers, a veteran who fought for the highest ideals of American democracy and who was martyred for his dedication. This suggestion was made to me some time ago by Frank Weil of the American Veterans Committee.

The editorial from today's Washington Post follows:

AFFRONT

That offensively tasteless proposal to name a Veterans Administration hospital in honor of the late John E. Rankin has come up again in the House of Representatives. It ought to be quashed decisively for what it is—a flagrant affront to Negro Americans and to Jewish Americans and, indeed, to the very idea of human equality basic to the American ethos.

During his life, as a member of the House of Representatives, Representative Rankin fouled the air with racist and anti-Semitic slurs of the most reckless kind. He violated every rule of civility and decency. No doubt he ably served the people of Mississippi who elected him—largely white supremacists; and there can be no objection if they wish, with local funds, to raise a local memorial to him, say in the form of a fiery cross or a giant swastika. But to put his name on a national hospital would be to put a kind of imprecation on it and to make it unusable for many of the veterans it is supposed to serve. These men will have shed their blood for ideals John Rankin sullied and condemned.

SINGLE NATIONWIDE EMERGENCY TELEPHONE NUMBER

Mr. ROUSH. 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 Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, the Members of the House of Representatives are aware of my interest in encouraging a single, uniform, nationwide emergency phone number. I have introduced legislation twice for that purpose; once in May prior to A.T. & T.'s decision; again this January when officials of the telephone company announced that they would offer "911" as that single, nationwide, emergency phone number.

I have said, on the floor of this House, that our problem now is to bring the importance of this issue to the American people; to encourage communities all over the Nation, large and small, to influence their public officials to implement this single, emergency number for their safety and welfare.

Where to begin? There might be several places to begin, and one of these that I think would be most appropriate is right here in the Nation's Capital, a city that is trying to be, and should be, an example to the rest of the country.

In connection with this, I am pleased to announce now that the Chesapeake & Potomac Telephone Co. is prepared to plan jointly with the appropriate city officials for the future introduction of the number "911" as the emergency number for use here in Washington.

Ralph Frey, vice president and chief executive officer of the Chesapeake & Potomac Telephone Co. of Washington, D.C., has indicated to me that that telephone company, which services the District of Columbia, is prepared to implement "911" as soon as the appropriate agencies in the city are prepared to handle emergency calls on a consolidated basis.

I would like to encourage the new Government officials here in our city of Washington and the public safety agencies involved to begin immediately to confer with the local telephone authorities so that Washington may become truly a demonstration city in the area of emergency communications. I need hardly remind anyone of the high incidence of crime in our Capital and of the fact that the President's Crime Commission report recommended such a number wherever possible, indicating when they did so that police arrests are correlated with rapid calls for assistance. In other words, more arrests occur when the reporting calls are received quickly.

It is my hope that the conversations will begin as soon as possible for the implementation of this uniform emergency number for Washington, D.C. I believe that we in the Federal City can thereby show the rest of the Nation the advantages of such improved communications and lead them in that pursuit.

CRASH FAMILY PLANNING PROGRAM

Mr. LONG of Louisiana. 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 Louisiana?

There was no objection.

Mr. LONG of Louisiana. Mr. Speaker, despite a critical fiscal situation in the United States today, amply demonstrated by continuing administration demands for a new tax hike, efforts are being renewed to supply to the Government of India $26 million for what is delicately described as a "crash family-planning program."

At a time when we are threatened with even more deficit spending, the American people certainly have little interest in curing the reproductive aberrations of the Indian masses. I do not think we would shock the sensibilities of the public if we suggested that birth-control pills and other contraceptive devices lend themselves to the free market, even in India.

But the Indian Government shuns the free enterprise system in favor of a planned economy—an economy apparently based solely upon the willingness of the United States to support it with food and money and now contraceptives, not to mention guns and armor and technical assistance of all sorts.

There is a dangerous argument abroad in any discussion of Indian-American relations, suggesting that we owe it to the Indian people in repayment for the resources she lost in her colonial era, as though America were a wayward husband forced to pay alimony. The fact is that India abandoned her real husband, Great Britain, and today the British nation is a hopeless bankrupt. The United States is really a naive suitor, bearing gifts to an oriental Purdah, unaware of her sordid past.

And at the same time the United States is making romantic overtures to India, behind the veil she flirts openly with our enemies and publicly condemns American interests in Southeast Asia and elsewhere. India's Prime Minister herself has referred to the United States as "aggressive" and "reactionary." She has said in effect that India would rather starve than assist the United States in the legitimate exercise of our policy. Then I say, let her starve.

But food is one thing, which few Americans would long begrudge, but supplies of contraceptives for ill-defined governmental social programs is still another, which Americans are hardly willing to approve with tax hikes and austerity programs at home.

Mr. Speaker, I include at this point an article from the Washington Post of February 2, which describes this American-supported birth-control program for India:

AID OF $26 MILLION SLATED FOR INDIA FAMILY CONTROL

(By Jean M. White)

A new $26-million grant to help India with its crash family-planning program is expected to be negotiated soon in New Delhi by the Agency for International Development.

The American aid package—$4 million in dollars and $22 million in rupees from surplus food sales—would be used to supply birth-control pills, condoms, jeeps for family-planning field workers, and visual aids and printing equipment for a mass Indian education and advertising campaign.

William S. Gaud, head of the Agency for International Development, told a Senate subcommittee yesterday that the AID mission in New Delhi expects to reach prompt agreement with the Indian Government.

The new proposal comes on top of a grant of $1.3 million to India last September to buy birth-control pills and condoms.

This marked the first time that the United States has used foreign-aid funds for direct supply of contraceptives to another country.

Gaud's testimony yesterday before the Senate Government Operations Subcommittee on Foreign Aid Expenditures was a major policy statement on United States overseas aid to family planning.

From an outlay of zero dollars less than five years ago, Gaud noted, AID now has moved to where it hopes to obligate up to $35 million for overseas family-planning aid this fiscal year.

Gaud observed wryly that "all hell would have broken loose" in Congress and the country if an AID administrator in 1965 would have attempted to do what AID now is doing in the birth-control field.

Gaud said AID officials were "working very hard" to find projects to spend "sensibly" the $35 million in foreign-aid funds earmarked for family planning by Congress last session. This was the first time foreign-aid money had been specifically earmarked for birth control.

DR. MARTIN LUTHER KING'S PLANS FOR ACTIVITY IN WASHINGTON IN APRIL

Mr. SELDEN. 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 Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, a few weeks ago I wrote to Attorney General Ramsey Clark asking that he initiate steps by the Justice Department to seek an injunction against Dr. Martin Luther King and other organizers of the planned demonstration in April in Washington, D.C. I did this because public statements by the march organizers stated that they are "willing if necessary to fill up the jails of Washington and surrounding communities."

I told the Attorney General that such statements indicated that the organizers of the demonstration contemplated illegal activities and actions during the march which could disrupt peace and order in our Nation's Capital.

I have received an answer from the Department of Justice which states:

Hon. ARMISTEAD I. SELDEN, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. SELDEN: The Attorney General has requested me to respond to your recent letter relating to newspaper reports concerning Dr. Martin Luther King's plans for activity in this city in April.

You may be sure that the Department of Justice is endeavoring to keep itself fully informed concerning Dr. King's plans and that we are considering various measures that might be taken to deal with such contingencies as may arise.

Sincerely yours,

WARREN CHRISTOPHER,
Depuy Attorney General.

Yesterday, I mailed the following letter to Mr. Christopher:

Mr. WARREN CHRISTOPHER,
Deputy Attorney General,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. CHRISTOPHER: Thank you very much for your response on behalf of the Attorney General relative to my inquiry concerning Dr. Martin Luther King's threatened April demonstration in Washington.

Since my original letter to the Attorney General, subsequent press stories have indicated that planners of the April demonstration are considering such illegal activities as blocking bridges and establishing a "tent city" in the nation's capital, on the order of the Bonus March of the early 1930's.

Since silence on the part of public authorities has in the past emboldened those inclined to lawlessness, it will be reassuring if the Justice Department reiterated publically what should be, but apparently is not, understood by planners of the April demonstration: that we do not intend to permit a situation to develop in Washington which might lead to violence or other tragic results.

Only last autumn, we witnessed such an outbreak when a purportedly "peaceful" march on the Pentagon turned into a bloody mob scene. In view of the fact that Dr. King is at the present time encouraging and organizing people throughout the country to come to Washington, D.C. in April, the Justice Department should act now, rather than later, to prevent the establishment of a virtual seige on our nation's capital.

Sincerely yours,

ARMISTEAD I. SELDEN, Jr.

BOY SCOUTS REPORT TO THE NATION

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter from the President.

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

There was no objection.

Mr. HALL. Mr. Speaker, this morning many of us participated in the annual Report to the Nation Breakfast, of the Boy Scouts of America which was held in the banquet room of the Rayburn Building. This event was held in observance of the 58th anniversary of the Boy Scouts of America. It was attended by the Vice President of the United States, over 200 Members of Congress, key leaders on Capitol Hill, and 13 Scouts and Explorers selected to report to the President of the United States.

There is great significance in what the Boy Scouts of America has done to fulfill the responsibilities of the charter which was granted to it by Congress in 1916, and in the challenging program it has projected into the next decade to meet the compelling needs of boys in all segments of our changing society.

Following is a special summary of the proceedings of the report to the Nation breakfast.

At the breakfast, Mr. Edwin H. Gott, president of the United States Steel Corp., and a member of the executive board of the Boy Scouts of America, presented highlights of the organization's long-range program for expansion. He stated that the Boy Scouts of America aims to achieve in the next 9 years a 40-percent increase in membership or six and a half million boys at the close of the year 1976. This means bringing the benefits of scouting to a representative one-third of all American boys. Particular emphasis will be placed on reaching disadvantaged boys in urban and rural America.

The 13 report to the Nation Scouts and Explorers gave their personal experiences of how "Scouting Rounds a Guy Out." In a stimulating TV style roundtable discussion, they testified as to what Scouting has done for them in developing physical fitness, responsible citizenship and a deep sense of moral and spiritual values.

A special report on "Boy Scout Camping for Disadvantaged Boys" was presented to the Honorable HUBERT H. HUMPHREY, Vice President of the United States, by Alden G. Barber, chief Scout executive of the Boy Scouts of America. He reported that close to 26,000 disadvantaged boys, most of them non-Scouts, were given the opportunity to attend Scout camps in the summer of 1967 through private and public funds raised in the local Boy Scout councils.

Vice President HUMPHREY responded by commending the Boy Scouts of America for its outstanding cooperation with the President's Council for Youth Opportunity and lauded the results of last year's project. He expressed the hope that the goal of 50,000 disadvantaged boys in Scout camps would be achieved in the coming summer.

The following "Scouting Highlights" were made available to the Members of Congress and other key leaders at the breakfast:

The 90th Congress has 328 men who were Scouts or leaders, 26 more than the 89th Congress. Among them nine have been honored with the Silver Beaver Award by their local Scout councils, two with the Silver Antelope Award by their Scout regions, and two with the Silver Buffalo Award by the Boy Scouts of America. These awards are for distinguished service to youth and not just in Scouting circles.

Congress granted the Boy Scouts of America a Federal Charter in 1916. Since then, Boy Scouts and leaders have grown from 245,183 to over 6 million boys and leaders active in the program today. Since 1910, Boy Scouting has served more than 44 million boys.

Churches and synagogues of America are chartered to operate 75,000 of the Nation's 149,454 Scout units. Civic groups sponsor 28 percent of the units, while Schools and PTA's operate 22 percent of the Scout units.

Over 370,000 adult volunteer Scout leaders last year were given training by Boy Scout councils. Scouting's adult education program is specifically planned to improve the quality of the program for boys.

Nearly 26,000 disadvantaged non-scouts attended a Boy Scout camp in 1967. More than one-half million dollars, most of which was raised from private and organizational sources in 281 local Scout councils, helped make this possible. The 1968 goal is for 50,000 disadvantaged boys to have this camping experience.

The Boy Scouts of America is carrying out an extensive research and experimentation program to help make Scouting more relevant to disadvantaged youth. The program's objective is to improve and extend the program of Scouting in deprived urban and rural areas.

The 512 local Boy Scout councils own 830 Long-term Camps. Totaling 500,000 acres, last summer 733,471 Scouts and non-Scouts camped at them.

The 1969 classes at the Service Academies find that at West Point 59.2 percent were Scouts and 13.2 percent were Eagle Scouts; Annapolis has 64.5 percent former Scouts and 10.6 percent Eagle Scouts; and Colorado Springs has 58 percent former Scouts and 13 percent Eagle Scouts.

Of the 47 living Astronauts, 36 were Scouts and 6 were Eagle Scouts.

The Boy Scout educational Merit Badge program now covers 112 subjects and includes new ones such as American Business, Space Exploration, Engineering, Electronics, Oceanography, and Computers. Each year about 1.7 million merit badges are earned by Scouts.

The XII World Jamboree in August of 1967 (the first held in the United States) was attended by 12,017 Scouts and leaders from 107 nations who camped at Farragut State Park, Idaho. The theme "For Friendship" characterized the spirit of this international encampment.

The Seventh National Jamboree of the Boy Scouts of America will be held at the same Idaho site, July 16–22, 1969, with 40,640 Scouts and leaders expected. Scouts must be Star Scouts or better, and be at least 12 years old by September 1, 1968.

Mr. William Harrison Fetridge, vice president of the Boy Scouts of America,

was master of ceremonies at the breakfast. In his concluding remarks he spoke as follows:

This morning we have presented to you a panoramic view of what scouting is today and its long range plans for expanded service to youth in the year 1976. We hope you have caught the spirit of "76" and earnestly solicit the support of every one of you in your respective offices and spheres of influence. Together, let us move forward in our task of preparing a generation of young people who are prepared in body, mind and spirit to assume the responsibilities of citizenship and leadership in the building of a stronger and greater United States of America.

Today Senator RALPH YARBOROUGH is introducing in the other body, and Congressman JERRY FORD and other cosponsors are introducing in the House a joint resolution calling upon the Boy Scouts of America to serve the youth of this Nation to the end that more boys in every segment of our society will be involved in its program. I include at this point in the RECORD a statement by the President saluting the Boy Scouts:

THE WHITE HOUSE,
Washington, D.C.

I am delighted to salute the nation's scouts and future leaders during the traditional observance of Boy Scout Week.

For fifty-eight years, you have shown the world the truest meaning of honor, integrity, loyalty, and patriotism. And you have done it through example, not preaching; by deeds, not words.

You have kept pace with the times, but you have not lost faith in our time-honored traditions.

Since 1910, you have played an indispensable part in the lives of both your members and the nation you serve.

Your helping hands have stopped at no barriers. You have reached out to boys in low income areas, and given those in remote rural America a chance to participate in the fullness of our land.

Our nation is greater for your role in its history. And generations of its men are physically and morally stronger for their part in your great and growing movement.

LYNDON B. JOHNSON.

STATEMENT BY FRANCIS J. BEATON, NATIONAL COMMANDER, DISABLED AMERICAN VETERANS, BEFORE COMMITTEE ON VETERANS' AFFAIRS

Mr. ANDREWS of North Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include extraneous matter.

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

There was no objection.

Mr. ANDREWS of North Dakota. Mr. Speaker, earlier this morning it was my distinct privilege and honor to introduce to the Committee on Veterans' Affairs the national commander of the Disabled American Veterans, Francis J. Beaton, who is a distinguished citizen and resident and a longtime friend of mine from my hometown of Fargo, N. Dak. He has a long record of outstanding public service and is continuing that record as national commander of those who gave so much of themselves that our Nation might survive.

In World War II he served our Nation well, and bears the scars of that service.

In the same no-nonsense way, he addressed himself this morning to the problems facing America today. It was the feeling of the distinguished chairman of the Committee on Veterans' Affairs, as it was my feeling, that these remarks were so fitting and so well done they should be placed in the CONGRESSIONAL RECORD so all Americans would have the opportunity to study them.

Mr. Speaker, I include those remarks in the RECORD at this point:

STATEMENT BY FRANCIS J. BEATON

Mr. Chairman and members of the committee: It is, indeed, a privilege and a pleasure for me, as National Commander of the Disabled American Veterans, to appear before you and present our Legislative Program for the Second Session of the 90th Congress.

On behalf of the DAV National and State Officers assembled here this morning, I wish to express my sincere thanks and appreciation for the cooperation, interest, and help extended to us by your Committee throughout the past year.

We are also deeply indebted to you for your patience and understanding, and the personal consideration given to our many legislative requests.

The same compliments are extended to the very able staff members of the Committee, who have gone out of their way to assist us.

As you know, Mr. Chairman, the ingredients of DAV Legislative Programs are found in resolutions adopted by our governing bodies, the National Convention and the National Executive Committee.

Our most recent National Convention, held in Denver, Colorado, July 31st through August 4th, 1967, approved more than 150 resolutions. A majority of the proposals call for modifications in existing veterans programs, while others would authorize new ones. Additionally, a limited number of proposals relate to our country's policy and position in Southeast Asia.

On this last score, with your permission, I would like to voice a few observations about the current epidemic of urban riots and anti-war demonstrations. I am thinking in particular of those who desecrate our flag, the draft-card burners and others who confuse freedom with license. Such matters may not be directly related to the immediate concerns of your Committee; but I submit that they are of general concern to all members of Congress—and to all Americans who cherish and understand the full dimensions of freedom.

Let me say first that no one, surely, understands better than the Members of Congress how precious is the right to dissent. We also recognize that our institutions have been carefully framed to accommodate all kinds of utterly opposing viewpoints—including the merits of our Vietnam policy. It so happens that the DAV is pledged by mandate of our National Convention to support our policy in Vietnam—and we are proud to be counted in that category. But we recognize the right to those in opposition to disagree.

What we do *not* recognize—what we *do* condemn—what we view with disgust and outrage—are the antics of those who abuse their freedom, make a mockery of their rights and who subvert the whole meaning of liberty.

Let there be no confusion about the identity of these willful delinquents: I am talking about the so-called demonstrators who burn their draft cards, vilify the sacrifices of American soldiers, desecrate our flag, interfere with the movement of men and supplies, sit in at the Pentagon and, in other viciously childish acts and protests, render aid and comfort to the enemies of everything we hold dear.

No single right of citizenship exists without a corresponding responsibility. Freedom is not license. The right of one individual cannot be equated as outweighing the rights of many individuals. There must be limits to tolerance. Otherwise we are inviting anarchy.

It is all well and good for crusaders to argue that personal folly and criminal disorder are the products of ignorance, want and lack of privilege. But this country, this government and this Congress are fighting ignorance, want and lack of privilege as never before in our history.

This great fight cannot and will not be sustained, if citizens cannot walk their streets in safety, if our shopkeepers are terrorized by criminals, if our police are maligned and attacked for doing their duty, if—in short—something is not done—and done soon—to insure law and order.

Kooks and cowards have a right to their kookiness and a right to be cowardly in the privacy of their own kennels. They have no right to cripple the progress of our nation and the pursuit of its legitimate policies in peace as well as war.

A man who burns his draft card or who counsels others to do so is in clear violation of the law of the land and must be prosecuted.

If there is no law to prohibit burning of the American Flag, there definitely ought to be. The Flag is more than a piece of silk or cloth. It is a symbol of all we honor and cherish.

It is heartening to know that the House of Representatives has already passed and sent to the Senate two bills to curb some of these manifestations of idiocy. I am referring to H.R. 10480 which would make the burning of or malicious damage to the flag a federal crime, and H.R. 421 which would impose severe penalties for using interstate communications to incite, organize and promote a riot.

We realize that proposals of this nature invariably invite controversy as to their constitutionality. We do not profess to be expert in constitutional law. But when anarchy becomes a "Way of Life" for certain individuals, and when people who obey the law suffer outrages beyond the point of endurance, we think a legislative solution to the problems must be found. The DAV sees the provisions of H.R. 10480 and H.R. 421 as steps in this direction and we earnestly hope the full Congress will soon concur.

Before turning to our own National Convention resolutions, Mr. Chairman, there is another matter demanding brief comment.

We would be remiss if we did not at this time express our deep appreciation to this committee, and to the Congress, for your prompt and favorable response to the historic recommendations made a year ago by President Johnson in his unprecedented veterans message to the first session of the 90th Congress. The message was the first of its kind but, as we all know, it was not the last.

Later on in this testimony I shall address myself to the newest veterans message received by Congress; but it is only fair, I think, to recap here the results of that first message. There's never any shortage of people telling you what you've done wrong. So I think it's only fair to have someone tell you occasionally what you've done right.

Among other things—

You have expanded educational allowances under the GI bill.

You have widened opportunities for veterans with educational shortcomings.

You have eliminated inequities in the treatment of Vietnam veterans.

You have given substantial pensions boosts to some 2 million disabled veterans, widows and dependents.

In short, you took the recommendations of the President's first veterans message and contributed much to the comfort and well-being of those who, in the President's own

words, "have brought greater justice and decency to the world."

Yet as always there is unfinished business. We hope, for example, that the Senate will quickly pass H.R. 12555 which the House approved last December. It is needed to protect pension rights against automatic reductions as a consequence of increases in other federal retirement benefits such as social security. We are happy that the President, too, has asked for Senate concurrence in his newest message.

I also want to take this opportunity, Mr. Chairman, to voice our special thanks and deep appreciation for the steadfast support this Committee gave to H.R. 2151 which provides for an annual audit of our accounts by the U.S. Comptroller General. As Public Law 90–208, this statute will enable us to avoid duplication and waste of effort in connection with filing our financial reports at state and city levels. Indeed, it will effectively serve to eliminate a perplexing problem that has plagued the DAV for a long time.

In particular I want to thank the distinguished Chairman of this Committee for steering the bill so competently through the full House of Representatives. He has our profound gratitude.

It is further in order, Mr. Chairman, to express our confidence in the work of the Veterans Advisory Commission whose report is due at the White House very soon.

The DAV is privileged to be represented on that Commission by a gentleman well-known to the members of this Committee: Mr. Claude L. Callegary, of Baltimore, Md., a Past National Commander of the DAV. Mr. Callegary has had a long and distinguished record of service to the cause of America's veterans. We are proud, very proud, to have him as our Representative on the Advisory Panel.

Our National Director of Legislation, Chet Huber, was given the opportunity last October 3 to appear before the Commission and to discuss, in a general wrap-up, the recommendations of other DAV officers in previous appearances before the Commission.

The fact that the vast majority of our recommendations are concerned with the disability and death compensation programs is a reflection of the major emphasis placed on these issues by the mandates of our National Convention.

I think, in these matters, we can anticipate that the Veterans' Advisory Commission will have quite a bit to say when it finally reports. This conviction is further bolstered by the fact that the President's message last week on veterans' affairs did not come to grips with these questions. The Administration has itself acknowledged that it is looking forward to the recommendations of the Commission which has a mandate of its own for a comprehensive study of such matters.

We applaud the decision to put democracy to work in this fashion. But since we have only this opportunity to outline our own views, we cannot wait to see whether and where our philosophy may parallel the Commission's ultimate recommendations. Thus we come, Mr. Chairman, to the heart of our testimony.

After a thorough study of the subject, we have concluded that the present rates of disability and death compensation are grossly inadequate to permit the veteran or his widow a position in our society which we feel they are entitled to enjoy.

Much has been said concerning the adverse effect of the continued increase in the cost of living upon those who are compelled by circumstance to subsist on fixed incomes. The 90th Congress has already enacted legislation to ease the economic burden of military personnel, federal employees, social security beneficiaries, welfare recipients and non-service-connected pensioners. Sponsors of such legislation in each instance have documented and justified the necessity of increasing these benefits to bring them more closely in balance with the rise in the cost of living. The DAV also recognizes the need for these increases to offset the shrinkage value of yesterday's dollar on today's market.

Surely, then, no one in this room needs to be reminded that disability compensation is also fixed income established by law. Or that the service connected disabled veteran has also been caught in the very same economic squeeze that has so seriously affected other federal beneficiaries.

The average increase of 10%, granted by P.L. 89–311, effective December 1, 1965, fell short by six per cent of bridging the gap between the buying power of the compensation dollar and the increase in living costs. This deficiency has since been compounded by an additional seven per cent rise in the cost of living. Moreover, it is a sad certainty that prices will continue to advance through 1968 at a rate of about four per cent. This will result in a corresponding decrease in the value of the veteran's compensation dollar.

We think it is abundantly clear that an overwhelming case exists for restoring the full value of disability compensation at the earliest possible date. This applies with special force to those who are so severely disabled as to be unemployable. This group has suffered an even greater erosion of their living standards.

It should be acknowledged that since 1933, when the present system of disability evaluation was established, there has been an overall increase of 154.6% in the rates of service connected disability compensation. However, during this same period, the average wage has increased nearly 600%, leaving a gap of over 400% between the increases in the rates of compensation and the wage of employed workers.

It should also be pointed out that the median annual income of full time employed veterans is now $7,300.00.

The veteran who is rendered totally unproductive because of disability incurred as a result of military service cannot reach this level of economic security. Because his total loss of earning power came about as a result of service to his country, it seems a matter of simple justice that the compensation payments for this particular veteran should be increased to a point commensurate with that of his able-bodied wage-earning contemporaries.

Veterans who are living solely on disability compensation payments stand to suffer most as the dollar's buying power diminishes. The net effect of this will be to push the veteran yet another step down on the economic scale. To forestall this adverse circumstance, the distinguished Chairman of this Committee has recently introduced at DAV request, H.R. 14995, a bill bearing the title "Service Disabled Veterans' Compensation and Benefits Act of 1968".

We realize, Mr. Chairman, that there will be numerous and varied requests made to your Committee during the course of its hearings. We realize also that priorities in these matters must be established.

We hope and pray that serious study and thoughtful consideration of this bill and the facts set forth above will lead your Committee to give its highest priority to recommendations for well-deserved increases in the rates of service connected disability compensation. As President Johnson has said: "We have not forgotten nor shall we ever forget their service to our country."

Another significant DAV proposal on the subject of compensation calls for a long-delayed increase in single statutory awards payable for loss of limbs, body organs and arrested tuberculosis. On July 1, 1952, there was granted an increase of $5.00 per month over the rate which had prevailed since September 1, 1946, a period of 21 years.

We believe that further consideration of the facts of this matter by the Committee will lead to recommendations for substantial increases in the special monthly compensation for these disabilities.

Moving now to the subject of service connected death benefits, Mr. Chairman, the DAV most emphatically supports the enactment of legislation to increase the present rates of Dependency and Indemnity Compensation payable to the widows, children, and dependent parents of deceased veterans whose death resulted directly from service connected causes. Our reasons for urging the adoption of such increases are essentially the same as those expressed earlier with respect to the need for increases in the rates of service connected disability compensation.

Mr. Chairman, I would at this point like to mention, in concise fashion, a few of the proposals which represent some of the most prime and pressing problems for disabled veterans and their dependents. Nothing in the order of presentation should be construed as indicating degrees of priority.

The proposals call for: Extending the full range of wartime benefits for veterans disabled as a result of extra-hazardous service; additional monthly compensation for veterans who have suffered the service connected loss of kidney or the loss of a lung; clothing allowances for veterans who, because of service connected disability, wear prosthetic appliances which tend to wear out or tear their clothing; raise to a realistic level the present $1600 allowance for the purchase of an automobile; to establish an independent Court of Veterans' Appeals; to provide an additional monthly allowance for widows who are receiving service connected death benefits and who are in need of regular Aid and Attendance; to provide for concurrent payments of compensation and pension under a specified formula; to provide additional compensation for dependents of veterans whose disability is rated not less than 40%; to increase the present burial allowance to $400; to provide Dependency and Indemnity Compensation to widows of deceased veterans who are rated 100% service connected for 20 or more years; to extend war orphans educational benefits on a proportionate basis to children of veterans rated at not less than 40%.

As expressed earlier, Mr. Chairman, time does not allow a detailed accounting of all our National Convention Resolutions. There is an assortment of proposals relating to employment, GI home loans, insurance and the National Cemetery programs that will demand our attention during the course of this session of Congress.

In the field of insurance we favor, among other things, the enactment of legislation to increase the maximum coverage of GI insurance to $30,000.

On the subject of housing, we request an increase in the grant for specially-adapted housing in line with the increase in building costs and an extension of this benefit to veterans who have suffered the service connected loss or loss of use of an upper and lower extremity. We also recommend that the maximum entitlement for guarantee of home loans be increased to at least $10,000.

The National Cemetery System is a subject which has the abiding interest of the Disabled American Veterans. We support current legislative proposals calling for transfer of national cemetery operations from the Department of the Army to the Veterans' Administration.

Last October the DAV was pleased to support H. Res. 241 which transferred jurisdiction over legislation relating to the cemeteries to the House Veterans' Affairs Committee. This change in control is a firm attempt to improve the cemetery situation, an attempt which has been clearly nourished by support from President Johnson in his recent message to the Congress. The President told the Congress that every veteran should have the right to burial in a National

Cemetery situated reasonably close to his home. The President said "I have asked the Administrator of Veterans' Affairs to make certain that the recommendations of the (Veterans' Advisory) Commission include proposals to assure this right in a meaningful sense."

The President's attitude, we are pleased to note, is in marked contrast to the Administration's policy, which for the past two decades has urged halting any expansion of the Cemetery System.

Another area of veterans' benefits which is of special importance to the DAV is the VA Hospital and Medical Treatment Program.

The Disabled American Veterans has a deep and abiding interest in the continuing effort of the VA's Department of Medicine and Surgery to maintain its prominence in the entire field of medical care.

One of the most serious obstacles to further progress is a shortage of adequately trained medical personnel. This shortage threatens to grow more serious as private hospitals compete for manpower. Moreover, unless more professional personnel in specialized fields are attracted to the VA, there will be a downward trend in the high level of patient care.

We are certain that this distinguished Committee will continue to give its full and close attention to this aspect of the medical program.

Another facet in this field which requires attention is the furnishing of out-patient medical treatment. Under present law this benefit is generally restricted to service connected disorders. Thus, with limited exceptions, veterans suffering from totally disabling service connected disabilities are not presently entitled to out-patient treatment for non-service disabilities.

Complete medical services, including drugs and medicines, are, however, available for the non-service-connected conditions of veterans of the Spanish-American and Indian Wars and to certain pensioners found to be in need of regular Aid and Attendance.

Because of the drastic reduction in the general health of a totally disabled veteran, we think it reasonable that he be entitled to out-patient medical treatment for *any* disability.

The DAV has a vital interest in the highly useful services performed by the Veterans' Employment Service in the Department of Labor. We have been and will continue to be concerned about adequate staffing of this federal agency to assure that the disabled veteran receives effective job counseling, employment placement, and referral to occupational training opportunities to which he is entitled under the law.

In this connection, the President, in his recent message, placed a high degree of emphasis on the need for enlarging the opportunities for veterans' employment. The President proposed that service disabled veterans receiving vocational rehabilitation on a part-time basis be given a training allowance. As you know, Mr. Chairman, presently a disabled veteran can take vocational rehabilitation and receive a training allowance *only if he trains full-time.* The President declared that "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."

Mr. Chairman, my presentation this morning represents a general outline of our legislative objectives. There are many other significant proposals, both legislative and administrative, of high importance which we cannot possibly bring to notice at this hearing. It is a program that reflects the DAV's historic principle which seeks to improve the physical, social and economic well-being of men and women who sacrificed themselves for America. It focuses attention on the need for enhancing opportunity for employment and proper job placement so that the residual ability of the disabled veteran is used in the most productive way; that expert hospital and medical care be provided to restore disabled veterans to a state of good health; and to provide adequate and just compensation for service incurred disabilities. In short, we want to assure that the disabled veteran is restored to as good a position in civilian life as that to which he may have aspired had he not been disabled in the service of his country.

At present, the people of our country are particularly conscious of military service and the national defense. The intensity of the war in Vietnam has markedly stimulated public interest in that war and its related issues.

These related issues, of course, are meaningfully represented in the programs which this Committee and the Congress have approved for the benefit of the wartime disabled, his widow and orphans. These problems will continue to warrant and receive the attention of the DAV. As already indicated, the main-stream of our effort for this session of Congress is directed to improving the compensation program. As the purchasing power of the dollar has decreased, we feel it necessary to help the recipients of compensation by giving them substantial increases.

In closing, Mr. Chairman, I want to say that this hearing has been the high point of our Mid-winter Conference, and to say again that you have been most courteous and indulgent, and we do appreciate it.

With your permission, Mr. Chairman, I should like to submit for the record, copies of our National Convention Resolutions and an additional statement which the DAV presented on October 3, 1967, to the United States Veterans' Advisory Commission. The statement sets forth a full and comprehensive account of the legislative objectives of the Disabled American Veterans.

THE BLUE RIDGE JOB CORPS CENTER

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

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

There was no objection.

Mr. WAMPLER. Mr. Speaker, last Sunday I was privileged to attend and participate in the first open house at the Blue Ridge Job Corps Center in Marion, Va.

The Blue Ridge Job Corps Center is operated by the Community Resources Division of the Brunswick Corp.

I have watched with keen interest the planning and development of the Blue Ridge Job Corps Center because I feel that it is an excellent example of the Federal Government and private industry combining to meet a critical need of our country. Without the efforts of such a fine, community-minded business organization as Brunswick Corp., such projects as the Blue Ridge Job Corps Center would be impossible—only a dream.

I saw demonstrated the methods used to train these young ladies in skills and techniques vitally needed today in our hospitals, clinics, and doctors' offices. In courses varying in length from 3 to 12 months, these young women learn skills which make them useful, productive members of society in a field where their services are so critically needed.

The professional staff members, headed by Center Director Thomas W. West, should rightly feel a great deal of pride in being at the hub of this unique and vital training program. These young women learn their new skills as a direct result of their efforts.

Among those participating on the open house program were: Rev. Edgar T. Ferrell, rector, Christ Episcopal Church, Marion, Va.; the Blue Ridge Job Corps Choir who sang "This Is My Country"; Mr. Thomas W. West, center director; Mr. R. G. Bensinger, president of Community Resources Division, Brunswick Corp.; and Dr. Peter E. M. Beach, project manager, Special Projects Branch of the Job Corps.

The Blue Ridge philosophy is that disadvantaged young women from rural sections, particularly central Appalachia have not fully utilized the Job Corps to to improve themselves in society. The thesis that these young women will be attracted to, adjust and develop more readily in a regionally located center designed to train and place them in known local health occupational opportunities makes the Blue Ridge Job Corps unique. It is an experiment to discover whether this is the best means for Job Corps to satisfy the needs of this and other segments of society. The total program is permeated by strong personal counseling, providing each individual the opportunity of developing toward independence, self-reliance, self-motivation, and self-realization.

The primary concern of Blue Ridge is for the individual Appalachian corpswoman. By fusing basic education, vocational training, and community living into a comprehensive program, the Center will be providing: basic skills necessary to make learning a lifelong process; training to become a self-supporting and productive citizen; and social, physical and cultural skills needed for an individual to adjust to society.

In a positive atmosphere, a dedicated and well-trained staff will effectively motivate and assist the corpswoman toward individual, realistic goals. A team effort, utilizing standards for operations and systems of evaluation for all facets of the program will enable the staff to facilitate the program and accomplish the objectives set forth by Blue Ridge Job Corps.

Corpswoman Barbara Elliott of Elizabethton, Tenn., has written an excellent theme entitled "I Am the Blue Ridge Job Corps." The text of her theme follows:

I was born November 29, 1967 between the towering Blue Ridge and Alleghany Mountains. I am special. There is no other Center like me. I am the Blue Ridge Job Corps.

I am a citizen of this great United States of America. I am a student. I am a Medical Secretary and a Nurse's Aid. I am a Ward Clerk and a Laboratory Assistant.

I am 125 strong, young girls, I am from many states. My blood comes from the Carolinas, Virginia, and Tennessee. This makes me unique. This gives me a bloodline like no other Center's. I am special.

I govern myself. If I disobey, I must punish myself. I am here to learn. I am enriching my character as well as obtaining a skill.

In the future you can look at me and see a nurse's aid giving care to the sick. You'll

see a medical secretary writing the history of a hospital. As you keep peering into the distance, you will see a laboratory assistant working patiently in a lab.

So you see as time rolls on, I have become a network of young women working and helping to keep America free and always a harbor of hope to all young citizens who are endeavoring to keep the Blue Ridge Job Corps a reality. I—I am the Blue Ridge Job Corps for courageous young women.

SPEECH BY ED DALY, PRESIDENT, TULSA CHAMBER OF COMMERCE

Mr. BELCHER. 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 Oklahoma?

There was no objection.

Mr. BELCHER. Mr. Speaker, under leave granted, I wish to insert in the RECORD the following speech made by Mr. Ed Daly, president of the Tulsa Chamber of Commerce, at the President's Day forum luncheon, Tulsa, Okla., January 4, 1968:

ADDRESS BY MR. DALY

The January 1, 1948 issue of the Tulsa Spirit provides interesting reading. President elect Harvey A. Heller was announced as the speaker for the January 8 Forum. The late Bill Way was chairman of the annual banquet on January 15 featuring General Patrick J. Hurley. This issue carried an ad from Glade Kirkpatrick's Guaranty Abstract Company. These three men, plus Tom McDermott and the late Russell S. Rhodes, were the guiding forces of the chamber during my staff association with it.

This same issue also carried the 1948 program of work. Twenty years have seen much accomplished. We have our new Federal building with post office. The last of the locks and dams are under construction, and the Port of Tulsa at Catoosa is underway. We have a master plan: a civic center. Most of the 1948 major projects have been attained. In the departmental projects for that year there appear strong similarities with departmental projects in 1968. Here lies the continuing push of your chamber. The repetitive work to be done year after year. Except nine out of ten projects for the 1948 railroad committee have now been laid to rest. They dealt with different aspects of improving rail passenger service. But the tenth one called for installation of escalator service at Tulsa Union Depot. That having been accomplished, we are now working to move the escalator to the assembly center. And that brings us to our 1968 program of work.

Your 1968 program contains ten major projects, but four of them have been specifically designated for completion in 1968.

1. "Implement the TMAPC transportation study with respect to a solution of Tulsa's mass transit problem." We must concern ourselves with mass transit before the movement of people becomes too complex and too costly. Mass transit is concerned with expressways, arterial streets, bus transportation, off-street parking and rapid transit. Rail lines radiate from Tulsa like spokes on a wheel in almost all directions. Rights of way are probably the most costly item in establishing any new system of transportation. But rights of way are available if we will explore with the railroads the use of high speed, light weight cars to service as far out as 70 miles from Tulsa in all directions. We should begin now to exhaust every facet of mass transportation. Los Angeles has found that tomorrow may be too late. In that city, the metroport plan involves spending over $400 million and will provide only getting to and from the airports. You may pass this off by saying we are not so big as Los Angeles. Let me tell you, one Tulsa employer stated that based on our present transportation systems, he will soon need 30 acres of land for employee parking alone.

2. "Work for educational and employment opportunities for the unemployed and underemployed who are willing to learn and work," much has been said about this problem. But the Chamber of Commerce feels a responsibility to help its members in all classifications to help them train persons to be production workers, warehousemen, automobile mechanics, retail clerks, office clerks, all service personnel. Many employers in Tulsa are now faced with a critical shortage of labor in all classifications. We would like to match employers' needs with employable and, where required, trained people and make taxpayers out of tax eaters.

3. "Complete a priority study on capital improvements upon which to base an omnibus bond issue." Tulsans have done exceptionally well down through the years in providing funds for our city, county, and school district. Recently some resistance has appeared due in large part to the many issues submitted in one year to the citizens. We should work toward not more than one bond issue election a year to provide funds for long range local government requirements.

4. "Materially and substantially step up a program to sell Tulsa and the opportunities in the Tulsa area." With Tulsa on the threshold of opportunities almost beyond imagination, we are facing growth potentials which must be told to the world. We will launch programs to capture a larger share of convention and tourist dollars. We will advertise by appropriate means our advantages for manufacturing, warehousing, and office operations.

These are the four projects your board of directors has ordered done in 1968.

But our concentration of these will not dilute our efforts in other areas. We are interested in progress for the port of Tulsa at Catoosa, including adequate access highways. We are interested in area development, trade development, efficient local government, all aspects of education. We will place special emphasis on State and National legislation. Unless the business community becomes active in government, we face the stark reality of having no business left. One of our major tasks is to preserve human individualism without which the voluntary spirit cannot live nor any voluntary organization exist. Efforts are being made to de-personalize the individual: To relieve him of responsibilities; to absolve him of prevailing evils and subject him to a mass approach in dealing with all problems. We are told society is responsible for the drop-out's lack of opportunity; for the delinquents' crimes; for the mob's fury; for decay and despair in the slums. Society is you and I, and everyone. It is an impersonal we. The we of the herd. We without faces, minds, and souls. In blaming society, no individual is offended, and it becomes easier to pass our responsibilities along to a centralized government which alone can deal with society. It is a basic belief of a Chamber of Commerce that individualism is important. That human dignity comes from effort and personal achievement.

So we hope to develop better communications with government, to assume a positive attitude in dealing with government. To work constructively together wherever possible, but to reserve our right to be critical or to recommend.

We have 31 committees in our Chamber. It takes this many to serve the diverse interests of our diverse membership. I do not believe any business should be under any moral pressure to belong to this organization. Just because there is a Chamber of Commerce in Tulsa does not put businessmen under any moral obligation to join. On the contrary, any employer who invests thousands or millions of dollars to provide employment for Tulsans imposes a moral obligation on the Chamber to look after him and to be concerned with "good living" for his employees. What I'm saying is this: If our members take their organization seriously, if our good program of work is implemented by our committees, we won't have any trouble raising our budget. Businessmen will gladly pay for services rendered.

Here in this room amongst the corporate and advisory directors are some of the men who made Tulsa what it is today. Look around your city and if you like what you see, say "Thank you" to these men for Spavinaw Water, the Tulsa International Airport, A.F. Assembly Plant No. 3, the Turner Turnpike, the civic center, the First National Conference for Peaceful Uses for Space, the forerunner for the location of North American Rockwell and Avco in Tulsa, two chamber-sponsored industrial districts, for the countless improvements their time and talent have provided.

The recent past, 1967, has likewise left its imprint and has merited still other "thank you's" for the jobs well done.

At this time of the year, the news media has a hey-day with the "top ten" news stories—political, sports, local—all facets of life.

Bill Henthorne has written a lot of headlines in his time, but I'd like to read just ten headlines of his administration:

1. Passage of the $17½ million bond issue to complete construction on the port of Tulsa at Catoosa and to open the oil capital to the sea and to the world.

2. Passage of the one-cent sales tax, a campaign coordinated by the chamber to insure more adequate financing of our city.

3. Organization of an industrial task force which told the Tulsa story face-to-face to eastern industrialists and for the publication of a Tulsa fact file in one comprehensive presentation.

4. Coordination of a number of technical courses to help alleviate Tulsa's skilled-labor shortage.

5. A successful State legislative program which saw six chamber-supported bills passed and four chamber-opposed proposals defeated.

6. Sponsoring of the first Tulsa career opportunities seminar in a significant move to keep our youthful talent at home when college educations are completed.

7. Formation of definite plans for a growth cities seminar here in 1968 and a national transportation exposition in 1969.

8. Tri-sponsorship, together with the Tulsa council of social agencies and the Tulsa labor council, of the fourth annual congress for area action.

9. Sponsorship of the first southwest agricultural forum, which gave Tulsa wide regional publicity and aired agriculture's problems and opportunities of tomorrow.

10. Organization of Tulsa's first world trade mission, which will send representatives of some dozen films to Central and South America in February in a search for expanded foreign markets.

Here in this room also are the people who will make Tulsa what it will be tomorrow. We know that everything around us is what we, as individuals, make it: our community life; our businesses; our government; our moral standards and social concerns; our progress; and our plans for a better future. Each of us contributes a little of his own and shares in the contributions of other individuals, within the context of our chamber of commerce activities, every effort we make to become better citizens; every increase in our understanding and appreciation of the free market system; every new responsibility

we accept in a community cause, is our further contribution to human progress.

The chamber of commerce is a perfect mirror of the business community. It reflects the aims and aspirations of its voluntary membership through its program of work. It reflects the commitment of its voluntary membership through its committee achievements.

This is not sophistry: we can scale great heights if we want to or we can become stuck in a morass of inaction. We can come to grips with today's problems or we can abdicate our responsibilities to government. Your own experience tells you whenever the business community allows a vacuum to exist, the Federal Government is always ready and anxious to fill the void with yet another ineffective and costly program. Within this room and from among our membership are the abilities, the talents, the competencies to solve any problem which admits of local solution. An unselfish commitment by our members to our 1968 program of work will insure our continued growth and well-being. This then is my credo: I believe in the future of Tulsa because with all my heart and mind and soul, I believe in you.

SPEECH BY LUCIUS D. BATTLE

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

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

There was no objection.

Mr. GIBBONS. Mr. Speaker, a period of relative quiet has come to the Middle East and South Asia, that vast area stretching from Greece to Ceylon, which saw so much trouble and was so much in the news during 1967. The current respite has given a distinguished American diplomat the pause and opportunity to review and assess the year's events in the area and to weigh progress made against stalemates and setbacks encountered.

The Honorable Lucius D. Battle, Assistant Secretary of State for Near Eastern and South Asian Affairs, made that review and assessment in an address at his hometown high school in Bradenton, Fla., on January 28. I commend it to your attention, as follows:

SPEECH BY HON. LUCIUS D. BATTLE

I last spoke in Bradenton approximately 33 years ago on the occasion of my graduation from high school. I am probably the only person in the world who recalls that I spoke at all and certainly the only person who recalls one word of my remarks. Even I can recall only one sentence. I said in that relatively quiet period of history in the mid-1930's that "life today is swift and startling." Little did I know how swift or how startling the world could become in the space of the years since that event.

I am now responsible for U.S. relations with an area of the world in which events are swift and startling indeed. My responsibilities begin with Greece, Turkey, and Iran, move through the Arab-Israeli world and over to South Asia through India, Pakistan, and end with Ceylon. It is a troubled area searching for identity, seeking solutions to problems that try the soul and challenge the mind of man even in an age of scientific and technological advancement beyond the dreams of those 1930's in which the world seemed to me to move so rapidly. I think perhaps there is no area in the geographic breakdowns in which we in the State Department somewhat arbitrarily divide the world that is as diverse or as complex as that for which I find myself responsible. One can argue that divisions between my Bureau and other Bureaus are somewhat arbitrary and that I am left with not a rational division but with an incredible divergency of problems in which the areas of my responsibility have little reason and rest largely on what the world outside Washington might refer to once again as a bureaucratic mess. But on closer examination there are threads that run through the vast geographic area of my responsibility and which, to a degree, the story of the world's problems are told. The area of my cognizance can be separated into three vast groups—Greece, Turkey, and Iran forming one sort of Northern Tier; the Arab-Israeli countries with their recent war and its aftermath form another; and then the vast area of the subcontinent—India, Pakistan, Ceylon, and Afghanistan. These three groups include a country, Kuwait, with the highest per capita income in the world to countries with some of the lowest standards of living that this globe has yet encountered.

But there are strands that connect and flow through the entire area. These strands represent the true problems of our time which will face those of my generation and that generation of high school seniors that will probably repeat with a good deal more justice than my statement in 1935 that life today is indeed swift and startling.

What are those thrusts in the area of my responsibility that tend to relate to the diverse countries and areas I have mentioned? First and foremost is the problem of political instability. In the nine months that I have held my present assignment there has been in my area one full-scale war, numerous border skirmishes, a major coup d'etat in Greece, a serious crisis on Cyprus that nearly led to another major war, broken diplomatic relations with several countries, and conditions dangerous enough to require the emergency evacuation of 25,000 American citizens—the protection of whom is a key part of American diplomacy abroad. Why, we ask, this instability? First, there is the abject poverty in some parts of the Near East and South Asia. Just keeping people alive in India, Pakistan, and Egypt is a major undertaking. India, with a population of 515 million which is increasing by 12 million per year, has to import 8 to 12 million tons of grain each year to prevent starvation. Pakistan has a similar problem as far as the needs per capita of its people are concerned. One of Egypt's prime difficulties is to find sources of hard currency earnings to permit it to spend $100 million a year or more to feed one of the most rapidly growing populations in the world.

In some countries, poverty and the ever present threat of actual mass starvation create a situation in which stability on the political front becomes difficult to maintain. These needs force the countries affected to look outside for needed help. They create awkward relationships of dependency with countries that help meet these requirements. These relationships themselves can be unsettling and add to instability. They increase the temptation for leaders of impoverished and starving countries to blame someone else for their troubles in order to seek outside diversion for the misery of their millions.

Another major phenomenon that sweeps through the area of my responsibility is the burning sense of nationalism, often irrational by our standards and leaving in its wake a distinctly anti-Western undertone. The reason for this desire for a national identity is not hard to understand. Many of these countries are newly independent. Many have seen foreign domination removed only since the Second World War. The Arab countries, particularly Egypt, have sought to find a national identity and a place in the sun for millions of Arabs. In the process there have been sharp attacks on the former Western relationships rejected since the War. This is true of India, Pakistan, Cyprus, and others. Turkey and Iran have both gone through similar rebirths as modern nationalistic states only in the years since the end of World War I.

This new awakening sense of national identity and pride, understandable but bringing problems, contributes enormously to instability in the area. Inexperience and uncertainty as to how a nation should proceed add their part.

The Arab world has sought to remove the foreigner or limit his presence in the area and has made of the presence of foreigners a political whipping boy. This is one of the roots of the Arab-Israeli conflict, even though its origins sweep back to biblical times.

The near major war that I referred to a few minutes ago involving Cyprus derives from nationalism focused on the Island of Cyprus whose population is 80% Greek and 18% Turkish with a few other minorities present. Cyprus has been a simmering kettle for many years. On several occasions in recent years the nationalistic tensions between the Greeks and the Turks on the island have come near to embroiling Greece and Turkey in serious fighting.

The force of nationalism has been a key force in relations between India and Pakistan since their independence in 1947. The rivalry between these two countries has focused on Kashmir where fighting between Indian and Pakistani forces flared up again in 1965 when these two countries went to war over the issue of Kashmir.

A large number of the countries in my area lie on or near the perimeter of a powerful and ambitious country, the Soviet Union. As Western influence, particularly British, has been withdrawn from the area and as further withdrawals are contemplated by the British in the years ahead, the temptation on the part of the Soviets to fill a vacuum or to at least maneuver in troubled waters is very great. Soviet interest in the entire area goes back over many years, but its opportunities to take advantage of instable situations have increased and represent a real danger to many of these countries as well as a threat to Western interests. In other countries the Chinese communists are meddling.

Throughout the Near East and South Asia there is a pattern of arms races, difficult and perplexing and highly dangerous. For a new nation emerging as a free and independent entity, there is always an immediate concern for self-defense and for arms to signify both nationhood and independent self-reliance. The Soviet Union has played upon this desire for arms along with the instability growing out of poverty and hunger in an effort to increase its influence in the area. Today we are faced with massive shipments of Soviet arms into a number of countries but particularly into the Arab countries whose losses of planes and tanks and other equipment were very great in the June war. I do not believe that the Russians wish a resumption of hot war in the Near East. Every indication is that they do not and that they do not wish to see an East-West confrontation in that area. What they appear to want is to keep conditions unstable enough to increase the expansion of Russian influence where possible at Western expense without the risk of an all-out confrontation with us.

The Northern Tier states and the Arab countries and Israel lie across traditional trade and military routes between East and West and form a buffer between the Soviet Union and the new nations of Africa. It is in the interest of the United States to see that these countries are strong enough, prosperous enough, and stable enough to stand on their own two feet without undue dependence on any outside power. A basic requisite for prosperity and stability is an

atmosphere of peace. Resources and energies sapped by internal disorders and chronic squabbles with neighbors delay or make impossible development into strong, self-reliant nations. Our efforts in the area are aimed at the goals of stability, economic development, and ability of individual countries to resist outside pressures.

We have found that our own interest in achieving a peaceful atmosphere has required both U.N. and American diplomatic intervention in an effort to achieve this peace. Most recently, American efforts in Cyprus combined with those of the U.N. and NATO, I believe averted a war between Greece and Turkey. At the moment we have strong hopes that Ambassador Jarring will succeed in his mission in the Near East and start the Arabs and Israelis on the road to a lasting peace.

There are other common threads in the Near East and South Asia. With few exceptions each government is seeking and some finding remarkable success in bettering the lot of their citizens. Their difficulties are incredible. Most of them lack the trained manpower, the capital, and the experience to cope with the problems and opportunities brought about by the industrial and technological revolution of the past 150 years. Without this combination the gap between these countries and the West will surely widen with an almost certain increase in bitterness, frustration, instability, tension, and misunderstanding.

These efforts should receive our full understanding. We must help in every way that we can, not merely on humanitarian grounds but because U.S. interests are involved and rest upon the need for stable economies and stable political structures. Some of the countries are having impressive success in filling their own needs. The Shah of Iran has made impressive headway in land reform and political and economic reform. Iran's annual growth rate is now a healthy 10%. Ceylon, Pakistan, India, and Afghanistan have made progress toward food self-sufficiency. Their use of new seeds and modern techniques of fertilizer have helped modernize the agricultural segment of their societies.

There are more kings and potentates in the area than in any other region of the world, but most of these kings are leading their people toward social, political, and economic reform.

The status of women is changing rapidly in many of these countries. We have a woman Prime Minister in India, the world's largest democracy. There are women Cabinet members in several countries. India has made much progress in eliminating the centuries-old degradation of the caste system. The search for education is astonishing. Colleges and universities exist where there were none a few years ago. Through the Educational and Cultural Exchange Program of the U.S. Government and of private institutions, we have received thousands of undergraduate and graduate students from all over the world. You have many in Florida. Education, these countries recognize, is the key to a country's ability to cope with the problems of the second half of the 20th century. We must recognize that the presence of many foreign students in our own country is an opportunity and a challenge. Let us hope that the knowledge and experience of our country can benefit through the development of these young brains and obtain the goals we seek. One of the most important exports that we and the British have given the world is the English language. This language is a major bridge in countries that have no common native language. The next generation of scholars, statesmen, scientists, and teachers need a common language that permits knowledge to flow from one country to another. Let that language be English and not Russian or Chinese.

There is another threat that links the countries of the Near East and South Asia. It is a common sense of pride and of dignity. Pride in the culture, the religion, and the pattern of life developed in these countries. At the same time, these nations seek development, they seek to maintain their own patterns of life and religion. Many of the world's great philosophies and religions have come from this area. Christianity, Buddhism, Judaism, and Islam were born in these countries. The contribution of these countries to science, architecture, and civilization are profound.

When I left Bradenton so many years ago, I saw the destiny of our people in this area and in our country as somewhat independent and unrelated to the rest of the world. I now know that our own destiny is closely tied to the world. We have a responsibility to understand and to help—a responsibility that reflects our own interest as a great power in the world. The essence of American civilization, the administrative and technical excellence, the progressive ideas of our society, coupled with the great material and political power that we represent in the world combine to make us a nation magnificently equipped to understand and to help bring economic and political stability to the countries of the Near East and South Asia.

U.S.S. "PUEBLO" INCIDENT

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

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

There was no objection.

Mr. BROYHILL of Virginia. Mr. Speaker, few events in recent history have triggered more emotion, more concern or more skepticism on the part of the American people over the validity of our present leadership than the capture of the U.S.S. *Pueblo*.

On top of the tragedy of captivity, injury and death among our 83 sailors and far above the loss of the $15 million *Pueblo*, is piled a massive disbelief among our people that anyone in the present administration has the slightest idea of the status of the Nation's security.

It appears, Mr. Speaker, that far too many of those in charge of our national honor and security are more concerned with playing a sort of international tick-tack-toe in order to keep unblemished their own reputations as political and bureaucratic seers of the Nation's welfare.

Bonehead decisions are made concerning the Bay of Pigs; under-the-table deals are consummated with international powers; policy strategems are concocted and implemented, all designed to appease the international hunger of communism.

I believe, Mr. Speaker, the American people would welcome a little frankness from our political leaders. Certainly they are entitled to it. We have not been told the facts about the *Pueblo;* we are just beginning to learn them—6 years later—about the abortive Bay of Pigs; we know little more about the real conditions in Vietnam. We are treated as children among a wilderness of pseudointellectuals, alleged leaders of a great Nation, few of whom have ever stood for elective office where they would truly represent our people, but all wearing as their own hand-sewn cloaks of infallibility.

I suggest Mr. Speaker, that Members of this body forget political partisanship for a few days and make a collective effort to determine what is the real truth, the absolute facts about our capacity to live side by side with the forces determined to destroy us—the forces now killing Americans in far too many outposts in the world.

I have not the slightest doubt, Mr. Speaker, that it will only take a few more incidents like the *Pueblo*, a few more assaults on Saigon before it will be obvious to the rest of the world as well as our own people that we are not living as equals in the world with communism but are close to living a Pavlov-like existence of humble response to Kremlin stringpulling. I would like to know if such is the case, Mr. Speaker, and I am sure the American people are equally anxious to find out.

LEGISLATION CALLING FOR UNITED NATIONS STATE OF MANKIND ADDRESS ON WEDNESDAY, FEBRUARY 7, 1968

Mr. ST GERMAIN. 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 Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, never before in the history of mankind has a secular organization been so endowed with so much potentiality as the United Nations.

Never before in the history of mankind has there ever been such a need for a world organization in which the disputes of a small, crowded, and chaotic world may be settled and to which the people of the world can look toward for hope and guidance.

If it is to attain its potentiality, I believe that it simply must be utilized more than it has, that is, we must find more ways in which to express its significance and ability. It presently is, in other words, a slumbering giant that needs to be exercised.

One of the ways in which its great voice may be exercised is through an annual state of mankind address such as that proposed in the other body by the Senator from Wisconsin, the Honorable WILLIAM PROXMIRE, and cosponsored by my highly esteemed colleague from Rhode Island, the very able Senator CLAIBORNE PELL.

These renowed gentlemen and others have, in the form of a concurrent resolution, proposed that the Secretary General of the United Nations be requested by the President of the United States to deliver an annual address to the people of the world on the current state of mankind.

I can think of no other way in which the true international significance of this well endowed organization may be better expressed than in such an address. It would be an address about the people

of the world, by the people of the world, and for the people of the world.

Many great things could be derived from such an address but foremost, I believe, would be the realization by the people of the world of just how dependent we have become of each other. One nation's tragedy is the world's tragedy for in one way or another its effects will touch every nation. Because its ripple will touch all shores, it behooves each nation to concern itself with the well-being of all its neighbors—and with modern travel and communications being what they are, we certainly all are neighbors.

The world has grown up in many ways and it is time that its spokesman, the United Nations, assumes its rightful place. This legislation will contribute greatly toward this end. Therefore, Mr. Speaker, I would like to introduce in this body this concurrent resolution calling for an annual state of mankind address by the Secretary General of the United Nations.

I ask that we act expeditiously and favorably upon this legislation. Let us not find ourselves sleeping, perhaps eternally, aside of an international body that could have been.

COMMITTEE JURISDICTION PROVISIONS OF THE LEGISLATIVE REORGANIZATION BILL

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

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

There was no objection.

Mr. McEWEN. Mr. Speaker, as a portion of my remarks, I include for the RECORD a comparison of the committee jurisdiction provisions of the legislative reorganization bill which passed the Senate and similar bills introduced in the House. One of my task force colleagues will comment specifically on the question of creating a permanent committee of the House to deal with the subject of congressional ethics. The following material deals only with the provisions contained in the Senate-passed bill, compared with the recommendations of the Joint Committee on the Organization of Congress and provisions of House bills, concerning committee jurisdiction exclusive of the special question involving standards and conduct of Members, officers, and employees of Congress.

COMMITTEE JURISDICTION

SECTIONS 121 AND 122—PROVISIONS APPLICABLE TO THE SENATE

S. 355—Section 121 redesignates the Banking and Currency Committee as the Committee on Banking, Housing, and Urban Affairs. A standing committee on Veterans' Affairs is established.

Section 122 deals with membership of Senate committees.

Bolling—Same. Reid—Same. Print No. 3—Same.

NOTE.—Recommendations of the Final Report in re "Committee Jurisdiction," both houses, are listed below. Recommendations 1 and 2 for the Senate were dropped before the bill was reported in the 90th Congress.

Re Section 122, see recommendations under "Limitation on Senate Committee Assignments," Final Report pages 18–20.

From Final Report, pages 14–18, "Committee Jurisdiction":

"Senate Recommendation 1—A Committee on Education shall be established as a major standing committee. The Committee on Labor and Public Welfare shall have its jurisdiction redefined so as to exclude matters pertaining to education, and so as to consolidate in one committee all programs and activities concerned with labor and public welfare."

"House Recommendation 1—The Committee on Education and Labor shall be divided into two committees: the Committee on Education, and the Committee on Labor and Public Welfare."

"Senate Recommendation 2—The Aeronautical and Space Sciences Committee shall be redesignated the Committee on Science and Astronautics, and it shall assume jurisdiction over (a) the National Science Foundation, (b) the Bureau of Standards, and (c) research involving environmental sciences."

"House Recommendation 2—The Committee on Science and Astronautics shall be assigned jurisdiction over research involving environmental sciences."

"Senate Recommendation 3—The Banking and Currency Committee shall be redesignated the Committee on Banking, Housing, and Urban Affairs."

"House Recommendation 3—The Banking and Currency Committee shall be redesignated the Committee on Banking, Housing, and Urban Affairs."

"Senate Recommendation 4—A Committee on Veterans' Affairs shall be created as a minor standing committee."

"Joint Recommendation—The jurisdictions of the standing committees of each House shall be revised to include areas over which the committee are currently exercising jurisdiction without clear authority in the rules."

From page 48, "Ethics":

"The House of Representatives shall create a Committee on Standards and Conduct."

SEC. 131. JURISDICTION OF HOUSE STANDING COMMITTEES

S. 355—Would make the following changes in jurisdiction of House committees:

(1) *Redesignate* the Committee on Banking and Currency as the Committee on Banking, Housing, and Urban Affairs, conferring upon that committee additional jurisdiction with respect to urban affairs generally;

(2) *Establish a new* Committee on Education, with jurisdiction over measures relating to education generally, library services and construction, etc., measures relating to economic opportunity and "alleviation of poverty," the Public Health Service and National Institutes of Health;

(3) *Redesignate* the Committee on Education and Labor as the Committee on Labor and Public Welfare and confer upon that committee, in addition to matters relating to labor heretofore within its jurisdiction, the subjects of maritime unions and railroad labor;

(4) *Add* to the Committee on Science and Astronautics jurisdiction over the subject matter of research and development in environmental science, including ESSA, and reword its existing jurisdictional area to read "scientific research and development generally;"

(5) *Establish* a bipartisan Committee on Standards and Conduct (see under "Ethics"), and

(6) Adjust the jurisdiction of other standing committees to conform to these changes.

Bolling—Retains only (1) above; adds provision extending jurisdiction of House Rules Committee to include contempt-of-Congress citation requests (see under "Contempt Citations"), and gives jurisdiction over mining research laboratories to Interior Committee.

Reid—Retains only (1) of S. 355.

Print No. 3—Retains only (1) of S. 355; adds its own provision for a "Committee on Standards of Official Conduct" (see under "Ethics").

NOTE. See above for recommendations of the Final Report. Numbers 1 and 2 for the Senate were deleted from the clean bill, S. 355, reported in the 90th Congress. The Senate adopted three amendments—No. 65 on Feb. 8, No. 37, on Feb. 1, and No. 93 on Mar. 2, dealing with jurisdiction over national cemeteries and adding grandfather clause language in re Senate committee membership, respectively. Traditionally, the Senate does not discuss matters relating exclusively to the House.

CAN CUBA JAM OUR SATELLITE COMMUNICATIONS?

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

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

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, not too long ago our scientific technology reached the point that we were able to establish communications with most of the world via satellite.

Even today we can see the action of the Olympics as it happens.

But in addition to the entertainment value allowed us because of this breakthrough, there has developed a heavy traffic in normal business and personal communication. I think that this communication traffic will continue to increase.

Therefore, it was with concern that I read an article describing the means by which the normal operations of these satellites could be disrupted by Cuban jamming devices.

I have written to the Federal Communications Commission, the Department of Defense, and Communication Satellite Corp., to determine if indeed Castro could jam all satellite communication between the United States and Europe.

It also concerns me that Cuba may be able right now to intercept any all messages sent via satellite between here and Europe. I would hope that there is nothing of a classified nature being sent by the Government, but I would like to quote from the article briefly:

> Information about the nation's business is being placed to a greater extent on international circuits. It is common practice in intelligence operations to collect large amounts of seemingly unimportant information and to construct from this a picture which has considerable meaning.

And:

> The effects of suddenly terminating a large portion of a nation's international communications is an appalling thought.

I certainly agree. We do not allow cavalier tapping of our phones and communications within the Nation and should act to see to it that this is not being done via satellite.

At this time, I would like to enclose in the RECORD for the information of my colleagues the article from the Times of the Americas:

CASTRO REPORTED ABLE TO JAM COMMUNICATIONS

(By Jay Mallin)

MIAMI.—Cuban Dictator Fidel Castro has the electronic capability to jam or listen in on communications via satellites, according to scientific sources in this city.

These sources say that Castro, who has "a predilection for causing mischief," can at any time black out communications that are carried via American satellites over the Atlantic. Satellites are used for the transmission of telephone, television and telex signals.

Equipment that is now reported to be in Castro's hands can "scan" the Atlantic, according to these authoritative, non-governmental sources. This means that the operational range of the equipment extends over the Atlantic (but not beyond).

The United States today has two commercial synchronous satellites over the Atlantic: Early Bird and Atlantic Two. These satellites move in set circles at set heights, and thus can be used for the transmission of signals between Europe and the United States.

One scientific source pointed out: "The threat posed to national security is not trivial. The amount of international traffic is rapidly increasing. Thus, information about the nation's business is being placed to a greater extent on international circuits. It is common practice in intelligence operations to collect large amounts of seemingly unimportant information and to construct from this a picture which has considerable meaning."

Castro can carry out this intelligence operation, and it may well be that the Russians are also using Cuba as a base for electronic eavesdropping. At the same time, and using the same equipment, Castro, or the Russians, could jam and effectively black out any or all transmissions.

The equipment used is basically radar and it employs radar discs. The sources say that ordinary radar equipment can be used, provided certain modifications are made in it. One source said: "Any qualified radar specialist can make these modifications. The added equipment would cost no more than $50,000."

The source commented, "The effects of suddenly terminating a large portion of a nation's international communications is an appalling thought."

EDITORIALS REFERRING TO THE EXPORT-IMPORT BANK

Mr. WIDNALL. 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 Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, it was my intent yesterday to offer for inclusion in the RECORD a number of newspaper editorials and also an article from the Washington Post dated Tuesday, February 6, 1968, to be recorded immediately after my remarks supporting an amendment to the Export-Import Bank bill, that I offered, concerned with stopping the funding of the sale of arms to underdeveloped countries through the Export-Import Bank.

I now offer these editorials and the article for inclusion in the RECORD:

[From the Chicago Tribune, July 20, 1967]

SOWING DRAGON'S TEETH

Republican members of the House of Representatives are zeroing in on one of the most vulnerable aspects of recent United States foreign policy—the practice of spreading munitions widely over the world at the expense of the American taxpayer, munitions controlled by governments and armies over which the United States has little control or none.

Rep. William B. Widnall of New Jersey reported that many congressmen have been shocked by what they heard at a recent closed-door hearing of the banking and currency committee concerning operations of the Export-Import bank. These hearings, Widnall said, "confirmed our worst suspicions" about American involvement in the international traffic in arms.

Since 1962, the bank has approved 1.9 billion dollars in arms loans—including "Country X" loans in which the bank does not even know the borrowing country's identity but acts blindly on recommendation of the defense department. Rep. Widnall raises the question of what guarantee there is for the American citizen, who supports with his money both the bank and finances these secret transactions and the defense department that sponsors them.

Tho details are secret, it is well known that munitions supplied by the American taxpayer to foreign governments are likely to be used against adversaries of those governments, rather than against countries hostile to the United States. In the recent dangerous war in the middle east, both the Israelis and the Arabs used material supplied by the United States. In the somewhat earlier shooting across the India-Pakistan border, the United States again had supplied both antagonists. In Greece, the recently established dictatorship was powered with American supplies.

As Rep. W. E. Brock of Tennessee, a colleague of Widnall's in the banking and currency committee, said for a number of Republican congressmen besides himself, "We question how arms and the participation in the international arms race can be beneficial to any developing country."

Without most Americans being aware of it, their national government has been doing a big business in sowing dragon's teeth in the soil of numerous foreign countries. Our government has often proclaimed its desire to discourage "proliferation" of nuclear armaments. In a world in which there can be no guarantee that small wars with "conventional" armaments will stay small, is it not high time to challenge the Johnson administration's policy of eager "proliferation" of nonnuclear weapons here, there, and almost everywhere?

We agree with Representatives Widnall and Brock and other congressmen who think that it is.

[From the Washington Post, July 21, 1967]

AN EXPORT-ARMS BANK?

Some agencies of the Federal Government, it would seem, are no longer what they appear to be. The Export-Import Bank of Washington was established in 1934 to assist in the financing of commercial exports. But last January the alert staff of the Senate Foreign Relations Committee reported that the Eximbank had "taken an active interest in the financing of military export sales." And now, on examination and questioning by the House Banking Committee, it appears that fully 36 per cent of the Eximbank loans in the fiscal years 1966–67 were for arms.

The nearly $1.6 billion of arms credits extended by the Eximbank since 1963 fall into two categories. Medium term loans were made to industrial countries. Italy and Austria were beneficiaries of that program in 1963, a time of great tension over the disputed South Tyrol. Then there are the guaranteed "country X" loans, arranged on behalf of the Defense Department, principally for the underdeveloped countries of Latin America.

The single justification for these surreptitious operations—the argument that loans rather than grants result in smaller balance-of-payments deficits—does not in any way diminish the threat to democratic institutions. The House Banking Committee, which is supposed to supervise the Eximbank, was never informed of the military loans. Indeed, that Committee was placed in a position similar to that occupied by the National Student Association in its relationship with the CIA.

What is worse, the Eximbank loans were used to circumvent the $55 million ceiling on annual arms exports to Latin America imposed by the Senate. In fact, the Eximbank lent as much as $50 million to individual South American countries.

In the ensuing embarrassment, Senator Ellender recommended that the Eximbank be prohibited from extending "country X" loans in the underdeveloped parts of the world, but be permitted to continue with its developed country programs. That compromise fails to get to the heart of the matter and should be roundly rejected. The Eximbank, as Representative Henry S. Reuss observes, has managed within four years to become embroiled on both sides of almost every armed conflict, actual or potential. Permitted to continue in that insidious role under the cloak of secrecy, it would constitute a threat to both representative government and world peace.

[From the New York Times, July 24, 1967]

FEEDING THE ARMS RACE

Some members of Congress are beginning to ask searching questions about America's government-sponsored, booming international arms business. It's about time. A series of events in recent years has cast serious doubt on some of the basic assumptions that underlie the arms aid and sales programs. In a number of situations, it is clear that the decision to sell or give American arms has done more harm than good to the interests of the United States.

In a series of articles on the arms business, Neil Sheehan reported in The Times last week that this country has given away or sold $46.3 billion worth of arms in the last seventeen years. Weapons sales in the last fiscal year totaled $1.5 billion and the Defense Department's supersalesman of arms, Henry J. Kuss Jr., says he intends to boost that figure to $2 billion a year for the next eight years.

Administration spokesmen argue that arms sales and aid have helped to strengthen free world defenses against Communist aggression. They point out that 89 per cent of recent arms sales have gone to members of the NATO alliance. In most cases, such sales unquestionably have given American allies more and better arms for their money because of superior American research and the efficiency of mass production. But these advantages have been bought at a price that is becoming increasingly dear for the alliance and the world.

Aggressive sales tactics have provoked growing resentment among European countries who fear the political consequences of overdependence on the United States for arms and the economic implications of increasing American superiority in the technologies associated with arms development. Instead of bowing meekly to the American drive for dominance in the arms field, the Europeans have entered the international arms competition with determined vigor, further aggravating the worldwide arms race.

The United States is also shipping increas-

ing amounts of weapons to the developing nations—1.2-billion dollars' worth in the last five years—in the name of "mutual security." This is an area of the arms business particularly open to question. Sometimes arms aid is justified in terms of political expedience, for the purchase of political influence. More often then not, such influence proves to have been an illusion, as when Pakistan cast her lot with Red China against India; or, in the case of the Soviet Union, when Jakarta's generals used Russian arms to suppress a Communist uprising.

Certainly some arms sales and aid will continue to be prudent where proven friends are seriously threatened and for as long as the Soviet Union refuses to cooperate in curbing arms races, as in the Middle East.

But the search for alternatives, such as arms limitation and the development of effective United Nations peace-keeping forces, must be pressed with vigor and imagination. To continue to peddle arms with the reckless enthusiasm that has characterized American policy in the recent past is to settle for a solution to the problem of international insecurity that is demonstrably self-defeating.

[From the New York Times]

ARMS MERCHANT TO THE WORLD

In the broadening Congressional inquiry into America's new role as the world's leading arms merchant, a particularly hard look needs to be taken at United States arms sales to underdeveloped countries.

Senator Symington accuses the Administration of "back-door" financing of such shipments. His charge has to do with the practice under which the Export-Import Bank extends credit to the Defense Department for a sale to "Country X," without ever knowing what country it is and without public record of the sale. The evidence suggests that what is wrong with the Government-sponsored arms business—in which Export-Import Bank credit is only one of various channels, though an increasingly important one—is not so much trickery as looseness of controls and inadequate consultation between executive branch and Congress.

Until very recently, at least, objections by the United States aid and disarmament agencies to individual sales—on grounds that they burdened an underdeveloped country's economy or stimulated a regional arms race—often failed to receive a proper hearing. Private firms sometimes go ahead with contracts in evasion of official policy or in ignorance of it. Controls written into sales to foreign governments wither as the arms are resold.

This laxness is explainable in part by a lack of precise guide rules as to what is and what is not in the national interest. In principle, arms may be sold to an underdeveloped country only when that promotes mutual security or regional equilibrium, without over-burdening the recipient's economy. In practice, other considerations of strategy or mere expediency tend to confuse the picture.

Thus the spectacle of Indians and Pakistanis, Israelis and Jordanians, battling each other in American armor. Thus, too, the episode surrounding the 1965 sale of 25 Skyhawks to Argentina, at bargain prices. That sale was made, Secretary of Defense McNamara acknowledged in 1966, not for security reasons but to prevent Argentina from buying expensive jets from Britain. The result? Argentina's suspicious neighbor, Chile, bought the British jets; Chile's rival, Peru, is negotiating for something new for Latin America—supersonic jets from France; and the Latin-American arms race threatens to escalate to a supersonic level of spending—and tensions—in the whole region.

A clear line must surely be drawn between the industrialized nations and the underdeveloped world in the matter of using arms sales to decrease the United States balance-of-payments deficit. The $1.2 billion in arms purchases from the United States by the underdeveloped lands in the past five years may be only 11 percent of total American arms sales during that period, but it represents tragic diversion of scarce resources for desperately needed economic development.

The hard sell has no place in arms-dealing with Latin America, Asia and the Middle East. Selling arms to some of these countries for reasons of mutual security may be something the United States can't avoid. Doing it for profit is something the United States can't afford.

[From the Washington Post, Aug. 6, 1967]

PROMOTING ARMS EXPORTS

Instead of acting to take the Export-Import Bank out of the business of financing exports of armaments, the Senate Banking Committee reported out a bill that will actually deepen the bank's involvement in that dangerous traffic.

Several of the Committee's amendments to the authorization bill, which would raise the bank's lending authority to $13.5 billion, purport to limit the financing of arms for the less-developed countries, the so-called "country-x" loans. Loans to the less-developed countries would be made at the request of the bank's lending authority and would have to be reported to the House and Senate within 30 days.

The only advance achieved by these provisions is to make Congress privy to the secret loans after they are made. In setting the limit at 7.5 per cent of the Eximbank's authorization, the Committee would permit the "country-x" loans to rise from the present level of $604 million to more than $1.1 billion. And as outstanding loans are repaid, fresh credits would be extended. Moreover, since the Committee failed to provide a tight definition of a less-developed country, there is nothing to prevent the bank from regarding some poverty stricken state in South America or Africa as "developed" in order to finance its arms purchases.

The financing of arms exports, where necessary to advance this country's interests, should be accomplished within the framework of treaty organizations, not surreptitiously by an agency that was established for promotion of commercial exports. Congressmen on both sides of the political aisle believe that Eximbank's activities are incompatible with the maintenance of world peace. Rep. William B. Widnall made a valiant effort to amend the bill before it left the House Banking Committee, and for his pains was intemperately denounced as a "Communist" by Chairman Wright Patman. Sen. Allen J. Ellender has raised a strong voice in opposition and it is to be hoped that he and others will insist on a genuine arms-financing prohibition when the bill reaches the Senate floor.

[From the New York Journal of Commerce, Aug. 3, 1967]

HOW WILLING A HANDMAIDEN?

Those who remember Senator Gerald P. Nye's diatribes against the "merchants of death" in the middle-1930s are doubtless disturbed about the involvement of the Export-Import Bank in the sale of well over a half billion dollars' worth of armaments to selected underdeveloped nations during the past two years.

Thirty-odd years ago, Senator Nye was charging that private interests in the United States, Britain, France, Germany and Czechoslovakia were endangering the peace of the world by hawking expensive armaments in countries which couldn't afford to buy them but, in view of the rate at which their neighbors were arming, felt they couldn't afford not to, either. The charges heard in Washington during the past few weeks are to the effect that the same thing is happening now, but that the real "merchants of death" are today to be found in the Pentagon and that the Eximbank is their more or less willing handmaiden.

These charges are disturbing, too. The issue to us is not whether Washington is right or wrong in making sophisticated armaments available to Israel, Jordan, Iran and Chile—to mention just a few—on relatively favorable terms. That is a politico-military question that we do not consider within our province. What disturbs us is the use (pretty well concealed until recently) of the Export-Import Bank as a sort of conveyance for these transactions. This may have seemed a convenient device when someone either in the White House or the Pentagon first hit upon the idea, but it could prove quite damaging to the image of the bank itself as a promoter of commercial exports.

The issue is best looked at in perspective. When the Export-Import Bank was established in 1934, its one primary purpose, as established by Congress, was to promote American exports via the extension of short-term credits.

It was not then viewed as a potential economic arm of American foreign policy, much less a political arm. Its sole function was to assist commercial exporters who required some kind of assistance if they were to secure footholds in certain foreign markets, most of them initially in Latin America, where credit and purchasing power had been badly battered during the early years of the depression. Whatever aid the architects of Washington's international economic policy could count upon via this institution would be incidental in some cases and indirect in all others.

For 30 years the Export-Import Bank functioned as a prudent and even profitable institution. At times since World War II it has found itself called upon to undertake some ventures it found risky on economic grounds but which Washington wanted for political reasons.

After Congress voted to expand its field in 1945, Eximbank began undertaking longer term project credits and, in effect, became a sort of government-backed investment banker. However, it did not compete with private capital and limited its activities to commercially sound projects in all instances where it was free to do so.

Until the Senate Foreign Relations Committee hinted at the end of this past January that some screening of Eximbank's role in U.S. arms sales was in order, little occurred to cloud the bank's image as a discreet, nonpolitical banking institution devoted to the encouragement of American exports under strictly businesslike procedures.

As it happened, little attention was paid earlier in the year to the Foreign Relations Committee's suggestion. Only within the past few weeks has it become generally known that many American arms sales have been handled via the Eximbank under guarantees from the Defense Department, or that the Defense Department has been issuing these guarantees at higher rates of interest than the bank gets from its foreign clients.

In all fairness it must be admitted that this does not in itself constitute any outrageous act of deception on the part of the administration. This country has given away so much, bartered so much and sold so much for blocked foreign currencies under Public Law 480 and other devices that a shading of interest rates on foreign arms purchases adds up to pretty small potatoes. Or it would if the Export-Import Bank hadn't been caught in the middle.

This is the whole point. Why, to begin with, was it considered necessary to drag the Export-Import Bank into a series of politico-military deals which, if discovered, would inevitably compromise the bank's stature as a purely business affair?

Why could not the Department of Defense have handled the entire financing on its own? After all, it has the funds or has access to them; otherwise it couldn't guarantee repayment. Or why couldn't it have been handled through the Treasury? Or perhaps by a totally new (and quite unpublicized) entity responsible to both? Costs would not necessarily have been appreciably higher and if and when the whole mechanism was exposed to public view, an institution as useful and respected as the Export-Import Bank would not suddenly find itself the target of those who disapprove of the whole business.

As matters stand, the Export-Import Bank is now likely to find itself on a rather hot Congressional griddle. Its requests are being questioned and its whole purpose in life is being questioned, too. It will be some time yet before its nonpolitical status can be restored in the eyes of foreigners as well as Americans. The more the pity because the whole thing—no matter how convenient for the Pentagon—was unnecessary.

[From the New York Times, Aug. 12, 1967]

LIMIT ON ARMS SALES

The Senate's refusal to prohibit the Export-Import Bank from financing American arms sales to underdeveloped countries is unfortunate but not irreparable. The closeness of the 48–40 vote shows an awareness on Capitol Hill that conversion of the bank into a principal channel for a secret flow of tanks and planes to countries too poor to afford enough shoes and food has been a disservice to world stability.

These sales are diverting scarce Asian, African and Latin-American resources from economic progress and contributing to regional arms races that have more than once exploded into war. Concern over this misapplication of resources is evident in the lowered ceiling that the final Senate bill puts on the arms loan authority.

One explanation for the Senate's failure to go all the way may have been a feeling in some Congressional quarters that taking the Export-Import Bank out of the financing end of the arms business would evade the root of the problem. That root is the Defense Department's revolving fund created by Congress at the request of the Eisenhower Administration in 1957. The understanding was that this fund would help taper off arms grants by facilitating arms credits through commercial banks. Instead, it has become the vehicle for underwriting the "country X" loans through which the Export-Import Bank helps underdeveloped countries buy arms without even knowing which countries are involved.

The system has been conducive to permissive if not overeager sales to underdeveloped countries without any adequate examination of whether each transaction is in the total best interest of the United States. An amendment to the foreign-aid bill by Senator Church, passed 12–6 by the Foreign Relations Committee, would abolish the revolving fund at the end of the year. That would reroute arms sales into the regular channels of the foreign-aid program, where they would be subject to tighter top-level controls within the executive branch and to closer Congressional scrutiny. That is the heart of the matter. The Church amendment sets the stage for the real policy battle on arms sales. The amendment should be passed.

[From the Washington Post, Feb. 6, 1968]

SHIFT BY UNITED STATES IS CRITICIZED—JET DEALS SNARL LATIN POLICY

(By John M. Goshko)

LIMA.—Defense Secretary Robert S. McNamara had some soothing words not long ago for Congressmen who feared the Alliance for Progress might fall victim to a Latin American arms race.

Testifying before the House Appropriations Committee last April, he said: "We have sought, with considerable success, to avoid diversion of Latin American resources to the creation or support of unnecessarily large or sophisticated military forces."

A Defense Department "fact sheet" issued later said: "The Latin American nations have not been acquiring large amounts of heavy equipment. In contrast to most other areas of the world, there are no supersonic aircraft in Latin America."

Now, less than a year later, these reassurances echo mockingly over the shambles of U.S. arms policy toward Latin America. At home and abroad, it has been charged that this policy is inconsistent, hypocritical and at cross-purposes with professed U.S. support of the Alliance.

In Congress, the controversy became so heated that it threatened to scuttle the whole foreign aid bill. The legislation that finally emerged is so imprecise about future arms shipments to Latin America that aid and policy administrators say they don't understand what it means.

LATINS TO GET JETS

The blowup was triggered by the news that Peru plans to buy 12 to 16 supersonic French Mirage jets, that Brazil is almost certain to do the same and that Argentina is negotiating for modern French AMX–30 tanks.

In reacting to the challenge of the French arms industry, the Johnson Administration has seemed to critics to be abandoning past U.S. efforts to keep sophisticated weaponry out of Latin America.

Suddenly, Washington reversed a long-standing ban on the sale of the Northrop supersonic F–5 Freedom Fighter to Latin air forces. While Administration spokesmen deny that this signaled a switch in policy, they concede that the F–5 embargo was lifted in hopes of blocking France's invasion of the Latin arms field.

They see a danger of Latin armed forces, turning increasingly to France and other European arms vendors. And this, they warn, would shatter the monopoly that the U.S. has held since World War II over the training and advising of Latin military forces.

PRICE FOR COLLABORATION

Their argument amounts to an acknowledgment that the U.S. must pay the price of military assistance for the political collaboration of the Latin armed forces. In the eight years since Fidel Castro came to power in Cuba, Washington has given high priority to maintaining the Latin military as a force capable of checking Castroite subversion in the Hemisphere.

Opponents of this thesis say that if the purpose of close ties with the Latin military is to strengthen its capacity to fight guerrillas, the Latins should be equipping themselves primarily with such counterinsurgency weapons as small arms, grenades, jeeps and helicopters.

SEE SELVES AS DEFENDERS

There has not been a war between two Latin American countries since 1942, and observers discount the probability of another. But this has not stopped most Latin military leaders from nourishing the fiction of the danger of invasion by hostile neighbors. Thus they emphasize buying planes, tanks and warships—things that gratify their pride.

U.S. policy-makers have long anticipated that some modernization of the Latin arsenal would become inevitable as old equipment requires replacement. The question is whether U.S. efforts to be accommodating can be kept to reasonable levels.

State Department and Pentagon officials quote statistics to show that the Latin arms race is really an "arms crawl." They note that the region's combined defense expenditures currently average only 12.7 per cent of total government expenditures. Of the combined Latin defense budgets, only 10 per cent—about $200 million—goes for military hardware.

U.S. RESTRICTIONS

The U.S. Congress has set a ceiling on the total value of military assistance and sales, exclusive of training. Including training activities, the U.S. military assistance package in Latin America is now running about $98 million annually. This figure will drop during the coming year because the current aid bill cuts the statutory ceiling from $85 million to $75 million.

This, officials point out, is only about 7 per cent of all U.S. foreign military assistance and only 7 per cent of total U.S. aid to Latin America. The statistics, they say, hardly support the conclusion that the U.S. is unduly abetting an arms race.

A reply might be that Latin America's social and economic ills are as large as the amount of money available to cure them is small and that siphoning millions of dollars away from urgent social problems into arms buying makes the Alliance for Progress meaningless.

"BROTHER" OFFICERS

Most U.S. military advisers have a "brother" officer's sympathy with the Latins' desire for advanced equipment—regardless of its utility.

Since the French began flirting with the Latin military, many U.S. advisers have also argued that the U.S. stands to lose the financial benefits of Latin arms sales. The reaction in Latin America has been to decry the "hypocrisy" of the United States in rushing forward with supersonic planes when it appears the money will go to Paris rather than Washington.

All this has increased the number of critics, especially in Congress, who believe that the attempt to stay out in front of competing arms merchants can only increase the Latin military's power at the expense of the Alliance for Progress. Many think the U.S. should refuse to sell Latin America anything but internal-security weapons. Some even want to discourage Latin countries that persist in buying planes, ships and tanks by refusing them credit assistance and by making reductions in nonmilitary aid.

A watered-down version of this idea, directing President Johnson to cut aid to countries whose arms purchases he deems "excessive," is written into the current foreign aid bill. But because it fails to spell out standards for excessiveness, its main effect seems to have been to cause confusion in policy-making circles.

Most U.S. officials look with dismay at the use of aid as a lever for holding down the arms race. They think it would cause the proud Latin military to become more stubborn and accelerate its movement away from U.S. influence.

DISSENTING VIEW

Advocates of a tough line concede that punitive aid reductions would cause some hard feelings, and that civilian government programs would be penalized by disciplinary moves aimed at the military.

But, in the long run, they believe the military would also feel the pinch. Until the armed forces are willing to accept a reduction of their powers, they say, chances of making real progress in Latin America will be minimal, anyhow.

These critics are not disturbed by fears that France or other nations might replace the U.S. as mentor of Latin armed forces. France's basic interests lie elsewhere, they point out, and the de Gaulle government has neither the resources nor the ability to do much in Latin America.

It is unlikely that the Johnson Administration would test a tougher line over the long haul that would be necessary for it to show results. But U.S. policymakers concede privately that arms policy toward Latin America has run off the rails.

NEW APPROACH URGED

No one seriously believes the wreckage can be put together again simply by deciding to sell the F–5. Everyone agrees a new approach is needed. But so far there is no consensus on what it should be.

Some favor a modified get-tough line using the carrot as well as the stick. Others would attempt to win agreement from all arms-producing countries not to exploit the Latin market. Still others hope the Latins themselves can be induced to get together and agree on voluntary arms limitations.

But it is doubtful that any of these ideas can be realized in the foreseeable future. The Latin armed forces will probably continue in their present course, and the U.S. is likely to find justifications for giving them what they want.

PROFILE OF LATIN MILITARY

Country	Armed forces personnel (in thousands)	Population (percent)	Defense budget as percent of gross national product	Number of fighters	Total air force planes
Argentina	137	0.6	2.1	70	375
Bolivia	15	.4	2.0	4	70
Brazil	194	.2	3.2	40	625
Chile	60	.6	2.5	41	221
Colombia	48	.3	1.3	6	150
Costa Rica	1	.1	.4	----------	----------
Dominican Republic	19	.5	3.9	40	110
Ecuador	20	.4	2.0	18	60
El Salvador	5	.2	1.2	6	40
Guatemala	9	.2	.9	15	40
Haiti	5	.1	2.1	4	25
Honduras	4	.2	1.2	20	50
Mexico	68	.2	.8	30	200
Nicaragua	7	.4	1.6	19	60
Panama	3	.3	.1	----------	----------
Paraguay	20	1.0	2.1	----------	35
Peru	54	.5	3.1	70	250
Uruguay	15	.6	1.5	10	60
Venezuela	30	.3	2.2	60	240
Total	720	.3	2.4	453	2,611
United States	3,387	1.7	9.2	----------	20,658

From tables accompanying "The Latin American Military," published by a subcommittee of Senate Foreign Relations. Most figures are for 1966. U.S. Government figures are for last year.

[From the New York Times, Aug. 22, 1967]

ARMS SALES LESSON IGNORED

The Department of Defense clearly has not absorbed the full lesson by the Senate's action last week to curb secret arms sales to developing countries on easy credit terms.

Pentagon officials now are lobbying on Capitol Hill for a new arrangement that would eliminate one objectionable feature of the existing arms sales credit system but fail to meet the basic criticisms.

Most critics—this newspaper included—do not seek to end all sales of American arms abroad or even the carefully screened advancing of "soft" loans to underdeveloped countries for this purpose in certain circumstances.

What the critics want, in the Senate Foreign Relations Committee's words, is to "take the Pentagon out of the banking business," and to relieve the Export-Import Bank of a function it was reluctant to take on in the first place. This is the shadowy arrangement under which the bank, in effect, provides credit for arms purchases by countries whose identities—and risk capacities—it never learns.

The Senate voted last week to abolish the system along with the revolving fund through which the Defense Department could guarantee arms loans up to 25 percent of face value. This 46-to-45 vote came after last-minute, high-level Pentagon lobbying not merely to retain this system—whose abolition had been urged by the Foreign Relations Committee—but to expand it.

Now the Pentagon lobbyists are trying a new tack. They accept the abolition of the revolving fund but seek a nominal transfer of the Defense Department's loan-guarantee functions to the President. In actual practice, however, this complicated new arrangement would leave the Pentagon in the banking business and the Exim-bank in the arms credit business.

The Administration is aiming its next big lobbying effort at the Senate-House Conference after the House votes on the foreign aid authorization this week. This strategy is based on a belief that the House will follow its Foreign Affairs Committee and leave the existing system intact.

The House can do a better job of solving the problem by voting to wipe out the loan authority, as the Senate did.

[From the Washington Post, Aug. 24, 1967]

ARMS CREDIT AGAIN

The House today will have the opportunity to consider whether to equip the President with a new secret way to sell poor countries arms on easy credit. Included in the Administration's foreign-aid bill, and approved by the House Foreign Affairs Committee, was a provision to let the President at his own discretion guarantee up to 100 percent of the value of notes issued by foreign countries to private American arms suppliers.

This new provision contains the principal defects of which we have complained before. It would not require congressional appropriation or other forms of congressional review. It would keep the Defense Department, with its built-in interest in dispensing arms, in the banking business, with the crucial difference that the Pentagon would not have to apply bankers' standards in determining the credit worthiness of countries getting arms.

The Senate Foreign Relations Committee, wisely, in our view, cut this request for new credit authority out of the Administration's bill, and an effort to restore it on the Senate floor failed. The House should follow suit and accept an amendment to a similar end. There are already enough, if not too many, channels for dispensing arms. The number needs to be diminished, not increased, and arms sales need to be brought under closer control.

REPORT ON VOLUNTEERS FOR VIETNAM ASSOCIATION

The SPEAKER pro tempore (Mr. PEPPER). Under a previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 1 hour.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that any discussions or colloquy that may come from the presentation of this report appear after the body of the report that we are about to give to the House.

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

There was no objection.

Mr. SCHWENGEL. Mr. President, yesterday several members of the Volunteers for Vietnam Association went to the White House to give a report on our trip to Vietnam to President Johnson. We met for an hour with Mr. Walt Rostow, special assistant to the President, to discuss the contents of the report.

Today Congressman WILLIAM COWGER, of Kentucky, and I offer the report of the Volunteers for Vietnam Association for the consideration of the American people. It is our hope that the report will serve to bring more rationality, calmness, and objectivity to the discussion and debate on the problems that are presented by Vietnam. It should be emphasized that the approach of the Volunteers for Vietnam has been nonpartisan. The organization does not seek to influence any legislation, and will absolutely refrain from any kind of political activity. It is in this spirit that the report is presented.

Comments, suggestions, criticisms, and questions which might result from the reading of the report are welcome.

Now, the report, Mr. Speaker, follows:

PREFACE

Concern in the United States about the War in Vietnam has been expressed in a variety of ways. Demonstrations, draft-card burnings, counter-demonstrations, emotion-packed speeches, all have marked the debate over the involvement of the United States in Vietnam. Charges and countercharges have been hurled by supporters and detractors of the United States policy in Vietnam.

The Volunteers for Vietnam Association was formed to try to bring a greater degree of rationality and objectivity to the discussion of the Vietnam War and the American involvement in that war, especially the political, economic and social problems presented. Volunteers for Vietnam is a group of people representing a broad spectrum of American life, organized to study the question of the Vietnam War in depth.

Volunteers for Vietnam, led by Congressman Fred Schwengel (Rep–Iowa) who represents Iowa's First Congressional District in Washington, decided that a trip to Vietnam would be necessary to accomplish the purposes of the organization. Extensive preparations for the trip were made. Those selected to make the fact-finding trip spent several months reading about Vietnam and interviewing people from the entire political spectrum who claimed any expertise on Vietnam.

The fact-finding team went to make first hand studies, gather facts and ask questions; to make the first hand evaluations of present programs, especially in economic, political and social development; and to consider new ideas and plans proposed to meet the challenge offered by Vietnam. The trip was made at private expense. After making the trip to Vietnam and completing its studies, Volunteers for Vietnam decided to write a report of its findings, making it available to the American people with the hope that it would increase public understanding and knowledge of the problems and challenges confronting the United States in Vietnam.

As a result, the Volunteers for Vietnam fact-finding team went to Vietnam well pre-

pared. A conscious attempt was made to resolve many of the inconsistencies and contradictions which were found in reading and interviews done by the group before departing for Vietnam.

The Volunteers for Vietnam fact-finding team left for Southeast Asia on Thursday, November 16, arriving in Saigon on Saturday, November 18.

While in Vietnam, team members conferred with a large number of United States officials, both military and civilian. A complete itinerary of the group appears as an appendix. The conferences were marked by extensive question and answer sessions. The team divided its responsibilities after the initial conferences with United States officials, with each team member pursuing his special interest or studying in his area of competence. Different team members met with a number of Vietnamese leaders, both political and religious, representing various age groups and points of view. The Senate of the Government of Vietnam held a reception for the team while it was in Saigon. A cross section of newspaper correspondents, businessmen and other Americans were also contacted.

Team members spread out over a large area of Vietnam, Kien Hoa, Tay Ninh, Vung Tau, Nha Trang, Da Nang were among places visited by team members. At each stop, team members talked to Americans and Vietnamese working on rural development, self-help and other nation-building programs. Tours of U.S. military bases to see and talk to United States servicemen were also made.

After spending ten days in Vietnam, the fact-finding team spent one day in Bangkok, Thailand, to confer with U.S. officials there. Two team members, Dr. Ernest Griffith and Allan Schimmel, returned to Saigon to spend three additional days there studying items not fully covered by the team before.

What follows is the report of Volunteers for Vietnam based on its studies and trip to Vietnam. It is not offered as being all-inclusive or all-encompassing; rather in the hope that it will bring a greater degree of objectivity and rationality to the discussion regarding the Vietnamese war.

TEAM MEMBERS

Congressman Fred Schwengel, President of Volunteers for Vietnam and Iowa's First District Representative—serving eleventh year in the House of Representatives. Serves on the Public Works and House Administration committees. Served for ten years in the Iowa Legislature. Acknowledged expert in the history of the United States Capitol and Abraham Lincoln.

Congressman William Cowger, represents the Third District of Kentucky. Formerly was the Mayor of Louisville. In first term in the House. Member of the Government Operations and House Administration committees. President of the Republican 90th Club. Is an investment banker in Louisville.

Dr. Ernest Griffith, Washington, D.C. Recently retired as Dean of the School of International Service at American University. Served for 18 years as head of the Legislative Reference Service of the Library of Congress. Is renowned political scientist and the author of several books. Was visiting Fulbright professor lecturing in American foreign policy in Iran, Japan and Turkey during 1966–67 school year.

J. W. Baccarini, Orrville, Ohio. Assistant to President of Crown Steel Products. Served as Executive Director of Self-Help, Inc., an Iowa-based firm which gathered, rebuilt and exported used agricultural and industrial machinery. Was project director for the American Freedom from Hunger Foundation. Was a delegate to the United Nations World Food Conference in 1963. Was a member of a five man trade delegation to the Middle East in 1966 for the United States Commerce Department.

Robert Henry, Springfield, Ohio. One of the first Negro mayors elected in the United States. Served on the city commission of Springfield since 1962. Took office as Mayor in 1966. Was presented with an Outstanding Service Award in 1966 for his efforts in promoting "better understanding and the feeling of brotherhood among all persons regardless of race or creed," by the Ohio State House of Representatives.

Rev. Louis Valbracht, Des Moines, Iowa. Pastor of the St. John's Lutheran Church. Served as a Chaplain with the Marine Corps during World War II.

Rev. Heinz Grabia, Davenport, Iowa. Pastor of the Calvary Baptist Church. Was recently elected President of the Scott County Ministerial Association. Serves on the Executive Committee of the General Council of the American Baptist Convention.

Vernon Shephard, Muscatine, Iowa. Is a farmer. Represented the agricultural community on the team. Has traveled to Japan as a member of a Soybean Trade Mission.

Mrs. Harold Day, Des Moines, Iowa. Is the mother of a Marine who was in Vietnam. Went on the trip to represent a mother's and a housewife's point of view. Employed as Secretary at the Republican State Central Committee of Iowa.

Allan Schimmel, Legislative Assistant to Congressman Schwengel. Accompanied the group as its arrangements coordinator. Has a Masters Degree in Political Science from the University of Iowa.

I. INTRODUCTION

It might be helpful at the outset to summarize the more relevant background material on Vietnam. The various items of information are grouped under three headings. First those items which the team feels are established; second, those probably; and third, those possible and sufficiently relevant to be considered.

Established

(1) The Geneva Agreements of 1954 were explicitly rejected by the State of Vietnam (South Vietnam). The United States refused to approve them; shortly thereafter making its rejection explicit.

(2) The Geneva Agreement of 1962, signed among others by the government of North Vietnam, (providing for the neutrality of Laos) has been violated by the government of North Vietnam. These violations have been of material military assistance to the Viet Cong and the North Vietnamese in the present war. They have consisted of the movement of men and supplies through Laos into South Vietnam, and the stationing of North Vietnamese troops in Laos to guard the supply routes and support the communist Pathet Lao forces.

(3) The original Viet Minh or nationalist rebellion against the French, while led by Ho Chi Minh, was not in its early stages obviously communist, although it included the Communist Party of Indo-China—which ultimately proved to be the strongest element.

(4) Both South and North Vietnam were from their inception juridically valid nations under international law. South Vietnam was so recognized by a clear majority (over sixty) of the nations. A number of both communist and non-communist countries have extended similar recognition to North Vietnam. Not until the recent elections in the South could either claim a legitimacy based upon popular support as demonstrated by a secret ballot with alternatives offered. (It should be noted that the Communist definition of "legitimacy" is based upon control by the Communist Party, even though in a minority. This is why the Communists insist that the National Liberation Front is "the only" legitimate government of South Vietnam. No Communist-controlled nation has ever allowed its "electorate" a free choice of alternatives with a secret ballot.)

(5) Both South and North Vietnam believe in ultimate union as one nation.

(6) The SEATO Treaty Protocol designated South Vietnam as a territory coming under the provision of Article IV. The relevant portions are: "Each party recognizes that aggression by means of armed attack . . . against any territory which the Parties by unanimous agreement may hereafter designate, would endanger its own peace and safety, and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes . . . no action so designated shall be taken except at the invitation or with the consent of the government concerned."

(7) Such action has been invited and consented to by the government of South Vietnam. Affirmative responses have been made by: the United States, Australia, New Zealand, the Philippines, Thailand. France, Pakistan, and the United Kingdom have not acted. South Korea subsequently has joined in the assistance program by sending a substantial military contingent.

(8) Internal subversion, with or without external assistance (under the misleading title of "wars of national liberation") remains explicitly a part of the dogma and policy of both the Soviet Union and Communist China. It is exempt from the program of "peaceful coexistence" of the Soviet Union.

(9) The Peking official radio has explicitly advocated such subversion in Thailand, Burma, and Indonesia. It is progressing in the first two, with obvious assistance from across their borders.

(10) The Soviet Union and Communist China have rendered substantial assistance, military and otherwise, to the Viet Cong and North Vietnam. The United States has extended much greater aid to the South.

(11) Cambodia is thus far a privileged sanctuary for the Viet Cong and the North Vietnamese.

(12) The United States pressed the authoritarian Diem regime in South Vietnam for reforms, with initially encouraging but ultimately disappointing results.

(13) Guerilla warfare requires a ratio of regular forces variously estimated at 4 to 1 to 10 to 1 to combat it successfully. These ratios make outside help virtually a necessity for a seriously threatenend small nation. Even without a sanctuary or substantial aid from across the border, the combined British and Malaysian forces numbering 50,000 took twelve years against 8,000 guerillas. Because of our greater mobility, we may be able to improve somewhat on these ratios in the Mekong Delta, but not in the jungle.

(14) Substantial support for the established central government on the part of the populace is a prerequisite for success against guerillas. Guerillas use terror to inhibit such support. This can only be countered by a combination of security and a positive program to demonstrate that the central government really cares for the welfare of the people.

(15) The 37 day pause in the bombing of North Vietnam early in 1966 did not result in negotiations, although there is evidence that the Vietnamese and Viet Cong were considering entering such negotiations.

(16) Following the Geneva Agreement of 1954, nearly 1,000,000 persons (chiefly Catholic) moved from the North to the South, and perhaps 100,000 from the South to the North.

(17) Neither the North nor the South conformed to the proviso of the Geneva Agreements that elections with proper safeguards be held by 1956.

(18) The United States has appealed to the Security Council of the United Nations to consider the problem of Vietnam.

(19) The war is terribly costly in money and lives to all concerned.

(20) President Johnson has promised the South Vietnamese that we will not withdraw our military support until their independence is assured.

(21) The French influence and pat record are making the solution in Vietnam difficult for Americans.

(22) The Vietnam issue has, to a considerable extent, divided our own country.

(23) There is no reason why negotiations, if desired by the North, should require cessation of the bombing. There is precedent in history for this.

Probable

(1) Had the South freely voted on the question of joining the North (under Ho Chi Minh) in 1956, a majority would have so voted.

(2) In 1956 it was not clear to the ordinary rank and file person in the South that the government of the North was Communist; nor was the nature of a Communist regime clear to them.

(3) The elections in the South (1967) demonstrated that a clear majority of the adult population was unwilling to follow the Viet Cong-Communist directive to boycott the elections. This boycott was also called for by the "militant" Buddhists.

(4) The United States has a "national interest" in a free, non-Communist South Vietnam. Factors are: a) the greatly weakened positions of Thailand, Laos, Cambodia, Burma, Malaysia, Singapore—and other nations of South and East Asia—if the United States withdraws and the combination of guerrillas and North Vietnamese regulars succeeds in their objectives, b) the economic and strategic importance of South East Asia to the Free World and c) the impaired confidence in the United States throughout the world (see recent *Newsweek* survey) if the United States withdraws.

(5) Our Vietnamese allies are counting on our commitment and aid, and will be in grave *personal* danger (as well as national) if we withdraw.

(6) Indonesia was strengthened in her successful anti-Communist internal struggle by our presence in Vietnam.

(7) At least temporarily, the regard for us in parts of Western Europe has been impaired.

(8) The Vietnam war has hampered psychologically and financially an all-out attack on many of our national problems.

(9) The majority of Congress believed at the time that the Gulf of Tonkin resolution meant the authorization to involve our armed forces: "The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in Southeast Asia . . . the United States is therefore prepared, as the President determines, to take all necessary steps, including use of armed force, to assist *any member or protocol state* (i.e., South Vietnam) of the Southeast Asia, Collective Defense Treaty requesting assistance in defense of its freedom."

(10) China has shown aggressive tendencies—Tibet, Korea, India, and the training of subversive cadres designed to operate against a number of South Asian nations.

(11) Prior to the United States combat participation, the South Vietnamese were nearly at the point of losing the war. (see "Established" number 13 above.)

(12) North Vietnamese cadres had infiltrated the South prior to United States participation in actual combat. Commencing in early 1965, United States forces conducted "retaliatory attacks against the North," and soon thereafter North Vietnamese regular army units and United States units were engaged in combat in the South.

(13) The United States Military up to 1966 issued consistently too optimistic reports of the military situation.

(14) Anti-war demonstrations in the United States encourage the Communist side. They are played up in the Hanoi press and radio.

(15) The war on the Communist side is now directed from North Vietnam, and probably was always primarily so planned.

(16) "Negotiations" in Communist terms usually involve stalling and public propaganda.

(17) The war is a "test case", with both sides, as to the feasibility of subversion across a border or aided from outside. This is currently the favored method of communist aggression. This is the rationale of the continuation of Soviet and Chinese aid to be used in military action in the South. It is explicitly exempted from the policy of "peaceful coexistence". This is one reason we have attached such importance to the war's outcome.

(18) There have been occasional signs of a willingness to negotiate by the North, recently made explicit, in return for an unconditional stopping of the bombing by the United States. No corresponding deescalation on the part of the North has been indicated in such an event.

(19) China would risk her status as a nuclear power, should she intervene in the Vietnam war.

Possible

(1) Communist China may revert to "war lordism", thus lessening its effectiveness and perhaps even stopping its aid and the weight of its prestige in North Vietnam.

(2) Communist China conceivably may intervene militarily if the Allies invade the North; or if she believes the North to be losing.

(3) Relations between the United States and the Soviet Union might conceivably improve if the war ends. The Soviet Union has intimated as much.

(4) An evolution of communist states into national socialism and eventually much greater freedom and political democracy are possible. (However, what happens meanwhile is more to the point, and communism gains prestige with each success.)

(5) Certain escalations on our part seem to have been coincidental with certain rumors or even indications of a willingness to negotiate on the part of Hanoi.

(6) In the end, the war may narrow down to a conflict of values—involving irreconcilable views as to political democracy, the great freedoms, and the nature and dignity of the individual.

II. THE GOVERNMENT OF VIETNAM AND NATION BUILDING

Certainly a good deal of discussion has taken place about the Government of Vietnam and the political climate in which it operates. The crux of the matter is: Can Vietnam be a stable nation and does the Government of Vietnam have the ability to win the confidence of the people of South Vietnam?

The Government of Vietnam

The question is broad and not easily answered. At the outset it might be helpful hastily to sketch the organization of the Government of Vietnam (GVN) under the new Constitution. The Chief of State is a President, who along with a Vice President is selected by direct election by plurality vote for a four-year term. A bi-cameral legislature, a Senate and House, make up the legislative branch of the GVN. Finally, the President is empowered to appoint a Premier and Cabinet without legislative approval. However, individual cabinet members can be removed by a majority vote of both Houses of the legislature and by a ⅔ vote the entire cabinet can be replaced. The Constitution also created an independent judiciary headed by a supreme court. One unique provision of the new Constitution creates the Office of the Inspectorate to investigate corruption.

The new constitution calls for 3 levels of government, national, province and village. Special provision is made for the Capitol City of Saigon. The Administrative heads of all levels of government and the city must be elected. Province chiefs must be elected within the first four years of the new constitution. No time limit is set for the election of the now appointed Mayor of Saigon, however, team members were informed this election may take place next spring.

Election

When the Volunteers for Vietnam team was in Vietnam in November, 1967, elections for the President, Vice President, and the National Assembly had been completed. Elections had also been held in a substantial number of villages and hamlets under GVN control. In the judgment of team members who studied the political arena, the village and hamlet elections were more meaningful than the others. From those observers with whom team members conferred, the conclusion was drawn that voters were much more familiar with candidates and had a greater degree of competency to make knowledgeable choices in village elections. The same general comments were made about the elections to the House of Representatives, but there was a lower degree of familiarity with the candidates than was present in village elections.

Elections for the Senate and Presidency seem to be less reliable. In the Senate, for instance, there were 48 slates of ten candidates each, 480 people running. Only 6 slates were elected. Voter identification of candidates was much more difficult. Only two weeks elapsed between the announcement of slates and the election itself. The system of election was awkward and gave an organized group, the Catholics, the opportunity to elect a disproportionately high number (28) of the Senate members. The indication from Vietnamese Senators, that reform in this area would be considered, was encouraging.

Eleven slates contested for the Offices of President and Vice-President. Although the desire to allow as much competition as possible led to the large number of candidates, it is significant that General Big Minh was not allowed to run.[1] The multiplicity of slates for the Senate and the Presidency provided the opportunity for some vote manipulation by local leaders. Despite the fact that a relatively high percentage of eligible voters participated in the elections the team was less certain as to the meaning or significance of the elections. Accounts, some admittedly isolated, of hamlet and village leaders turning out quotas of voters on election day, also led the team to feel less confident about the overall significance of all national elections.

It is significant that elections were held and that they were reasonably fair and successful. But the elections can at best be only the start toward changing the political climate in Vietnam building a nation and in gaining support for the government.

Possible reform

Congressmen Schwengel and Cowger, Dr. Griffith, Mayor Henry and Allen Schimmel conferred with members of both Houses of the National Assembly. In addition, a reception given for the team by the Senate provided an opportunity for all team members to meet and talk to these Vietnamese political leaders.

From these discussions and others it became apparent that of even greater significance than the elections will be the ability and willingness of the National Assembly to exert itself as an equal partner in the government. Many of the legislators with whom team members spoke were positive in their outlook. They spoke about their plans to try to end corruption and more closely monitor

[1] Ruled out by the Constituent Assembly on technical grounds.

the activities of the Executive. Constituent letter-writing has already begun.

If Assembly members are able successfully to exert their powers under the constitution, if they are able through legislative oversight to move the executive branch of government to undertake needed reforms, if they are able by their activities to increase confidence in the GVN and support of it among the people, then the elections will become truly significant and meaningful. While only a part of the overall effort to win "hearts and minds" of the Vietnamese people, overcoming the lack of confidence in the GVN is certainly one of the keys. The National Assembly holds such potential. Only time can tell whether it will be realized. The team invited a group of Vietnamese Senators and Representatives to come to the United States to see first hand representative government at every level.

Equally important in the area of governmental reform is the level of province government. At the present time all 44 province chiefs are appointed. During the first 4 year Presidential term, the President retains the right to continue to appoint province chiefs. Virtually all of the province chiefs today are military officers. They are responsible for both military and civil operations in their province. Furthermore, provinces have been sub-divided into districts where the chiefs are also appointed and also, virtually all military leaders. The new constitution does not provide for the district level of government. It is the team's opinion that the elimination of the district level of Government would be advisable. From the information it could gather, it is clear that much of the oft mentioned corruption takes place at this level. Therefore if province chiefs were elected and if the province GVN officials dealt directly with the people on their projects rather than through district chiefs, another step towards winning the confidence of the people would be made. Indications are that civilians may soon take over as province chiefs in some areas and that 3 or 4 elections may be held for province chiefs within 8 or 9 months. In the team's opinion this action will not come any too soon. If Province Chiefs, divorced from the military, are directly responsible to the people, it is the team's feeling that the problem of corruption will be greatly lessened.

In discussing GVN administrators outside of Saigon it is necessary to talk about the 4 Corps Administrative areas in South Vietnam. I Corps contains the 5 most northern provinces. II Corps encompasses 12 highland and coastal provinces. III Corps pulls together the 10 central provinces including the city of Saigon. IV Corps is made up of the 16 Southern Delta provinces. Essentially, each Corps area is a military command, with the Corps areas being determined by military considerations. At the present time, however, each Corps area Commander also has the responsibility for the administration of civil operations in his area. They are regional offices of the Ministries in Saigon based on the Corps area. The constitution does not provide for this level of civil administration either. When talking to Vietnamese Senators it was learned that this level of government will be abolished soon, leaving the Army Corps Commander free to concentrate on his military duties.

The trend clearly visible is the separation of the military from the civil operations of government. This the team regards as being quite desirable and more likely to gain the needed support among the people for the GVN.

Also important in the effort to gain the allegiance of the population is the success of village and hamlet government. A hamlet is what we would call a village. A village is an administrative unit comprised of several hamlets. The election of local officials is another step in the right direction, but not all villages and hamlets have held elections, only those where the climate was thought to be satisfactory. Under the Diem regime the traditional form of village government through elders was abolished and local officials, often corrupt and brutal, were appointed by the President. The Viet Cong gained a good deal of support from the population by eliminating what to them were outside oppressors.

The election of local government officials and the strengthening of their powers, therefore, is essential. Again, encouragement in this area was found when the team was told that this year selected villages will not only collect taxes, but will be allowed to spend some of the revenue locally, on projects wanted locally. This had not been the case.

Corruption

One problem which cannot be avoided in a discussion of the GVN and nation building is corruption. This was one of the most persistent criticisms heard by the team about the GVN from both Vietnamese and Americans. Corruption is a problem of all Asia.

Asian attitudes generally condone it. Except for Japan and perhaps the Republic of China, it exists on a pervading scale. Leaders such as Marcos, Suharto, Pak wage war against it, but with limited success. The constantly repeated charges of it were a major factor in the downfall of the Chiang Kai-Shek government on mainland China. Initially, the Communists use their relative freedom from it as an effective talking point. Individuals in most of Asia with few exceptions (and Vietnam has not been one of them) tend to put self-interest and family first. Progress in curbing it is probably greater today in Vietnam than, for example, in Thailand.

It is all too easy to compile a list of "horrible examples" in Vietnam. A bank president is removed for questioning the practices of province chiefs. A district chief bribes the inspectors sent to check up on his flagrantly open thefts. Supplies sent out from Saigon to benefit the hamlets reach the latter in sharply reduced quantity. Draft dodgers with influence race their Hondas through the streets of Saigon. Contractors pay off inspectors or cheat on specifications. Although not legally constituting corruption, the wife of the Commander-in-chief of the ARVN, himself an able and active administrator, grows rich on monopolies she obtains through his position and power. The black market in stolen supplies still flourishes.

The general judgment is that Thieu and Ky are personally honest, but that the power base that put and keeps them in office contains far too many corrupt persons. Where the opportunity offers to dislodge such persons, they usually take it, but they cannot do everything at once or they would in all probability become the victims of a coup. A corps commander has been removed. So have a number of lesser rank, of whom two or three have been convicted and sentenced to death. The new cabinet, largely of "technicians", is believed to be honest. Commodity and exchange speculations have been made crimes, and there are occasional convictions. Many of the new elected legislators promise to investigate and expose corruption among the civilians and military alike. The Americans with their constant checks have been a restraining influence, an influence often resented. The new Constitution provides for an "Inspectorate", charged with the exposure of corruption, one third appointed, by each of the three branches. It has not yet been appointed, largely because the new judicial system has not yet been constituted.

Corruption is not a problem whch can be under-stated. It is one of the causes for lack of confidence in and lack of support of the GVN in both rural and urban areas. While it takes place at all levels of government, it seems to be most damaging at the province and district levels. Corruption cannot be ended overnight.

Inflation is a major difficulty standing in the way of remedy. Government salaries have lagged far behind the increases in the cost of living, and for men with family responsibilities corruption or moonlighting may appear the only avenues open to them.

The National Assembly, the Thieu-Ky Government, and others are aware of the problem. But the desire and the ability of these people and the government to deal forthrightly with corruption will be crucial. While there are some signs of hope, especially in the promised elections of province chiefs and the attitude of certain leaders in the National Assembly, the outlook is cloudy. Progress will be slow especially if the inflation wage spiral cannot be mastered. Vietnam today is much like the national, state, and municipal governments in the United States during the 1870's.

Furthermore, the United States can and must insist on adequate controls of material imported under AID. Several recommendations have been made by the Government Operations Committee of the U.S. House of Representatives. The team feels that these recommendations should be carried out to the extent possible.

Bureaucracy

A bit more difficult to pinpoint exactly is the problem of getting action in the administrative bureaucracy of the GVN in Saigon. When the team was in Saigon reliable sources estimated the GVN had spent only 40–50% of its 1967 calendar year budget. Far too often team members heard reports about inaction on the part of GVN ministries which was holding up progress in one area or another. Also of concern is the belief of the team that our actions may be accentuating this problem. For example, one Vietnamese cabinet minister tells of being called upon by representatives of five different U.S. government agencies in regard to the same decision. The solution to this problem is not easy.

Bureaucratic inertia is a problem in the U.S. as well. It does seem advisable, however, that the actions of U.S. advisory personnel at the national government level be better coordinated. It is not impossible for us to be giving too much and perhaps even contradictory advice.

A nation?

This section was started with a question "Can Vietnam become a stable nation and does the Government of Vietnam have the ability to win the confidence of the people of South Vietnam?"

Nation-building is a long and complicated process at best. Even the United States was not a fully developed nation until after the Civil War. Some African states today are little more than geographic collections of tribes. Traditional Asian cultures—except for Japan, and more recently Iran, Turkey, and Thailand—have not been hospitable to nationalism and patriotism. Vietnam is no exception. Nationalism has usually been an attribute of a limited elite, although it is gradually extending itself with the improvement of communications and other factors such as the resentments associated with colonialism.

Democratic political institutions are certainly on the plus side. Widespread interest in the framing of the new Constitution and the at least perfunctory participation in the recent series of elections under most difficult circumstances are encouraging. Reference will be made presently to cooperative self-help in the hamlets and elsewhere. Civic loyalty programs are used in the indoctrination of the armed forces and the Rural Development cadres. To a limited extent they are finding their way into the curricula of the schools. When the province chiefs are elected, a further factor will be added. The government at all levels is being prodded by

its elected officials and representatives to do more for the people. It is responding surprisingly well, and more often than not is showing initiative in this regard. In due time integrated political parties will doubtless emerge. The fact that the Thieu-Ky government was elected by a plurality and not a majority has made clear its need to extend its popular base—which it must earnestly try to do.

The future of Vietnam's national economy, given the war's end, is important in nation-building. Important factors are land reform and land productivity—neither of which has passed beyond its initial stages. The nation's industrial potential is considerable, although relatively little has been undertaken on account of the war. Construction and other projects associated with the war, many of them requiring mechanical competence, will leave the nation with a very substantial body of skilled labor. The Mekong Valley project for all the nations of the area is far along in its planning and some of the plans have been carried out.

Vietnam's people are relatively well nourished and definitely industrious and energetic. Their individual self-centeredness lends itself to private enterprise motivations.

The guerrilla war is not likely to end suddenly, nor will our aid be completely withdrawn for a number of years—in loans, if not grants.

Repairs, road building, and other war-delayed public works will be numerous. Many young men will wish further education.

All in all, at least a retention of the present GNP level and even of the present rate of increase is a not unreasonable expectation. The experience of the Republic of China, Korea, and Thailand can be duplicated. The abilities of the Vietnamese are in no way inferior to these peoples.

A most important factor in nation-building is the presence (versus absence) of able leaders. The French did not allow such men to emerge in any number. The Viet Cong killed a high percentage of the incipient leaders in their systematic assassinations, and incorporated others into their own cadres in the anti-colonial period. Diem suppressed rivals. After allowing for all of these factors there are emerging unmistakably a considerable number (however inadequate as yet) of energetic and even dedicated leaders. The new cabinet and the newly elected Assembly contain many good men. Thieu and Ky belong to this group. The elections certainly helped to identify others. There is reason to be cautiously optimistic about the long range possibilities. It will depend on the quality of leadership to be found at all levels of government. It will depend on the willingness of these officials to eliminate corruption. It will depend on how soon elections for the province chiefs are held and what will result from those elections. It will depend on the aggressiveness of the National Assembly. It will depend on the desire of the executive branch to institute meaningful reforms and its ability to step up the pace of its bureaucracy. It will depend on the desire of the GVN to win the war.

These are all important "ifs". They will not be realized overnight, but unless steady and noticeable progress is made in the months ahead, the situation will again begin to deteriorate.

III. RURAL AND ECONOMIC DEVELOPMENT AND NATION BUILDING

The criteria used in determining whether or not Vietnam is a nation and whether or not the Government of Vietnam has the ability to win the confidence of the people are broader than just the governmental framework. Of equal, if not more, importance is the attempt to bring needed rural and economic development to Vietnam. These two factors are, of course, inter-related and it is difficult to separate them even for analytical purposes. But we shall try.

Rural and Economic Development or perhaps stated more accurately, the "stability and progress for people," is made up of many factors. The following list is not exhaustive but gives the more salient items:

1. The social and cultural structure of the countryside
2. Corruption in the military and civilian structure
3. New life development
4. Agriculture problems
5. The effectiveness of rural development teams
6. Security and the impact of the Viet Cong
7. The democratization of institutions
8. Urbanization
9. Industrialization
10. Refugees
11. Self help

The social and cultural structure of the countryside

The residential-economic-social unit is the "hamlet." Out of this proceed the farmers to their plots of land—rented or owned. About 12,000 of these exist. The average population is under 1000. A cluster of three to six hamlets is known as a "village"—more an administrative than a cultural unit. Loyalties are primarily to the family. Until recently, except for the hamlet or village council of self-elected elders, government (French or otherwise) has commanded little or no loyalty and usually a mild antagonism. To this day, probably the majority of these people are not emotionally committed to either the Saigon government or the Viet Cong. Mostly they seek security and to be left alone. Their religion is a mixture of ancestor worship and primitive Buddhism. Unfortunately the old elite of Saigon could not have cared less about their welfare. Even the existing power group in Saigon for the most part does not really understand them.

Corruption in the military and civilian structure

Corruption has already been discussed; however, it should be pointed out that for administrative purposes, the villages are grouped into districts, the districts into provinces. The administrative chiefs of each are appointed from Saigon. Almost all of them at the present time are military men. Furthermore, during the war, troop units figure largely in the local rural picture and military considerations are largely overriding.

These power structures—administrative and military—provide countless opportunities for corruption as well as service to the rural areas. They are critical factors in determining the attitudes of the countryside.

The new Constitution provides eventually for the popular election of the provincial chiefs.

New life development

In the more secure areas very considerable progress is being made in the civilian functions and amenities of government. Some of these are under the direction of the appropriate Ministers of the Vietnamese Cabinet, usually working through the provincial and district officials; others are direct services of the Allied military forces; still others are self-help projects on the part of the people of the hamlets and villages; others come about through United States advice and assistance at all levels; still others are generated by the "Rural Development" teams; still others are the result of volunteer agencies from all over the Free World, especially from the United States and Vietnam itself.

A few illustrations can be given.

Elementary school enrollment has increased from 401,000 (Est.) in 1955 to 2,019,468 in 1967. The AID program has been most helpful here. Of these, probably about 400,000 are in the hamlets in comparison to a negligible number in 1955. Corresponding gains have been registered in teachers and simple classrooms. Teacher training has required a "crash" program which has resulted in great inadequacy. There is a definite need for improvement of teacher training programs. As a hamlet becomes reasonably secure, a school usually follows shortly.

Hospitals are usually in the district or provincial capitals, but are available to residents of the nearby rural areas. Total admissions in September 1967 were 43,250; four-fifths outside of Saigon. From time to time, military protection will go into Viet Cong controlled hamlets and hold clinics.

In the one month of September 1967 the Allied troops in their Civic Action Programs built 147 bridges, 18 pagodas or churches, 24 dispensaries, 723 dwellings, 57 fish ponds, 32 hospitals, over 20,000 kilometers of irrigation ditches, 8 libraries, 49 playgrounds, and literally scores of other public works and facilities.

Roads to markets and canals are continuously being built and efforts (by no means always successful) made to keep them open.

Hopefully these and other similar quite impressive efforts are making a genuine impression on the people in the hamlets. Certainly in peace time and in the absence of contravailing factors they should go far toward building up the fabric of a happy and loyal rural society. At present the inhabitants of many and perhaps most of the hamlets have not yet dared to commit themselves to either side except under duress.

Agriculture problems

Land reform has thus far been largely on paper. The Diem government made a beginning, but did not leave much permanent advance. The widespread advance of the Viet Cong between 1960 and 1965 reduced much of the old land title structure to something of a shambles. In some instances, the Viet Cong confirmed "friendly" landlords or even restored or enlarged their titles. In other instances, it allowed the peasants to seize and till what they thought were to be their own individual land holdings. In many of these areas, when the South Vietnamese government returned to control, the psychologically disastrous policy was followed of taking back and restoring the landlords to their former tenure. Large tracts of land turned over by the French and otherwise obtained by the government have for the most part not yet found their way into the ownership of individual farmers—in large measure because of bureaucratic procedural delays and difficulties. Conversely, the Viet Cong are attempting to tax the farmers quite heavily and this is eroding their popularity—in so far as they had such acceptance. In government-controlled areas, rents of landlords are supposedly limited to 25% of the crop, but this is frequently disregarded. All in all, land reform still awaits its very considerable potential as a factor in building up loyalty to the government in the rural areas. Usury is a minor factor, but the new agricultural bank is now putting out credit.

The agriculture potential in South Vietnam is of immense proportions. There is a great undeveloped productive capacity for rice in the Delta. Vegetable production in the uplands and the neighborhood of Saigon presents another area of development.

As in other developing countries, the traditional pattern of agricultural growth in Vietnam has been through expansion of land area as opposed to increased crop production. With the advent of French Administration late in the 19th Century, a number of significant changes were introduced which did affect agriculture . . . roads, canals, etc. The French encouraged specialized farming, such as rubber, tea, coffee, and coconuts. Rice production was encouraged through large land concessions, although these were primarily operated on a tenant or share-cropper basis.

Following the French war, which ended in 1954, there was an increase in production,

with the country exporting agricultural products, principally rice, until 1965. The current war has caused a decrease in rice production of approximately 20% to 30%. Vietnam is now importing rice from the United States.

Migration from the rural areas of Vietnam to the cities during the past two years has reduced the rural population to between 60% and 70%. In addition, most able-bodied young men have been drafted by either the GVN or the Viet Cong. As a result, the farm labor force is now principally older men, women, and children.

A declining labor supply in the agricultural sector has stimulated an interest in mechanization. Farm income, of late, has been sufficient to create a demand for investment in tractors and pumps. However, the supply of credit to finance machinery on reasonable terms is far from sufficient to bring mechanization into general use. Agriculture is still predominately carried on by the traditional hand and animal methods.

There are four basic problems confronting adequate production: war related insecurity, low prices, interference by the GVN and VC, and a need for a more effective administration.

Protein foods account for about one-half of the urban consumers' food expenditures. Over the past three years, the cost of these foods has increased about 300%. Imported pork and chicken is not well accepted by consumers, nor is the expenditure of foreign exchange justifiable when hogs, fish, and poultry can be easily produced domestically. In light of the above, it appears that the best strategy would be to establish large-scale commercial production of hogs, fish, and poultry to supplement current production.

Most good forest land is currently in the middle of the combat zones and, as a consequence, out of the development picture until peace is secured.

The fish industry is in about the same situation as forestry. Until there is peace, the fisherman is not apt to venture too far away from home.

One of the most pressing needs for agriculture in Vietnam is more research and experimentation at the local level. Agricultural education is badly needed. Model projects, strategically located, can have a great influence on the receptivity of the people to new methods and new needs.

At the present time there is virtually no information on soil types, types of fertilizer needed, fertilization time spans, etc. Records of material of this type are non-existent. Experiments must be conducted in these areas. New methods of production and storage must be introduced in Vietnam. Mechanization and increased production go hand in hand. All of these needs could be met with adequate research and experimentation that would result from a better system of agricultural education.

Rice production has fallen off 20% to 30% in the last few years. Vietnam has gone from a rice-exporting nation to one which now imports 25% of the needed supply. As security in the Delta increases and if the use of the new Philippine rice IR–8 proves to be successful, rice production can rise dramatically. Also important is the development of water control in the Delta. It is unlikely that total water control will ever be achieved. But with some control it will mean 2 or 3 more rice crops a year in certain areas.

After a visit to Vietnam it is clear to us that the possibilities for a revolution in agriculture techniques is unlimited.

The primary responsibility for change rests with the Vietnamese, especially the ministry of Agriculture. Of great importance is honesty and integrity in the introduction of new techniques, methods, and needs. The highest qualities of leadership must be exhibited to obtain the cooperation of the village and hamlet farmer. Cooperative efforts between the government and the farmer are essential. Not to be omitted is the industry which has a vital part in economy, especially the agricultural sector such as seeds, feeds, chemicals, insecticides, herbicides, fertilizer, equipment, etc.

The effectiveness of rural development teams

The Rural (or Revolutionary) Development of RD has become a crucial part of the entire pacification or development program. It was begun in 1966 when the GVN decided the time had come for a crash program. General Thang an able and energetic man, was made Minister of Revolutionary Development. The central idea was to send 59 man teams into the hamlets of Vietnam to organize and aid its security, its "new life" and to ferret out the Viet Cong infra-structure and turn the people's loyalty toward the nation. Self-help in cooperative projects was to be emphasized.

Initially the training of the Rural Development cadres was too brief; they did not remain long enough in a hamlet to make a lasting contribution; they went into too many insecure areas. Moreover, the Viet Cong made them a particular target, and killed a non inconsiderable number. This and other factors, including corruption in the regular district officials, caused a number of the others to leave their posts.

The program of training (at Vung Tau) is now under the energetic and inspired direction of Major Nguyen Be, himself a product of a rural area. Training has been lengthened to thirteen weeks. Teams are expected to remain in a hamlet six months or until it is pacified. The selection of hamlets is more carefully made—more secure areas, larger population. Emphasis is to be upon developing a "community of reciprocity through self-help projects. Eight thousand persons are under training—almost all recruited from the rural areas and, where practicable, sent back to their own districts. Certain members of the team are given specific responsibilities, and may be recalled for further training in this regard—health, agriculture, etc. In general these Rural Development cadres are more humane than earlier groups. If he has not done so already, we believe Ambassador Komer would find it most profitable and illuminating to go to Vung Tau and confer in depth with Major Be.

If the erosion of personnel can be lessened—and it can, if security is reasonably assured—this relatively new approach contains many elements of hope. However, it must also somehow or other be able to "deliver," and here it may find itself in conflict with the district and provincial "power structure," or it may find cooperation in these quarters. It will find it much easier to work with the elected hamlet and village officials.

Security and the impact of the Vietcong

Security, of course, is a most important part of the entire development program. Obviously, development is handicapped where a war is underway or where guerillas are free to operate.

The Viet Cong has a rather intricate infrastructure throughout most of South Vietnam.

Initially local "infra-structures" forming a unified network were organized in both urban and rural areas. Most of these dated back to the struggle against the French and, at least initially, were not necessarily Communist. However, steady indoctrination has resulted today in these hard core infrastructures becoming almost entirely Communist or Communist dominated.

Affirmatively, they often redistributed (or seemed to redistribute) the land. They commended themselves to the populace as being free from corruption. They were anti-French and anti-Saigon—and have endeavored to make people think the Americans plan to take over and that the present government consists of its puppets. (Incidentally, the recent hamlet, village, and assembly elections undermine the credibility of these accusations.)

On the other hand, the Viet Cong make certain persons their particular targets for assassination: The Rural Development cadres, the hamlet and village chiefs, the school teachers, officials generaly, known sympathizers with the Vietnam government and their families. They draft youths against their will. They often tax the farmer a heavy percentage of his crops as they, themselves, run short of rice. They raid and massacre the "New Life" hamlets. They create terror at elections and at other times. In general, they succeed in frightening the average hamlet which they have occupied or raided sufficiently so that inhabitants will rarely betray such members of the Viet Cong infrastructure as he knows for fear of reprisals, even if inwardly he supports the government.

As mentioned earlier in the discussion regarding agriculture, security can in effect be "created" by successful economic development. The allegiance of the people is crucial. If they feel that the GVN can help them in a constructive way, the people are less likely to submit willingly to the Viet Cong. Security and development feed on each other and one is integrally part of another. Security isn't possible if the GVN shows no disposition to help the people lift themselves up, does not eliminate corruption and has no efficient forces in the area. A military solution alone is not possible.

While elections and government have already been mentioned, they are quite relevant here.

The democratization of institutions

Elections have now been held in between 4000 and 5000 hamlets and in their villages. They continue to be held as security warrants. Population-wise they constitute a greater proportion of the whole than their numbers. The majority of the persons elected were those who had previously constituted the self-appointed power structure—generally the respected "elders." About one third were new. As of November 1967, the majority of the hamlets though not a majority of the population are either under Viet Cong control (4000) or "contested" (3000).

Rural area inhabitants are also making their wishes known to those whom they helped to elect to the Senate and House.

The forms of democracy are present and their possibilities hold some potential.

Urbanization

For a long time it has been customary to refer to South Vietnam as 80% rural, and to say that success or failure in the current struggle will be determined in the rural areas.

This is no longer so certain. The population of the urban areas has already risen to 40–45% of the whole, and in two or three years may reach the 50% mark. In part, this is a world-wide phenomenon—the greater economic and social attraction of the cities, a magnet to those of the population explosion in the rural areas as public health makes for survival past infancy. In Vietnam the economic pull is especially strong with the advent of a full-employment, military economy in the cities. A further factor, peculiar to Vietnam, is fast becoming decisive. The cities are *more secure*, and rural inhabitants are finding this out and becoming "unofficial refugees". Every provincial and district capital as well as the cities of Saigon, Vung Tau, Hue, DaNang, Cam Ran, and Dalat are in government hands. Of these, only Hue, Cheu Doc and two other provincial capitals, have been overrun in 1967, and this only for a few hours.

Here then is a profound development, fraught with unpredictable consequences, not only in the outcome of the war, but in the future character of the Nation.

Elaborate methods have been devised to measure the extent of government and Viet Cong control. The latest indicate 67% of the population are apparently under the government, 17% under Viet Cong, and 16% contested. Using these measurements and even discounting the tendency of the military especially to give optimistic pictures this represents a net gain in the first category of about 6–9% thus far during 1967. The word "net" is used advisedly, because some hamlets have slipped back. Even as and if these are recovered their confidence and cooperation will probably have been eroded by the demonstrated insecurity. The number and location of these lost hamlets is classified information, but it is known that several are in Binh Dinh, Phu Yen, Lam Dong, Binh Long, and Thua Thien provinces. A new system of evaluation will shortly be installed which is likely to show certain more favorable results without changes in fact that correspond in all instances.

Industry in Vietnam

South Vietnam, in comparison to other developing nations of the world, has very little industry. With the majority of its population involved in agriculture, it is clearly an agriculture-oriented country. As a result, it appears that agriculture should be the base upon which industrial development and economic take-off should be founded, with emphasis placed upon industries which initially will either increase agricultural productivity or utilize agricultural products.

Attention should also be placed on light industries and handicrafts to help provide a degree of income to the rural communities.

Before 1954, the majority of industry was privately owned; handicrafts by the Vietnamese . . . and the more sophisticated factories under the ownership or management of the French, and some Chinese.

Since 1954, private ownership shifted from the French to Chinese and Vietnamese; however, the Chinese proved to be most successful in obtaining liquidated French industrial plants. All industry owned by the Diem regime at the time of its overthrow is now under the control of the Industrial Development Center of the Government of Vietnam.

Out of a total 12,170 factories in South Vietnam, 90% have less than 20 employees. The remaining 10% range in size from 20 to 1,500 employees, with the larger plants being textile mills. Total contribution to the Gross National Product of all industry is roughly 9.1%.

The relatively new Bien Hoa Industrial Park, under the direction of the Industrial Development Center of the GVN (and assisted by the United States Agency for International Development) provides a very good site for more new industry. Some 95 plants of various sizes (all Vietnamese owned) are located in the Industrial Park at this time, with many more needed.

The natural migration of people from rural to urban areas is even more pronounced in Vietnam due to the military action.

The Vietnamese are an intelligent people, able to learn quite rapidly. Good potential management personnel is available but lacking (at this time) in the ability to grasp a broad view of management responsibility, such as proper application of skilled labor, finance, cost accounting, quality control, production control, planned purchasing, etc.

A broad market exists in Vietnam and neighboring countries for the following:

I. *Large Industry Sector:* Petroleum refining, petro-chemicals, nitrogen and phosphates, calcium carbide, cement plants (in the Cam Ranh and Hue areas), Salt production, rayon and other synthetics, paper and pulp, polyvinyl chloride, caustic soda and soda ash.

II. *Medium Industry Sector:* Agricultural tools (both powered and hand), prefabricated buildings (steel), combustion engines of 1 to 5 H.P., building hardware, electric motors up to 10 h.p., electric household appliances, transformers, electric meters, fishing boats, flour mills, forest products, leather products, tin cans and glass containers for food preservation, water pumps, wire rope, and rubber belts (Vee and flat).

III. *Small Industry Sector:* Abrasive grinding wheels, bicycle chains and other parts, brassware, buttons for clothing, earthenware, hand tools, metal furniture, die castings, motor bikes, needles, scissors and knives, toys, and pre-stress concrete products.

IV. *Agro Industries:* Animal feed, dairy products, fibre products (kapok, rice straw, palm, sea grass, jute, sisal, etc.), fishing gear, small power boats, fish boxes, fish meal, ice manufacture, poultry, silk production, sugar refining, vegetable and seed oil, vegetable and fruit preservation and canning.

In summary, South Vietnam is one of the better investment areas of the developing world. The GVN, through their Industrial Development Center, is able to provide some financing with U.S. AID Investment Guarantees protecting the remaining investment.

The people are intelligent and able to learn skills rapidly.

Naturally, security (or the end of hostilities) is most important to future industrial development: however, the current investment climate is very good.

Once the country is secure, which will necessitate the withdrawal of American troops and its accompanying financial input, industry (more jobs) will be one of the most important factors in economic stabilization and continued peace.

Refugees

The refugee problem is also related to development.

There have been over 2,000,000 "official" refugees, not counting those from the North at the time of the Geneva agreement and those who on their own have sought the greater security (and usually the larger income) of Saigon and other urban areas. Of these 2,000,000, 640,000 have returned to their original villages; 655,000 have been resettled; the remainder are in camps (300,000) or out of camps (490,000). Our people—volunteers, AID, the military—are striving mightily to help them. The Vietnamese government is doing its part. Financially the two governments are devoting nearly $20,000,000 each annually to the cause. Twenty-nine voluntary agencies, employing over 400 people, are giving over $10,000,000.

Almost all of these refugees are women and children under fifteen. They have opted, not for one side or the other, but for security. The consequences of not treating them decently, where such has happened, have been ghastly. Most of them are simple folk from the hamlets, human casualties of major battles or of bombing and shelling by one side or the other—chiefly by the Allies. Major battles result in an overwhelming flood, too great to cope with immediately.

The Vietnamese minister, Que, is truly able and dedicated. The voluntary agencies are doing an outstanding job. There is need for Vietnamese volunteer counterparts. Seemingly this is not in the Buddhist pattern. These refugees constitute an opportunity as well as a problem.

Much of the effort is towards re-settling the refugee. When possible they have been moved back to their old villages. Far too often this is not possible. The refugees must be integrated into Vietnamese society. One of the most serious obstacles to reaching that goal today is the GVN itself. With the new Minister, Dr. Que, some encouraging signs have been noted. Care for refugees is not enough. They must be woven into the fabric of the society. This is an infinitely more difficult task.

Self-help

One of the keys to ultimate security in Vietnam—one of the keys to peace—one of the keys to economic and political stabilization—and one of the keys to the future is self-help.

We must help the Vietnamese people to learn to help themselves! They must learn to fight and win their own war! They must learn to govern themselves properly! And, they must learn the importance of doing these things themselves!

When one reflects on the history of the country and considers that she had been occupied by various powerful nations for many years; that she has not had an opportunity to develop a workable and effective civil service system; that most of her agriculture and industry has been foreign-owned; that relatively few of her people are educated; that poverty and graft are an accepted way of life; then, one can also understand why the attitude of "let Sam do it" persists in this small but important republic.

Steps in the right direction have been made and the new constitution is one of the biggest, but there is much more to be done.

More and more assistance, regardless of its kind, should be offered to the GVN or her people on the basis that paralleling programs of "self-help" are instituted with each act of assistance.

This applies to the military as well as government agencies, voluntary agencies, private enterprise, the church, and the people. No programs should be initiated without an element of "self-help" being an integral part of its structure.

Through the establishment of farmer-owned cooperatives and other like organizations, programs introducing mechanization, fertilizers, hybrid seeds, land management, watershed, land planning, storage, marketing, etc., should be incorporated with each program, set up on a "do-it-yourself" basis as opposed to the American-doing-it-for-him. There are various ways in which this can be effectively done. For one, credit.

Until recently, the Vietnamese farmer was, for the most part, outside the money economy. Most of his crops were consumed by his family and the surplus traded or bartered with little or no exchange of currency. A better program of agricultural credit through member cooperatives or credit unions will show him the value of private ownership, plus the advantages of working for himself, rather than a French landlord. Credit can also apply in the construction of member-owned storage and marketing facilities.

Through member-owned credit unions or cooperatives, the urban and city dwellers can both benefit. Through these facilities, materials can be obtained. However, actual construction must be done by the home-owner himself. U.S. AID and the American voluntary agencies working in Vietnam can provide some materials, technical assistance, and training, but construction should be by the Vietnamese alone. The mayor of Saigon has sponsored excellent projects of this sort, by which the homes are sold to the individual owners, while they are paid wages according to the amount of time each works on the whole project.

Public health programs are vitally important to the future of Vietnam, or any other country. Look what medical science has accomplished in the United States over the past twenty-thirty years! We do not have wholesale epidemics of polio, flu, cholera, typhoid, yellow fever, etc. Our problems now center around ulcers, heart trouble, cancer and obesity; all marks of an affluent but basically healthy society.

Public health programs instituted in other developing countries are rapidly eradicating the problems of epidemics and are educating the population as to the importance of sanitation, good diet, cleanliness and prevention of disease through diagnostics and early care.

This, too, can and should be done on a "self-help" basis. First, by the construction of clinics in as many hamlets and villages as is possible, using indigenous materials and local labor. Supervision, training and

regional dispensation of medicines and drugs can be done through American Voluntary Agencies working in Vietnam. Local dispensation and inventory should be the responsibility of the community. Unfortunately, the number of those registering for medical education at the universities is declining; that for legal education is increasing.

A "Self-help" program can also be instituted in this area of education, primarily as applied to physical structures and community organizational efforts, both of which are vitally important to the establishment of a workable educational system.

School buildings, furniture and recreational equipment can be locally made, which should instill an element of pride in accomplishment with an accompanying feeling of ownership.

The above four examples: Agriculture, Housing, Public Health and Education are only a few of the areas in which "self-help" should be an integral part of the growth programs of South Vietnam. However, we do not intend to overlook other activities equally as important to self sufficiency and future development of the country.

Self-help type programs can also be incorporated into public works such as sanitation systems, road construction, water storage, irrigation, electrification, and other civic improvement projects. Self-help must be an integral part of these programs if they are expected to succeed.

Summary

In conclusion, it is essential that "new life" programs be continued. The Rural Development Team program should be strengthened along with the positions of the Ministry of Rural Development and Major Be. The election time-table for province chiefs should be speeded up. Corruption control is essential. Land reform and increased agricultural technology must be dramatically stepped up.

If rural and economical development is stepped up, there is little doubt that nation-building will be greatly enhanced. This would also increase the confidence in the GVN. Politics and rural and economic development are inextricably intertwined. Simultaneous progress on both of these fronts is imperative. The length of time is crucial. The GVN cannot afford to wait.

IV. NATION BUILDING IN VIETNAM—THE AMERICAN INVOLVEMENT

It goes without saying that there has been controversy over the nature and extent of the American involvement in Vietnam even without entering the debate over whether or not the U.S. should be there.

It also goes without saying that the United States has been heavily involved in the politico-economic development of Vietnam. For the most part it's American money being spent and most often on the basis of American advice and initiative.

One of the major areas of interest of the Volunteers for Vietnam team was to determine the effect of American aid, and the organization of our efforts for its effective administration. Furthermore, the team attempted to determine the overall impact of the American "presence" in Vietnam.

An evaluation of the United States military effort is not made in this part of the report except when it bears directly or indirectly on civil operations programs.

CORDS

The largest American Advisory effort in Vietnam is now under the direction of CORDS (Civil Operations for Rural Development Support). Before May 1967, this operation was in the hands of civilian agencies. A succession of programs attempts were made before CORDS, the most recent being OCO (Office of Civil Operations).

In May, the responsibility for the pacification program was given to General Westmoreland and the military.

Robert Komer was sent to Vietnam with the rank of Deputy Ambassador and as Westmoreland's Deputy for CORDS. CORDS was formed to bring all United States advisory personnel, both military and civilian, in the Corps areas and in the provinces under one management system. As a result there are three levels of CORDS organization, but they do not parallel completely the structure of the GVN. The top CORDS level is located in Saigon, but it is an administrative office for the other two levels and in no way parallels the central government in Saigon. Here all American agencies battle for the ears of national Vietnamese officials.

The two levels of GVN which CORDS does parallel are the Corps regions and the provinces. There is a CORDS chief regional director in each of the 4 corps areas in Vietnam. He has assistants who advise most GVN officials in Corps area offices. The CORDS personnel advise the GNV officials in the four corps regions.

On the province level the organizational framework is much the same as on the regional level. A CORDS "senior province representative", is in charge of all American advisory personnel in his province. There is a deputy province representative and again counterparts to many of the province GVN officials.

Both civilians and military officials hold positions as senior province representatives.

The rationale for the creation of CORDS was that better coordination and cooperation of all United States agencies working in the field in Vietnam was needed. It was also anticipated that CORDS would offer greater military support in expediting civilian supplies and would provide better protection for pacification efforts. While it is hard to argue with the single-manager concept, CORDS organization leaves much to be desired. First, all of the work of civilian agencies was under one program (OCO) before CORDS was created. This program was in effect for only five months, hardly a testing period, before it was replaced by CORDS. So, in effect, CORDS only merged OCO and the military advisory program and placed it under the Military Assistance Command in Vietnam (MACV).

Opinion varies a great deal in both the United States and Vietnam about the effectiveness of CORDS and whether or not it should have been formed. In Vietnam, many American civilians are disheartened and some are leaving or have left, because of the predominance of what they regard as orthodox, purely military judgments. Many feel that there is little or no reference to the consideration of the short or long range effects of military actions on the Vietnamese, especially in the hamlets. Where military officers are senior province representatives, this problem is often the most severe, especially in provinces where there are heavy concentrations of ARVN and United States troops, or where artillery and air strikes are used extensively. In these provinces, in particular, concern was expressed that CORDS senior representatives who are military officers, are less likely to deter contemplated military operations which may seriously affect the civil pacification program. The clear feeling was expressed in Vietnam that civilians are in a stronger position to "back" judgments of this nature than are military officers.

CORDS has also imposed an almost crushing load of paperwork on advisory personnel, especially in the provinces. Both military and civilian province representatives stated that paperwork was seriously limiting the time available for their advisory efforts. A paper war is not the war in Vietnam. Yet CORDS is making it that way. Because of the great desire now to show statistical progress, evaluation reports are the worst offenders.

Furthermore, a new evaluation system will be put into operation soon. The pacification program report will be brighter the day it does because of the way the new system is designed.

However, it does seem, even with all of its detriments, CORDS should be allowed to continue. The numerous re-organizational efforts in the pacification program have hindered the program's effectiveness. It does appear desirable, however, that all senior CORDS province advisors be civilians. The program is still essentially civil in nature and should be administered by those trained in this area. It is imperative that qualified civilians be recruited to fill the advisory posts at the province level. Already a tendency to fill civil operation posts with military personnel is being evidenced. This development is not healthy.

One other point must be made. If developments in the GVN, such as the abolishing of the Corps regional administration and the stripping of Corps commanders of their civil function take place and the election of province chiefs occurs, CORDS will be out-dated. It does seem ironic that at a time when the Vietnamese are embarking on a program to separate the military from civil programs, we design our advisory program to do just the opposite.

Coordination of efforts

The problem of administration at the corps and province level has been discussed, CORDS and its predecessor, OCO, have reduced the competition between civilian agencies and created a more unified effort. Now that the military has also become part of this effort, all advice at the corps and province levels should be coordinated, at least in theory.

This is not the case in Saigon. At the highest level on the American side, there seems literally no *joint* advance planning between the principal groups, military, state, USIA, CIA, AID and now CORDS. Representatives of each of these groups should at the very least be able to sit down with the others at the formative planning stage of programs generated in any one of them. This is such an elementary practice in any good administration that even to ask if it is being done should be an insult—except for the reason it isn't being done. A person with Deputy Ambassador rank should have no responsibility other than coordinating our efforts at the highest level. Someone with extensive administrative and executive experience, preferably in government, should fill this position.

Economies in our overall effort are possible. Better coordination is essential and longer terms of service would help here. A golden opportunity is open to the Vietnamese to step up their public administration training programs. Too many lawyers, and too few administrators, have been characteristic of developing nations. The Vietnamese need not make this mistake.

The team was not in Vietnam for a sufficient length of time to study in depth the entire administration of the AID program in Vietnam. The Government Operations Committee of the House of Representatives and the Foreign Assistance Subcommittee of the House Appropriations Committee have produced lengthy and comprehensive documents on this aspect of our efforts.

There are some observations, however, which can be made. A severe shortage of qualified manpower in civil administration exists in Vietnam today among both the Vietnamese and Americans. The American problem is complicated by the relatively short period of time that our personnel spend in Vietnam. Most are there for only 18 months, but often in any one position for only 9 months or less. It often takes six months to learn a job, and soon the Vietnamese "opposite number" finds a new man on the job, who may have a different set of ideas. It is unusual for an American to speak Vietnamese, and for certain posts and for so short a term, it is hardly worth the effort.

It would be much better to use fewer men and enlist them for longer terms. Where relevant, language competence should be acquired prior to assignment to Vietnam. Allied training in Vietnamese history and culture should be a pre-requisite as well. A corollary of the longer term is to lift the ban on bringing wives to Vietnam—at least as far as Saigon. Since most military personnel are being moved out of Saigon the demand for accommodations should be relieved.

A Vietnamese Institute of Public Administration has been established with liberal American support and counsel. It is steadily improving in its training of Vietnamese officials. In the end this kind of program and policy can expedite the phasing out of American advisory personnel, both civilian and military.

The American presence

Finally, the American "presence" in Vietnam itself must be mentioned. There are about 500,000 American soldiers and several thousand American civilians in Vietnam today. Probably 1 in 4 of the males between 19 and 26 is an American. There is no doubt that a considerable and probably growing anti-American sentiment is quite widespread. To a great extent it is irrational, but it is there and must be reckoned with. A recent issue of a Saigon newspaper summarized editorially the chief factors which foster anti-Americanism. Basically they are: The American does not observe many local customs; he tends to be too familiar with all Vietnamese young women, not discriminating between those "for rent" and those not. He gives cigarettes to children. He often treats too lightly the ultimate responsibility of a Vietnamese official whom he advises. He too often speaks slightingly of the Vietnamese, both military and civilian. While the South Vietnamese realize our help is essential to their continued independence, there are changes which Americans can make both individually and collectively that would be helpful. Reducing the number of Americans in Vietnam is, of course, an obvious way of reducing the American "presence". We believe that this can be done in both civilian and military areas.

The credibility gap

One other item regarding the American involvement in Vietnam is the credibility gap. Many times members of our team privately expressed skepticism at the accuracy of the information and appraisals given us.

This is similar to the widespread skepticism greeting official pronouncements in the United States itself. Some observations, however, are in order before coming to the heart of the matter.

Americans and others visiting Vietnam tend to come with preconceptions. This always results in a certain amount of "selective perception." We all of us to some extent see what we wish to see. Some contradictions in reporting are thus to be expected. This report doubtless suffers somewhat from this error, in spite of all the very conscious efforts made to be completely objective and objectively complete.

There is built in a disposition on the part of military and civilian officials alike to report matters in as favorable a light as possible. Promotions usually depend on success in an assignment. Budgets depend often on statistics. The group knows of one instance at a very, very high military level of deliberate and important alternation of data so as to disguise failure. What effect the forthcoming election campaign in the United States will have on wishful thinking and selective pronouncements by both sides remains to be seen.

Observers, including reporters and columnists—and for that matter our military, civilian, and volunteer personnel—vary as to what they see and hear. It is not far off the mark to say that at any one time a person could, if he looked for them, find facts on both sides of almost any question. The time variable is especially important. Too many people are still arguing for and against Diem, or relying for facts upon the military situation of 1966. Except for the effects of his regime, Diem is irrelevant to the direction of the present policy. Many and probably most aspects of the situation are improving from the American point of view—but not all. Columnists such as Walter Lippmann and Joseph Alsop become to some extent prisoners of their earlier pronouncements; and if the latter today apparently was more nearly accurate in interpreting phenomena, so be it!

Continued repetition by the Communists, echoed by pacifists and others, of false charges have their effect. These false charges included such matters as the percentage of the people supporting the Viet Cong, widespread and deliberate civilian bombing on our part, almost universal cowardice on the part of the ARVN, extensive use of napalm against women and children, customary herding of refugees behind barbed wire, etc.

But even after making allowance for these factors, the credibility gap does not disappear. The team found contradictions not only in what they were told by Americans as compared to what they saw, but also as compared to what others, many United States officials, told them. For the most part the contradiction or misinformation was the result of excessive optimism, either on specific figures such as civilian war casualty figures or on the progress being made in certain programs. This lack of realism and candor is harmful and has aided those who oppose the war. It should be stated that almost all areas of inconsistency found by the team were in the non-classified area. Security would not have been breached by being frank and forthright.

The quality of the American effort in Vietnam can be improved. It must be improved. It can become even more effective and efficient. Most of the changes suggested or recommended in this chapter can be made with a minimum of change in over-all policy. Yet we feel they are vitally important and hope they will be carefully considered.

V. VIETNAM: THE MILITARY SITUATION

The most frequently asked questions by Americans are: "When will the war be over?" How is it *really* going?" This report will attempt to answer these questions.

Conventional war

Actually in the sense of mass invasions across the border, there is relatively little of this. Organized units of divisional strength have only been involved just south of the de-militarized zone and (more recently) near the Laos and Cambodian borders. Both of these neutral nations have proved impotent and/or unwilling to prevent such groupings on the part of the Viet Cong and their North Vietnam allies. Battalion strength massing and attack occasionally take place from the "Iron Triangle" northwest of Saigon, from the jungle-covered mountains west of the coastal plain, and formerly within the Mekong Delta area. On our part, "search and destroy" missions have increasingly rarely been able to find the enemy in any substantial number. Normally he avoids such engagements.

In the two major "conventional" battles (DMZ) and (DakTo) during 1967, the enemy has failed in two of his objectives and succeeded in one. He has suffered serious losses in manpower and weaponry. "Kill ratios" range from 2 to 1 to 10 to 1 in the various encounters making up these two battles. Whatever his objectives, whether to capture territory, to score a major propaganda victory, or to draw off our forces furnishing security for the hamlets, he has succeeded only in the third. The infrequency of such attacks would indicate that his losses may not appear to him to justify attacks on this third ground alone, although the inability to mount such attacks may be the really determining factor.

Unmistakable evidence points to the following: (a) a substantial falling off in the number of Viet Cong engaged in these operations, (b) their replacement with considerable difficulty, by cadres of the North Vietnamese army, (c) an increase in fire power, including more sophisticated weapons, on the communist side.

On balance, in the two zones mentioned, the communists are probably slightly stronger as a military force than a year ago. Gains on our side are considerably greater due to our own further buildup. The addition of a division of the Thai army, and additional fighting units of the ARVN and others will aid still further.

We are winning the conventional war,[2] and its end, some of our leaders say—barring some new major factor—is in sight although the date is quite uncertain. The threat of its sporadic re-opening will, of course, remain. Also even our centers of greatest strength are increasing subject to bombardment as the communists receive longer and longer range mortars and missiles, chiefly from the Russians.

Vietcong guerrilla tactics and infrastructure

The struggle against guerrillas is going less favorably. It is even conceivable that this may be lost, either through (a) war-weariness on our part or the South Vietnamese, (b) corruption undermining the slowly emerging support of the South Vietnamese government, (c) failure to devise and carry out means to give the necessary security to the hamlets, or (d) erosion of good will toward the Americans and other allies on the part of the Vietnamese. This last may be quite irrational, but the Communists keep up their anti-American propaganda and too frequently our own conduct plays into their hands.

For some years to come, Viet Cong bands can be expected to conduct night, or even day, forays against relatively defenseless hamlets. The nearby jungles and mountains permit this. Their infra-structure still in the hamlets supplies them with the necessary information as to available defenses and who should be assassinated. Jungles, along with new and improved weapons, also permit occasional shelling of cities of short duration. With longer range and more accurate weapons, these may show increasing severity and even frequency.

Apart from security measures, which will be considered presently, a number of factors are working in our ("our" being the South Vietnamese, the United States, and other allies) favor. Feeding the Viet Cong in the jungles is not easy. We have learned the techniques of guarding the rice crops during the harvest season, and many of the Viet Cong raids are primarily for food. In the Mekong Delta area there are virtually no jungles or mountains, and the virtually complete security found in An Giang province can and should be duplicated. If and when the constructive devices already discussed to win the hearts and minds of men can proceed far enough to consolidate support, more gains will be made.

At present, much of the Delta may be subject to local agreements on both sides to leave each other alone. If we can win elsewhere, progress in the Delta by political and/or military means can become less difficult.

---

[2] Without being in a position to evaluate the information, one member of our team was informed by a reasonably reliable source that at least certain of our senior corps officers did not share the optimistic evaluations of General Westmoreland. Ambassador Bunker may wish to have a conference in depth with all concerned participating. This may have contributed to the credibility gap.

There is evidence that recruiting of Viet Cong has fallen off drastically, with the bottom of the barrel being scraped. The population they control effectively has shrunk. The aura of certain success is no longer theirs, but hardship, suffering, and danger remain. Most able-bodied men are already fighting on one side or the other. The average man does not want to leave his family indefinitely—a factor in AWOL on both sides. Chieu Hoi (see below) is taking its constant toll, and is at its maximum during Tet, the traditional family holiday season.

For all this, the infra-structure or network of cells in the hamlets largely remains. The government with our assistance plans to tighten up police and military surveillance, with a revised and forgery-proof identity card system complete with finger printing for all adult males. Constant checking in this fashion should yield results. In the end, however, information as to whom is involved, given by defectors and close acquaintances sympathetic with the government can do the most. A combination of national loyalty, resentment against the Viet Cong and assured personal security can produce this type of cooperation. As yet, this combination is relatively rare. The converse is certainly *not* true, to the effect that the Viet Cong themselves have the willing loyalty of these persons.

Security

Over and over again, the note has been sounded that security is the key to a problem. Four major factors are involved: (a) effective patrols, night and day, (b) local hamlet or village garrisons or, from the district, militia of adequate strength to withstand the initial shock, (c) reinforcements within striking distance, (d) sympathy on the part of the inhabitants generally. Sympathy (d) already rules among the Montagnards, the Hoa Hoa sect in An Giang and parts of its neighboring provinces, in the cities, and in some secure parts of the rural areas. These provide (a) and (b) also. Reinforcements (c) are present in the cities and to some extent among the other groups.

(a) Effective patrols: These operate chiefly in the hamlets near cities and other bases. The Koreans are especially effective. Our own forces are under orders to take the first blow before they fire, and show great courage in this regard. The ARVN patrols vary greatly. They are most often at their best when a few Americans or Koreans are mixed in, not necessarily in command. Under such circumstances, they too show great courage and the experience ought increasingly to lead them to patrol effectively on their own.

(b) Local militia: the Provincial Forces are full-time; the local Regional Forces increasingly so. These are protecting their own and are showing some promise. To these should now be added the security-trained members of the Rural Development teams working in the hamlets. It is the hope that even if these two groups should find themselves locally outnumbered, they will turn into counter-guerrillas. This has not materialized on any appreciable scale.

(c) Reinforcement: these are inadequate, in that they are not sufficiently numerous to cover the country. Where a province such as Binh Dinh (coastal) had been a show case in security as long as regular troops were there and available in strength, their drawing off to aid in repelling the attack from the DMZ was soon followed by renewed Viet Cong and North Vietnamese raiding activity. Perhaps this effect accounts for the otherwise disastrous attacks in the Dak To as well as the DMZ area. Whenever security fails, support for the government is eroded.

The problem in both (b) and (c) is clearly manpower. If the ARVN can field one or more additional divisions, if the United States can scrape up a division or more from its logistical support units, if the Thai division is added, if conventional war weakens the enemy, if more and more recruits are found for the Provincial and Regional militia, it should be possibly slowly, but surely, to extend security zones to more and more hamlets in an ever-wider radius around the cities, the provincial and regional capitals, and the various army bases. Special priority should be given to the rice producing coastal and Delta areas, where (with the cities) 80–90% of the population live.

Unless there is a major change in the communist will to fight (and this is not inconceivable), this process will take many years—but there is no other way to fight what the enemy has determined to be a "protracted" war than by sustained attention to (a), (b), (c), and (d).

Chieu Hoi

This "open arms" policy is designed to encourage defectors from military and infrastructures of the Viet Cong and (to a very limited extent) from the troops from the North. It is in great measure successful. During 1966—22,242 returned in this fashion and in 1967—27,000. It is highest during the Tet holidays. It is lowest during the weeks of uncertainty as to changes in the Saigon government. It is presently leveling off or declining, as the numbers of Viet Cong are themselves declining, or as they impose stricter controls. Subsequent counter-defections from the Chieu Hoi are about 1%.

Propaganda leaflets, "passes", a word of mouth are the means to reach the Viet Cong. Inducements are financial, with a further bonus for weapons brought with them. Security, reunion with families (where possible) and employment are promised.

A substantial number furnish valuable intelligence service, and a substantial number join our side in actual combat.

The bombing of the north

This has not succeeded as yet in one of its original objectives, that of inducing the North to negotiate and/or desist in its aid to the Viet Cong. There is evidence that it has increased the Viet Cong determination to fight. However, it has added materially to its difficulty in sending men and supplies to the South, but it has not prevented substantial aid. It has made necessary the use of 100,000 to 150,000 North Vietnamese in antiaircraft and other protective military operations in the North. 150,000 to 250,000 more, many of them Chinese, are used to repair damages. Larger and more sophisticated weapons on the part of the Communists made their first appearance in the South following the long pause of early 1966. They have kept up a modest supply ever since.

Widespread criticism of the bombing policy has arisen in many quarters all over the world and in our own nation. This has arisen largely because of the fear of the consequences of escalation together with the inevitable civilian casualties. We have also suffered substantial losses in planes and men.

The bombing is inflicting substantial damage upon the power plants, the transportation system, shipping repair yards, oil storage in the North. This is hurting the regular economy as well as the war effort. Goods are piling up on the Haiphong docks.

The harbor of Haiphong has not as yet been bombed, because of fear of the effect on the Soviet Union, if one or more of their ships are hit.

The United States has offered to stop the bombing, if assurances are given by the North that it will also de-escalate. If the bombing is stopped without such assurances, it is possible that two militarily important consequences will follow: (1) over 100,000 members of the armed services of the North could be released to join their forces in the war in the South and (2) the flow of larger and more sophisticated weapons to these forces will be facilitated.

However, if by any chance a temporary bombing pause (e.g. at Tet) should show that the North was not taking advantage of it to build up its forces, this could be the signal for the beginning of a de-escalation. We should cooperate in "some fashion" to give Hanoi an opportunity to de-escalate.

The character of the war for the hamlets

Two major approaches are open to us in military efforts in the war for the hamlets, although they are not necessarily mutually exclusive.

One of these involves a carrying of the war into Viet Cong territory, bombing and destruction of the villages they ostensibly hold, and killing, wounding or capturing such armed men as are found. Civilian casualties from the bombing are considerable, (minimum to date, well over 100,000, mostly wounded) and are chiefly women and children. Survivors including the wounded swell the ranks of the refugees. The wounded are cared for in our hospitals. The permanent occupation of the territory is not necessarily a part of the plan. Surveys of those in hospitals clearly indicate that very few women and even fewer children have been the victims of napalm. Today the use of this medium is virtually unknown except in actual man to man combat. The exceptions, if any may be accounted for by the use of civilians by the Viet Cong as shields, contrary to all recognized practices under international law.

The official military position is that these operations create an anti-Viet Cong attitude among the villagers. However, a very considerable body of evidence endorsed by a number of American civilians, Major Be (see above) and some military is that this type of operation creates enemies among those previously uncommitted or those inclined toward our side. The provinces in which and near which ("Operation Cedar Falls") our major effort of this type, was conducted, were with one exception the only ones in which Dzu, the leading anti-government candidate obtained a plurality in the last election. However, this same operation also resulted in an increase in the Chieu Hoi.

"Clear and hold" has already been described. Its objective is to create ever widening areas of substantial security.

The dispute as between these two types of operation is the major dispute today as to military strategy. While the team favors the latter, we are not qualified to pass the necessary military judgment in particular cases or in over-all policy. The latter policy would seem to be much more productive in winning the people.

The military capacity of the ARVN

This has been the subject of hot dispute, with people taking sides according to their experience or predisposition. Our army's official formula is that "the ARVN are as good as their leaders", i.e. some fight well, some fight less well, some run away. Where they are fighting alongside the Americans, especially in combined action units, they are usually excellent fighters.

Our press has given a distorted view, because our people are much more interested in our troops than in those of the ARVN and the other allies. Thus far in the war, the ARVN have had more than four times as many killed as we, although at the present time the casualties are running only slightly more than ours. The draft period of service is longer than ours. The South Vietnamese have over 700,000 men in their regular forces, militia, and police. The ARVN has 340,000 men under arms, 294,000 men are in the Popular and Regional forces, and 67,000 men are at the national police force. This would be the equivalent of about 8,400,000 Americans, or roughly about all we were able to mobilize at the height of World War II. They have lowered the draft age to 10, as of January 1, 1968, so as to obtain still more troops. Roughly one fifth to one sixth of their population are under Viet Cong control and

scarcely open to recruiting by our side, except under the Chieu Hoi program.

A relevant parallel may be found in the Korean War. During its early stages the ROK forces did not fight well. Later they fought hard and today, man for man, they are at least the equal of ours in Vietnam. The sense of nationhood in Vietnam is much less developed than in Korea. War weariness is also a factor. So is corruption and the spectacle of the profiteer in Saigon.

On balance, the ARVN, including the local militia, are doing increasingly well, with still very considerable room for improvement in many of the units.

The bombing of the south

While most of the controversy over bombing has centered on air strikes in North Vietnam, bombing policy in South Vietnam should be equally controversial. Our bombing policy in South Vietnam, unlike the North, has a direct influence on nation-building and pacification program as to our military operations of our ground forces and the deployment of artillery.

Bombing in the South has handicapped the effort to win the "hearts and minds" of the people of Vietnam. It is contributing to the growth of anti-Americanism. Restricting bombing in the South only to those areas where large scale troop confrontations are taking place would minimize the adverse effects now being felt.

The time factor

The enemy is fighting a protracted war. Its end is not in sight. Assuming continued success in the conventional war, or even an out and out victory, many of our troops can be at least gradually phased out fairly soon. Security operations are likely to take much longer, and our aid will be needed so long as the guerilla ratio remains (see above). While we could probably hasten matters by an invasion of the North including the seizure of Hanoi and Haiphong, the possible consequences of this major escalation are incalculable.

Recommendations

(These are made with some hesitancy, because of lack of access to classified information and our lack of real expertise in the military field.)

1. Shift from the tactics of destroying Viet Cong held villages and then withdrawing, to a clear and hold strategy.

2. Continue emphasis on security for the friendly areas and those producing most of the food supply.

3. Deploy a greater number of military and para-military units in posts readily available to assist local militia and Rural Development hamlet teams under attack.

4. Continue the bombing of military and military supporting targets in the North.

5. Make more use at this stage of "mixed" units of ARVN with United States and other allies. The "Combined Action" Units of the Marines in I Corps and mixed patrols used elsewhere are successful examples. Whether the commanders are ARVN or allies is not important. Both should be tried.

6. Continue to stress the Chieu Hoi or open arms program.

7. Diligently search for ways to give Hanoi an opportunity to de-escalate, but without yielding any military advantage presently held, except for such a quid pro quo.

8. Restrict bombing in South Vietnam to those areas in which there are actual confrontations between Allied and enemy forces. Eliminate free strike zones.

9. Plan for a long war.

VI. SUMMARY AND CONCLUSIONS

By design Volunteers for Vietnam has not entered into the debate over whether or not the United States should be in Vietnam. The fact is we are there. Rather the orientation was one of examining the quality, the manner, the method, the effectiveness, of American efforts in Vietnam and those of the Government of Vietnam. The team, therefore, attempted to delve into the complexities of the various aspects of the many programs which fall under the heading of "pacification". More basically, the team made an effort to determine the ability of the present Government of Vietnam effectively to carry the fight against communism and to win the support of the people. Military operations as they affect the pacification programs and the battle for the hearts and minds of the Vietnamese people were also considered.

Evaluations have been made and conclusions reached. As might be expected all team members do not necessarily agree with all conclusions and statements.

Basic conclusions reached by Volunteers for Vietnam should be stated first:

1. It is in the best interest of the United States to continue its commitment to assist the Government of Vietnam, making no group judgment with regard to how or through what methods, or on the chain of events which led to the commitment to which we are obligated today.

2. Unilateral withdrawal from Vietnam would result in unbearable military pressure on the Government of Vietnam, exposing the people of South Vietnam to the immediate threat of communist domination.

3. Unilateral withdrawal from Vietnam would be harmful to both the short-run and long-term security interests of the United States and would weaken the integrity of commitments made by the United States elsewhere in the world.

4. The United States, while continuing to support the Government of Vietnam, should constantly, honestly, thoroughly and with a sense of dedication and conviction probe for ways which can lead to negotiations for peace. We should continuously re-examine the conditions specified for such talks, recognizing that there is virtue in admitting some mistakes and in going the extra mile. We should seek to create conditions that would make possible under the present circumstances for negotiations to take place.

5. At the present time the Viet Cong compromise a small, but significant minority in South Vietnam and those people loyal to the Government of Vietnam, while much larger in number also constitute a minority. As a result, the largest number of Vietnamese, most likely a majority, especially in rural areas stand uncommitted as yet between the Viet Cong and the Government of Vietnam.

6. The allegiance or, at the very least, the passive acceptance of the new nonaligned people in South Vietnam is necessary for the Government of Vietnam successfully to prosecute the war and become a stable force.

7. The policy of the United States with regard to Vietnam should be continuously re-examined in light of the need of the Government of Vietnam to win the support of the people.

A Note on Insurgency. It may be observed that there are two distinct types of warfare being waged in Vietnam—limited conventional almost entirely in the 1st and 2nd and 3rd Corps areas and insurgency in the Delta and isolated situations elsewhere. The military response appears to be making progress with the main force North Vietnamese units, but the major question is how will we respond to the insurgency in 1968. Most observers, and our findings, will conclude that the fight to counter the insurgency is lagging behind. This proposal is to suggest a policy that may be effective in the fight against the insurgency.

Insurgency is fought in political, economic, social and psychological dimensions as well as in the guerilla warfare dimensions. A factor which has helped to obscure understanding of insurgency is the tendency to frame the problem in terms of conventional military concepts when in fact, the problem is much broader. Insurgencies are not made; they happen over a long period of time. As Wendell Phillips once said, "Its foundations are laid far back." Yet, insurgencies never occur as a result of forces beyond human control—that is, they are not something analogous to earthquakes or sunspots. They occur after long-run preconditions create a potentially explosive situation which is triggered by incidental factors. Basically, the causes may be classified into political, economic, and social factors.

If it is true that the causes are long-run, as most students of insurgency have agreed, it is not likely that immediate repressive policies will solve the problems. Large-scale military operations in the Delta should be employed cautiously and only then in conjunction with effective political and social reform. Basically there are two ways of handling insurgencies—strong military police action and wise politics. Lenin recognized that "undisciplined armed action" is by "no means sufficient to prevent events which result from profound economic and political causes."

Dealing with insurgency through military force without regard to legal, ethical, or constitutional restraints is short-lived. Justifying its brutalities under the slogan of fighting fire with fire, has an appeal to those whom Mao-Tse-tung calls simple-minded militarists. It is the approach Chang Kai-shek used against the Communists in the 1930's and 1940's. It is the type of approach employed by the French against the Viet Minh and against the Algerian rebels. It is the same type of approach the Russians used in Berlin in 1953 and in Budapest in 1956. In the name of stability, it is a favorite approach of the military dictators in Latin America.

This leads us to the political approach to insurgency. In past wars the political aspects of warfare have been made by wise practical politicians and astute statesmen. But in insurgency political decisions must be made on the spot, in the field as opposed to written directives from the State Department. The daily decisions of between which areas to attack and which to befriend; between which villages to destroy and which ones to move and which ones to defend; between repression and persuasion—these are political.

Since World War II these political decisions have been made by astute political leaders in the most successful insurgencies. Mao-Tse-tung, the libertarian, defeated Chang Kai-shek, the professional warlord. Tito, the Communist political agent, not Mikhailovitch, the monarchist professional soldier, won in Yugoslavia. Giap, the French history teacher, not the French general, won at Dien Bien Phu. And Castro, the lawyer, won in Cuba. These insurgency-victories were led by non-military men, which suggests that insurgencies can best be countered by non-military leaders. Such as Magsaysay, the automobile mechanic turned politician, defeated the Huks in the Philippines where the general had failed. Magsaysay's greatest achievement was to demonstrate that political action can be effective in countering an insurgency. He was a natural politician who followed his own political instincts. In short, he removed the cause by astute political action for which the Philippine Communists were fighting.

Therefore, based on past experiences and the knowledge that insurgencies are what Mao calls protracted political warfare, we recommend that (1) a political response be developed to cope with the insurgency in the Delta; (2) that political leaders be appointed to direct the attack on the insurgency in the Delta and (3) that all military leaders be subservient to the political leadership in the Delta.

Looking beyond the current problem in Vietnam, it would appear worthwhile to develop a strategy to prevent rather than cure

insurgency. Aristotle had reasoned that "if we know the causes which destroy constitutions we also know the causes which preserve them; for the opposites produce opposites, and the destruction is opposite of preservation." One might add to Aristotle's logic by observing that creative political action is the specific antidote to insurgency conditions, and the occurrence of an insurgency is in a sense nothing more than testimony that this antidote was not recognized or not used. In order to discover and make use of political alternatives to insurgency, however, the foreign statesman must be forewarned about situations in which insurgency may develop.

To provide this warning we should develop a knowledge of the causes of insurgencies and institute a policy to assist the developing nations in ways to prevent them from occurring. In short, we should have a policy of preventing insurgency rather than responding to the conditions after the fire has started. Adlai Stevenson once said that "the time to stop revolution is at the beginning, not the end."

It is suggested that an invitation be extended to the intellectual community to send 25 scholars to Vietnam to observe the insurgency in the Delta for a two-year period. Some should be those who have at some time had decision making responsibility in foreign policy and defense. These students of modern insurgency could apply their theoretical knowledge of the causes and prevention to the empirical data that is available in Vietnam, with the hope that a preventive insurgency policy can be developed that may be applied to future insurgencies.

Essentially, this is a call for greater use of the social disciplines in preventing insurgencies.

Insurgency is not new. Lincoln used the word "insurgency" twice in his Second Inaugural Address. It is a complex type of warfare and it is fair to say that we were not prepared for it in Vietnam. To assure the proper response in Vietnam and be prepared to assist developing nations in preventing future insurgencies, we must commit more of our academic knowledge in the social sciences to the study of this problem.

President Kennedy's words about the situation in Vietnam are still appropriate today. "In the final analysis it's their war. . . . they are the ones who have to win or lose it. We can help them, give them equipment. We can send our men as advisors, but they have to win it."

There is no doubt that the bounds of the commitment implied in this statement have been exceeded. In 1965 we refused to allow the South Vietnamese to lose the war as would surely have happened without the large influx of American troops. Our presence in Vietnam today is more than "merely" advisory. Our action with regard to how AID funds are employed and with regard to military operations have significant effect on the ability of the Government of Vietnam to win the war. We have not always acted wisely. Mistakes, many of them costly, have been made.

Since 1965 ARVN and para military forces including police in Vietnam have been built up to the 700,000 figure. There are 500,000 American troops in this small country. The results have not equaled the impact. Nothing drives home the point more than that this is not just a military war than this fact.

Americans are used to fighting wars where we clear the land, defeat the enemy and then develop or build up the country through economic aid and technical assistance. Vietnam does not offer this kind of situation. We are being called upon simultaneously to develop a country with both economic and technical assistance and fight a war. The phrase "unleashing the generals" is as irresponsible and irrational as "pull out". To do what either implies is courting disaster. We don't have much experience in this kind of war. We aren't very good at it. We don't like it. We are learning and we are improving. But it is not easy and will not be done overnight.

The Volunteers for Vietnam team does conclude, however, that sufficient recognition has not been given to the importance of the "other" war. Political, economic, religious and social problems, albeit, closely related to the military, have in many respects and in a multitude of ways taken the second seat. A military victory, without overcoming the other problems, would be very hollow indeed. The two ways cannot be separated. Too often the effects of military operation on civil action programs have not been fully considered. Months of work on civil programs in hamlets and villages have literally "gone down the drain" because of ill-considered military operations. On the other hand, civil programs have too often been started in insecure areas without building the type of security necessary after the initial development project has been completed.

What is important about this is that most of the military operations and most of the civil programs are administered on the basis of American advice.

The line between an advisory role and an operational role is often a thin one and hard to travel. The more the effort in Vietnam becomes Americanized the less likely it is that the Vietnamese will develop the leadership, incentive and ability needed to sustain the kind of actions they need to engage in.

While it is true that we have not allowed the Government of Vietnam to lose the war, it still is clear that the Vietnamese must win it. The more that the war effort becomes one of the United States, the greater a task this becomes.

Foreign aids

Because there is confusion and misunderstanding on what our Foreign Policy is or should be we offer the following for the consideration of all interested Americans.

It has been said the "Foreign aid can never substitute for foreign policy". Throughout the history of manknd in its revolutionary moments of change and challenge there always were groups of people who crystalized the issue, that presented the challenge. The Magna Carta was the great goal for England in a critical time. The Declaration of Independence crystalized the issues presenting a challenge and stating the case of the revolutionaries of '76. The Emancipation Proclamation issued by Lincoln was the most important document that came out of the Civil War.

Just as these made the diffcrence and were important in their time so the world must have from the United States of America an articulate position for the great goals that are needed on the world front.

Someone has said, "We have been raised to the first place in the leadership of the western society at a time when the general civilization of the West has suffered a spectacular decline and is gravely threatened. We (in America) have become so suddenly the protecting and the leading power of that civilization that we are not clear and united among ourselves about where we are going and how we should deal with unforeseen responsibilities, our unwanted missions and our unexpected duties."

This is a challenging statement. It is more true than most will admit.

The part that is most important and challenging, in my view, is the fact that first we in America are not united in a clear understanding of our mission in the world; and second, that the world is sure we have only selfish interests and are committed to attain our nebulous goal by force of arms. This calls for a re-evaluation of our actions compared to our stated objectives of containing communism.

A study of the problem concludes that both the containment policy and President Johnson's statement that we have 120 policies—(one for each nation with which we do business) is inadequate or wrong or both.

Until a better policy can be articulated, it has been suggested that we in the United States of America declare that "Our foreign policy is one that is dedictaed to the preservation and encouragement of our own tried and proven ideals in freedom with liberty while we seek to establish and encourage the basic freedoms in every part of the globe where there are people, and that we resist the defeat of freedom through an appeal to the better natures of people and resort to arms only when all other remedies have been exhausted."

The five basic freedoms which we should establish and promote are:

1. Freedom from want.
2. Freedom from fear.
3. Freedom of religion.
4. Freedom of speech.
5. Freedom of movement.

This earth, with the proper cooperation of intelligent people, can and *must* bring freedom *from want*. When we all recognize as we should that there are basic laws that are universal and when we accept the "rule of law" as supreme in the settlement of conflicts, there *will be freedom from fear*.

Religion and morality are indispensable to political prosperity. When this truth is fully understood, then we will recognize the importance of freedom of religion and know that there can be no successful society without the conscience that keeps us from doing wrong because it is wrong and makes us do right because it is right.

Freedom of expression helps us understand ourselves and others and paves the way for ever-increasing progress and prosperity.

Freedom of movement of men, goods and ideas makes possible the Biblical promise of the "more abundant life."

There are peaceful ways, methods and techniques, which can be used to advance the cause of freedom. We should dedicate ourselves to developing and using them.

ADDITIONAL CONCLUSIONS

The conflict in Vietnam will end, as all wars do. Now is the time to think of tomorrow, as well as today. We would like to recommend that our country proclaim an *American Doctrine for Asia* which should make letter clear our inescapable involvement in the Far East.

This country was an Asian power before we became a European power, and long before we became a world power. Our historical involvement in the Pacific dates back to the end of the 18th century. Our first trade treaty with the mainland of Asia was negotiated in 1844. This was followed by the Treaty of Kangawa in 1853, the Alaskan Purchase of 1867, the annexation of the Hawaiian Islands in the 1890's and the acquisition of the Philippine Islands in 1898. Our 49th and our 50th states are located in the Pacific "world lake". United States territorial islands are scattered across the Southwest Pacific. Most of our long range Pacific commitments were made prior to the turn of the century with the exception of six treaties negotiated between the years of 1951 and 1960. During the past twenty-five years we have fought three major wars in the Pacific, costing us the lives of almost a half million men. No one can dispute that our national interest is very definitely tied to the Pacific.

We propose that our *American Doctrine for Asia* would serve our friends and foes alike with a firm understanding of our commitments, our programs, our alliances and our responsibilities in the Far East. History will record that in Korea, and again in Vietnam, we failed to make clear to the world our commitments and our responsibilities. Unfortunately we failed even to make known our national interests to our citizens Confusion and miscalculation have resulted in too many conflicts between nations.

Our team further recommends that the United States reevaluate our alliances in the Far East.

1. Mutual Defense Treaty—United States and Philippines, August 30, 1951.

2. Security Treaty between the United States of America, Australia, and New Zealand, September 1, 1951.

3. Mutual Defense Treaty—United States and Korea, October 1, 1953.

4. Southeast Asia Collective Defense Treaty and Protocol (SEATO), September 8, 1954.

5. Mutual Defense Treaty—United States and Republic of China, December 2, 1954.

6. Mutual Defense Treaty—United States and Japan, January 19, 1960.

We should, in the light of present circumstances, repair and renegotiate some of these treaties. For instances, under present circumstances, we see no reason to include France in our SEATO agreement. It also might be well to amend the "unanimous agreement" provision under Article IV of our Southeast Asia Collective Defense Treaty (SEATO). Perhaps also our various allies and associates might explore with us the possibility of superseding all, or almost all of these with a single multilateral pact.

The United States could well serve the cause of future peace by acting now in proclaiming our *American Doctrine for Asia*. The President should act with dispatch in giving this high priority. Within the next decade we foresee the realization that Asia will replace Europe as a major seat of wealth and productivity. It is in the self interest of the United States to continue and even intensify its involvement in the Pacific. We must, however, announce to friend and foe alike our determination to remain an Asian power.

Mr. Speaker, here is a report authored and presented by the knowledgeable and dedicated Americans. It is the result of reading and study before we went to Vietnam and after on-the-scene studies, observations, and probings followed by further studies and conferences with knowledgeable people with experience. We submit it with humility and the hope that it will provide further high-level discussions, so that there can come a better understanding of the problems in the Asian arena. Hopefully, from this can come other and better answers to the difficult and complex problems in that area.

Mr. COWGER. Mr. Speaker, will the gentleman yield at that point?

Mr. SCHWENGEL. Yes. I am glad to yield to the gentleman.

Mr. COWGER. I would like to emphasize our conclusions by reading the last two pages:

ADDITIONAL CONCLUSIONS

(Read by Congressman WILLIAM COWGER)

The conflict in Vietnam will end, as all wars do. Now is the time to think of tomorrow, as well as today. We would like to recommend that our country proclaim an *American Doctrine for Asia* which should make letter clear our inescapable involvement in the Far East.

This country was an Asian power before we became a European power, and long before we became a world power. Our historical involvement in the Pacific dates back to the end of the 18th century. Our first trade treaty with the mainland of Asia was negotiated in 1844. This was followed by the Treaty of Kangawa in 1853, the Alaskan Purchase of 1867, the annexation of the Hawaiian Islands in the 1890's and the acquisition of the Philippine Islands in 1898. Our 49th and our 50th states are located in the Pacific "world lake". United States territorial islands are scattered across the Southwest Pacific. Most of our long range Pacific commitments were made prior to the turn of the century with the exception of six treaties negotiated between the years of 1951 and 1960. During the past twenty-five years we have fought three major wars in the Pacific, costing us the lives of almost a half million men. No one can dispute that our national interest is very definitely tied to the Pacific.

We propose that our *American Doctrine for Asia* would serve our friends and foes alike with a firm understanding of our commitments, our programs, our alliances and our responsibilities in the Far East. History will record that in Korea, and again in Vietnam, we failed to make clear to the world our commitments and our responsibilities. Unfortunately we failed even to make known our national interests to our citizens. Confusion and miscalculation have resulted in too many conflicts between nations.

Our team further recommends that the United States reevaluate our alliances in the Far East.

1. Mutual Defense Treaty—United States and Philippines, August 30, 1951.

2. Security Treaty between the United States of America, Australia, and New Zealand, September 1, 1951.

3. Mutual Defense Treaty—United States and Korea, October 1, 1953.

4. Southeast Asia Collective Defense Treaty and Protocol (SEATO), September 8, 1954.

5. Mutual Defense Treaty—United States and Republic of China, December 2, 1954.

6. Mutual Defense Treaty—United States and Japan, January 19, 1960.

We should, in the light of present circumstances, repair and renegotiate some of these treaties. For instance, under present circumstances, we see no reason to include France in our SEATO agreement. It also might be well to amend the "unanimous agreement" provision under Article IV of our Southeast Asia Collective Defense Treaty (SEATO). Perhaps also our various allies and associates might explore with us the possibility of superseding all, or almost all of these with a single multilateral pact.

The United States could well serve the cause of future peace by acting now in proclaiming our *American Doctrine for Asia*. The President should act with dispatch in giving this high priority. Within the next decade we foresee the realization that Asia will replace Europe as a major seat of wealth and productivity. It is in the self interest of the United States to continue and even intensify its involvement in the Pacific. We must, however, announce to friend and foe alike our determination to remain an Asian power.

I would like to say on this final conclusion we have unanimous agreement of the 10 Members who traveled with us.

Mr. SCHWENGEL. I would like to continue the discussion and read further the conclusions.

First, I want to thank the gentleman for his fine contribution to the committee effort and say that he was the principal author of the statement he has just read. I think it is very worthy of consideration.

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

Mr. SCHWENGEL. I am very glad to yield to the gentleman from Kentucky.

Mr. COWGER. I wonder if for the RECORD you would give your impressions of the future leadership ability of those with whom we met, both in the House and in the Senate, in the new Constituent Assembly of South Vietnam.

Mr. SCHWENGEL. I will be very glad to. First, I would like to say that it was a thrilling experience to meet with the temporary officers of the House, the temporary officers being those who were the oldest Members. Of course, we had to speak through an interpreter. But speaking to them through an interpreter we got the feeling that here were probably typical Vietnamese with a great desire to serve the interests and the objectives that we think are the right kind of objectives.

They also indicated, in evaluating their experience and background, that they were qualified.

A number of them we had met on the House side had been former Communists.

After brief discussions, you will recall—which I am sure you enjoyed as I did, Congressman COWGER—we saw them in session in this hall. It was a temporary arrangement. I think it was an opera hall. The hall had been used for that kind of facility, or some form of entertainment. As we sat on the sidelines and listened again through an interpreter, somehow you felt that you were witnessing in Saigon in 1967 a comparable situation to what you could have witnessed in Philadelphia in 1776. As we listened to their discussions of rules, their suggestions, their plans, and their ideas, we felt like there were possibilities here.

From there we went to the Senate, and that was really an exciting experience. I would like to yield to the gentleman from Kentucky to speak about that experience, if he wishes to do so.

Mr. COWGER. I thank the gentleman. If the gentleman would yield for a moment. If the gentleman would yield for a moment further, I would like to mention the beneficial factors that I felt would come to both this country and to South Vietnam by a representative group of their Constituent Assembly, both their House and their Senate, visiting here in our House and in our Senate and to meet with our leaders in Washington, D.C. I just wondered if you would care to remark on that.

Mr. SCHWENGEL. Yes. That was the suggestion of the gentleman from Kentucky after we had been there just a little while. I thought it was a fine idea. We broached the subject to them. They thought it was a great idea and are looking forward to doing that very thing after their session. I hope that when it happens—and I might say that after visiting with Members of the Senate they, too, were excited about the idea as were the Members of the House—they, too, are anxiously looking forward to this kind of experience. It is my hope that when and if this happens, we can make special arrangements to be sure that they get a good orientation of what happens in representative government at every level. I think they should be given the opportunity to witness county governments, school boards, city governments, State governments, and the Federal Government at this level. With this experience they could catch the spirit of representative government and get a better feeling of what ought to be their responsibilities as they try to represent their people.

Mr. COWGER. I am sure the gentleman will agree it was one of the most thrilling experiences we have ever had in witnessing the newest democracy in the world in action. I also was impressed,

as I am sure you were, with their knowledge of the democratic process, as we sat there in the balcony of the House of Representatives observing the way they were conducting their business and organizing for the first time a democracy in their country.

Mr. SCHWENGEL. Yes. It was thrilling to note also that they had the rules that we use here in this hall. They had many of the precedents that we use. They had copies of our Constitution and so on. They were using our Nation as a pattern. It was really exciting to find out about this. Hopefully, when they come, all of us who have an interest, as I know most Members of the Congress have, will have an opportunity to visit with them, quicken their interest, and help them along the road to be more representative than they otherwise would be.

Chapter III of our report deals with resource and economic development and nation building. This area deals with a discussion of the social and cultural structure of the countryside. It deals with corruption in the military and civilian structure of Vietnam. It deals with the new life programs, the agricultural programs, the effectiveness of the development program, the security of the country and the impact of the Vietcong, democratization of institutions, organizations, industrialization, the refugee problem, and the self-help programs that have been instituted there.

I hope the Members of Congress will find it interesting to read our report. I might say this report was the result of a lot of study and work and research of a number of different members of our team. We thought this was a very, very important aspect of the problem, and it needed much more attention than apparently it is getting at this time.

Chapter IV deals with nation building in Vietnam and the American involvement there. Fortunately for our team, we had the benefit of a Dr. Ernest Griffith on our team who is a very perceptive student, who is an able political scientist. Many Members of Congress—the older Members especially—will remember him as head of the Legislative Reference Service in the Library of Congress. In late years he has been involved as head of the School of International Studies at the American University.

We found, in studying this area and the AID programs, some very wonderful things were happening there. Some are things that will not help immediately, but in the long run will help a great deal. For instance, we found in development of education that the educational population in their schools has grown from 500,000 students in school to over 2 million students in school. We did not get to visit any of these schools, but we talked to people who did know something about it. They were thrilled with the response of the people to these opportunities for their children to be educated. The students who were attending those schools by and large were very apt students and very anxious to learn. In the long run, I think this will be a very fine solid contribution we are making there.

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

Mr. SCHWENGEL. I yield to the gentleman from Kentucky.

Mr. COWGER. Mr. Speaker, in our chapter dealing with effectiveness of the rural development teams, it also points out the impact of the Vietcong in South Vietnam. We noticed at that time—and I am sure the gentleman will feel also—that security was one of our No. 1 problems. My question to the gentleman is this. In the light of recent developments, in the past 10 days, does the gentleman think we properly in our report covered the problem of security in the south as far as the Vietcong was concerned?

Mr. SCHWENGEL. Certainly, as the gentleman and members of the team know, we felt that the assurances of security in Vietnam by Americans, especially by the military, was a gross misjudgment. They made quite elaborate statements on the security of an entire part of Vietnam. In fact, I think the statement was made that every province, in the 44 of them in Vietnam, were secure or substantially secure. They indicated that Saigon was probably as secure as our hometown. But we found out that night there was not much to that kind of observation, because right after we got to bed we could hear the bombs that were being dropped either by our own Air Force and planes going into the area, or by the other side, just north of Saigon, with the guide of lights which were lighting up the sky. We felt that judgment was a poor one, if not very incorrect.

We also had a report of two bridges being bombed in Saigon.

So I think it can be said and should be said, and I think it is true, that South Vietnam is not really as secure as it could be and should be, and as secure as we believe it would be if some of the recommendations we make herewith are considered and adopted in Vietnam.

Probably a word or two should be said about the military. We felt that the average soldier's attitude was very fine. We felt there was some evidence of progress in the military. In some instances we felt we were overrating the effectiveness of the military.

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

Mr. SCHWENGEL. I yield to the gentleman from Kentucky.

Mr. COWGER. I should like to make a comment. As the gentleman will recall, I visited the 1st and 3d Marine Divisions near Danang. I was also privileged to fly out and to spend 2 days on the U.S.S. *Coral Sea*. I, also, was impressed with the high morale of our men and with their dedication.

I had the opportunity, on Thanksgiving Day, of having Thanksgiving dinner aboard the U.S.S. *Coral Sea* with 27 Kentuckians. To a man they understood why they were there and what our commitments were in the Far East. They reported to me at that time that their families also understood these commitments. Yes, they would have preferred to be home in Kentucky, but they were willing to accept their share of our responsibility in the Far East.

Mr. SCHWENGEL. We noticed that in every part of Vietnam where we visited, in every section of Vietnam. We had many opportunities to visit with the soldiers.

It was a thrill to find many of our soldiers went far beyond the call of duty to help the Vietnamese in their efforts to improve the situation and the living conditions for themselves.

I felt the soldiers should be highly commended, and we should show more appreciation than we sometimes do.

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

Mr. SCHWENGEL. I am glad to yield to the gentleman from California.

Mr. PETTIS. I should like to commend both the gentleman from Iowa and the gentleman from Kentucky for this excellent report. It coincides very much with what I observed on my recent visit to Vietnam and also with the dialog I had just yesterday with a Congressman from the newly formed Congress of South Vietnam, here in this Capitol Building.

I hope that the American people will not be discouraged over the events of the past few days.

I should like to recall that in recent history we have had other dark days—in the Philippines and in South Korea, and, before the *Pueblo* incident, off our shores in Cuba. Sometimes the darkest hour, as it is said, is just before the dawn.

I was very much encouraged by what I saw. I was encouraged not only on the military front but also by what I observed in the villages and hamlets in the provinces, and in the capital of South Vietnam.

I wish to associate myself with the gentleman who have been carrying on this colloquy this afternoon and to commend them for this report. I believe it is reassuring to the American people to have this firsthand reaction of Members of this House who have visited South Vietnam.

Mr. SCHWENGEL. I thank the gentleman very much.

These are our summary conclusions.

I should like to begin by pointing out that by design volunteers for Vietnam have not entered into debate over whether or not the United States should be in Vietnam. The fact is we are there. Rather, the orientation was one of examining the quality, the manner and the method, the effectiveness of American efforts in Vietnam and those of the Government of Vietnam.

The team, therefore, attempted to delve into the complexities of the various aspects of the many programs which fall under the heading of pacification.

More basically, the team made an effort to determine the ability of the present Government of Vietnam effectively to carry the fight against communism and to win the support of the people. The military operations as they affect the pacification program and the battle for the hearts and minds of the Vietnamese people were also considered.

Evaluations have been made and conclusions have been reached. As might be expected, all team members do not necessarily agree with all conclusions and statements.

Friends of this Congress and America, there are people, ways, methods, and techniques which can be used, and we should dedicate ourselves to developing them and using them.

Finally, Mr. Speaker, here is a report authored and presented by 10 knowledgeable dedicated Americans, which is the result of reading and study before we went to Vietnam and after, and on the scene. Studies and observations and probings were made, and they were followed by further studies and conferences with knowledgeable people and people with experience. We submit this report with humility in the hope that it will provoke further high-level discussion, so that there can come a better understanding of the problems, especially those in the Asian arena. Hopefully from this can come the other and better answers to the difficult and complex problems that are found in that area and on the world scene.

Mr. COWGER. Mr. Speaker, will the gentleman yield for one last observation?

Mr. SCHWENGEL. I yield to the gentleman from Kentucky.

Mr. COWGER. Mr. Speaker, our report has covered several aspects of our commitments, and the gentleman has spoken of the hot war, meaning the military war in South Vietnam, and the gentleman has spoken of the other war, the pacification effort in the south, and I would like to suggest that our Nation is faced with a third war right here in the United States with draft card burnings and daily unpatriotic statements by the likes of Rap Brown and Stokely Carmichael.

I think quite honestly we could win all three of these wars with the cooperation of our friends who generally occupy the press desks in the gallery. If they would do us the favor, the next time Rap Brown or Stokely Carmichael downgrades our country, of putting them on page 22 instead of page 1, I think perhaps we could win all three wars.

Mr. SCHWENGEL. Mr. Speaker, I thank the gentleman.

THE UNIVERSAL FIBERGLASS CASE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Minnesota [Mr. BLATNIK] is recognized for 30 minutes.

Mr. BLATNIK. Mr. Speaker, based on inaccurate and very incomplete newspaper stories, introduced into the RECORD, my good friend, the gentleman from Iowa [Mr. GROSS] came to very hasty and grossly unjust conclusions concerning the role of Mr. Neal D. Peterson in the Universal Fiberglass case, and made regrettable charges of "conflict of interest" and comparison of Mr. Peterson with the "activities of Bobby Baker"—charges which are completely unfounded. In all fairness to Mr. Peterson, the whole story should be told, with all the facts in their proper context.

As I made clear in my remarks on the House floor on January 25, I played the principal role on the Federal level in efforts to assist the community of Two Harbors, including the Universal Fiberglass matter, so I know the details and I feel that once again it is necessary to correct the record—this time to remove the shadow of doubt so unfairly and unjustly cast upon Mr. Peterson. I will place in the RECORD all the facts at my disposal for all Members to review at their convenience and I will report these facts in their proper historical perspective.

Neal Peterson is one of the ablest, most dedicated, and hardworking staff members I have known and worked with on Capitol Hill—a man of unquestioned integrity. I came to know Mr. Peterson over a period of years through my coordination and cooperation with the then Senator HUMPHREY in working on projects to help create new industry and jobs in the economically distressed counties of my northeastern Minnesota congressional district. Senator HUMPHREY gave me splendid assistance and cooperation in our economic development efforts, which included assistance from the Area Redevelopment Administration, the accelerated public works program, and the Small Business Administration. The person Senator HUMPHREY designated to work with me on Federal programs during those years was Neal Peterson.

So, following the awful "Black Friday" which struck Two Harbors on February 19, 1963, when the D.M. & I.R. Railroad laid off over 700 men, it was quite normal that we should join with the local development committee in an effort to find solutions to the community's economic problems.

I have already related to the House in my remarks of Thursday, January 25, the details of my part in these efforts on behalf of the people of Two Harbors and Universal Fiberglass; as I said at that time, mine was the principal role on the Federal level.

The Universal Fiberglass case can be divided into six distinct phases: First, the first ARA loan to Universal Fiberglass, applied for in November 1963 and approved in April 1964; second, Universal's bid on the mailster contract in October 1964; third, GSA's rejection of Universal's bid on December 22, 1964; fourth, the certificate of competency review by SBA, begun on January 6 and completed on January 26, 1965; fifth, the second ARA loan applied for in February 1965 and approved in June 1965; and sixth, Universal's performance on the mailster contract, during 1965–66. By putting this matter in its proper historical perspective, I believe the facts will be clearly understood and the contributions of the various individuals given their appropriate value.

The Vice President has authorized the Small Business Administration to release any and all material in its files on this matter pertaining to actions by Neal Peterson or any other member of his staff.

This file, in fact, shows only one letter from then Senator HUMPHREY dated December 2, 1963, to the regional administrator of SBA in Minnesota. This letter, which relates to phase one has appeared in print and therefore it is not necessary to repeat it here.

The facts are that neither my office nor anyone connected with Universal Fiberglass requested Neal Peterson or anyone else in Vice President HUMPHREY's office to aid in securing a favorable decision from SBA on the certificate of competency with regard to the mailster contract.

I am further informed that after Senator HUMPHREY resigned from the U.S. Senate, he did not involve himself in case work for Minnesota constituents as he did while he held that office.

In fact, the GSA has a notification in its file on this matter from Neal Peterson informing them of this policy. The facts are then that neither Neal Peterson nor anyone else in the Vice President's office was involved in "intensive activity" as has been reported in certain newspaper accounts relating to this case.

The activity of Senator HUMPHREY's office during phase two and three was confined to supporting my efforts to extend the time for filing bids and to secure a distressed area set-aside. This support was in the form of a letter signed by Senator HUMPHREY dated September 24, 1964, and further support by the attendance of Neal Peterson at two meetings with GSA in December 1964, representing Senator HUMPHREY. I had arranged for these meetings in the hope of drawing GSA and the company closer together for the purpose of reaching a solution to their differences which related to the company's technical and financial capability to perform. These meetings were unsuccessful because following them GSA rejected the bid.

The final three phases of this project were carried out at the Federal level by my office with absolutely no involvement of Neal Peterson or anyone else on Vice President HUMPHREY'S staff, as they occurred following his resignation from the Senate.

Mr. Speaker, I should clear up one other point on this matter. It has been alleged that I confirmed that Neal Peterson suggested this corporation retain his brother, Roger Peterson, as the attorney for the company. I must point out that I have checked with officials of Universal Fiberglass and find that they did not engage Roger Peterson or his law firm as a result of any suggestion from Neal Peterson. The facts again are that they were acquainted with Roger Peterson from work that he had done for them not involving any contact on his part with any Federal agency. They were aware of his high qualifications as an attorney and, in addition, that he was well acquainted with northeastern Minnesota and our problems, thus was ideally suited to represent them because of the amount of legal work which would be required to be carried on in the city of Minneapolis as well as in northeastern Minnesota. It was completely on their own initiative that, late in 1964, they engaged Roger Peterson to do some of the legal work required by Universal Fiberglass.

In short, Mr. Speaker, even this brief statement of the facts shows quite convincingly that the newspaper articles and previous statements made on this floor concerning Mr. Peterson are not only misleading but completely unfounded.

In conclusion, Mr. Speaker, I would like to point out further that the Universal Fiberglass matter has been distorted by those who have removed it from the broader context of my efforts and those of Senator HUMPHREY to encourage new industry to come into northeastern Minnesota and relieve the distressfully high unemployment and depressed economic conditions that have

beset nearly every community in nine out of the 11 counties of my congressional district.

My office handled literally hundreds of Federal aid projects under the area redevelopment program, the accelerated public works program, and the SBA program; on the whole, our efforts were largely successful. Throughout this four-way, four-level joint economic development effort, we had excellent cooperation from private industry, the Federal Government agencies, the local development committee, and the State of Minnesota which, too, offered inducements to attract new industry, such as an amendment to the State constitution to attract the multimillion-dollar investments, and the hundreds of new jobs provided by the taconite industry. So again I say, let us look at the whole record—it is clear, it is substantiated by facts, and it is one of which we can be proud.

Mr. Speaker, the efforts of my office, complicated as they were by the various levels of operation, and the various Federal agencies, were no different from the services any Congressman or Senator attempts to give to his constituents.

TRIBUTE TO THE LATE JOHN S. PILLSBURY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. MORTON] is recognized for 15 minutes.

Mr. MORTON. Mr. Speaker, the passing of Mr. John S. Pillsbury, director emeritus of the board of directors of the Pillsbury Co., is indeed a milestone in the affairs of Minneapolis and the history of Minnesota.

I think it is highly appropriate that we in the Congress recognize the accomplishments and the works of this distinguished American, John Sargent Pillsbury. His business career started in 1901 when he joined the predecessor of the Pillsbury Co., which was founded by his father. It was not until half a century later that he retired from 20 years of a very active chairmanship of the board of directors of this important company.

No one whom I have had the privilege to know has been more active in a selfless dedication to his civic responsibilities than Mr. J. S. Pillsbury. He instilled in his family a deep sense of community pride and community responsibility.

Mr. Speaker, we can look on the life and career of this fine American with a deep sense of pride and the full knowledge that his life was led not only in the spirit of the American dream for success and accomplishment, but with a deep sense of devotion for his fellow man and to his country. This was reflected in his generosity and also in the application of his energy to make Minneapolis a better city and Minnesota a better State.

Mr. MACGREGOR. Mr. Speaker, last Wednesday was a sad day for me, for the people of Minnesota's Third Congressional District, for all Minnesotans, and indeed for every person who had the great good fortune to know John S. Pillsbury. Here was a kind, a generous, a thoughtful, and a gentle man. His passing leaves each of us a little poorer.

My wife joins me in extending the deepest sympathy to Mr. Pillsbury's widow, his surviving sons John, Jr., and George, and his daughters Mrs. Thomas M. Crosby and Mrs. Stanley R. Resor. The following article from the Minneapolis Tribune of February 1, 1968, gives an excellent sketch of John Sargent Pillsbury's illustrious life:

JOHN PILLSBURY DIES IN FLORIDA AT AGE OF 89

John Sargent Pillsbury, namesake of one of Minnesota's early governors and a leader in the flour milling industry for more than 50 years, died Wednesday night in Good Samaritan Hospital, Palm Beach, Fla.

He was 89 years old.

Services will be at 11:30 a.m. Monday in Plymouth Congregational Church in Minneapolis. The family prefers memorials to the University of Minnesota medical library fund.

Mr. Pillsbury for 20 years was chairman of the board of the Pillsbury Co., until he retired in 1952. He then became honorary chairman of the board, a position he held until 1965 when his nephew, Philip Winston Pillsbury, was named to the post.

Mr. Pillsbury was a director of the company from 1909 until 1965 when he became director emeritus.

Mr. Pillsbury was born Dec. 6, 1878. His twin brother was the late Charles S. Pillsbury of Ferndale. They were sons of Charles Alfred and Mary Ann (Stinson) Pillsbury.

The father founded the Pillsbury firm in 1869 at St. Anthony Falls, now the site of Pillsbury's "A" mill.

John Pillsbury was educated in Minneapolis public schools and graduated in 1900 from the University of Minnesota with a B.S. degree. His chief interests were chemistry and physics.

He won an "M" at the university for managing the football team in 1898, but did not receive the letter until July 11, 1945, when the error was discovered and corrected.

Mr. Pillsbury had planned to go to France to study international law and the French language, with the idea of later entering the diplomatic service.

However, his father died while he was a senior at the university. His great-uncle, John Sargent Pillsbury, co-founder of Pillsbury Mills and three times governor of Minnesota (1875–1881), died shortly after his graduation.

As a result, Mr. Pillsbury and his brother were needed in the company.

In 1901, Mr. Pillsbury joined the Pillsbury-Washburn Flour Co., and became sales manager in 1906.

From 1909 to 1913 he was secretary and treasurer. He became vice-president in 1913.

He is survived by his widow, the former Eleanor Jerusha Lawler, whom he married in 1911.

The Pillsburys had four sons and two daughters:

Charles, a Navy pilot, who was reported missing in action in the Pacific in 1943; Edmund, vice-president of Pillsbury's grain division, who died in a light plane crash in Nebraska in 1951; John Jr., president of Northwestern National Life Insurance Co. of Minneapolis, and George, a Pillsbury group vice-president in charge of industrial and agricultural business.

The daughters are Mrs. Thomas M. Crosby, Orono, and Mrs. Stanley R. Resor, Washington, D.C., wife of the secretary of the Army.

Mr. Pillsbury served as company vice-president until 1932 when he became the company's first chairman of the board. Although the firm had previously had a board, there had been no formal chairman.

Mr. Pillsbury made many contributions to his company, but the one in which he took the greatest pride was returning control of the company from British to American hands.

In 1899, English investors had purchased a majority of the stock and the company was known as Pillsbury-Washburn Flour Co. Ltd., during the period of their control.

John S. Pillsbury, his twin, Charles, and Alfred Fiske Pillsbury, football hero son of Gov. Pillsbury, formed a management team that successfully fought off attempts by a New York group to take over the company and merge it with a flour milling trust. They also saved the firm from going into receivership about 1909.

They hired A. C. Loring, the leading flour miller of that period, to direct the company and in 1923 they organized a group to buy out the British stock holdings.

Another contribution made by Mr. Pillsbury was the introduction of a technique for milling semolina flour. This flour, made from durum wheat, is used in making macaroni. Mr. Pillsbury picked up the manufacturing method during a trip to Sicily and France.

Mr. Pillsbury was a lifelong Republican, a member of the Congregational Church and a member of Chi Psi Fraternity.

He served as a director of numerous companies, including the Soo Line Railroad, Wayne Knitting Mills, Armour & Co., Atlantic Elevator Co., Northwestern Bancorporation, and Northwestern National Bank of Minneapolis.

After World War I, he headed the War Chest Council of Minneapolis and Hennepin County, which was incorporated in 1919. He served as vice-president of the Council of Social Agencies from 1926 to 1938.

During World War II, Mr. Pillsbury was chairman of seven war bond drives in Hennepin County.

He had been active in supporting the Minneapolis Symphony Orchestra and the Minneapolis Institute of Arts.

Mr. Pillsbury was singled out for many awards for his service to the community and the public.

The university of Minnesota presented him with an outstanding achievement medal and citation in the spring of 1951, labeling him as "a pioneer philanthropist and staunch supporter of the university."

His enthusiasm for travel led him to his only hobby—stamp collecting—a pastime he enjoyed because of the world contacts it gave him.

The Pillsbury homes are at Crystal Bay, Lake Minnetonka, and in Palm Beach, Fla.

LEGISLATION NEEDED TO ADMIT ITALIAN EARTHQUAKE VICTIMS TO THE UNITED STATES

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 introducing today, for appropriate reference, a bill to authorize the immediate entry into the United States of 2,000 natives of Italy and their families who have lost their homes and livelihoods as a result of the recent tragic earthquakes in Sicily. This is an identical bill to that introduced by the able and distinguished gentleman from New Jersey [Mr. RODINO].

This legislation authorizes 2,000 special immigrant visas only to natives of Italy who were uprooted by the earthquakes in Sicily and are in urgent need of assistance for the essentials of life. The wives and children of such aliens would also be issued special visas. The legislation might therefore benefit some 10,000 to 20,000 people, on the basis of the best available estimates of the num-

ber of people suffering from the earthquake who would want to emigrate from Italy.

The tragic news of the catastrophe in Sicily saddened the hearts of all compassionate Americans. We sympathize with those families whose homes and possessions were suddenly and irrevocably taken away. The livelihood for most of these unfortunate victims is completely destroyed and there is no opportunity to rebuild when the land for this purpose is gone. Schools, churches, and public buildings are gone and cannot be replaced.

This legislation is in the best tradition of our Nation's humanitarian policy of offering a haven to the distressed and suffering and to the victims of disaster. Indeed the harbor of my city of New York has been lighted by the welcoming beacon for the greatest part of this country's immigrants. There is precedent for this type of legislation for, in 1958, a similar bill was enacted to help the Portuguese victims of volcanic eruptions in the Azores.

Mr. Speaker, let us relieve despair, let us grant hope, let us make every effort to provide an asylum for these unfortunates, many of whom have relatives here as Americans eager and able to receive and take care of them.

A-ARMED USAF NO HELP TO "PUEBLO"

Mr. HALPERN. Mr. Speaker, no speech in this House could be more eloquent than today's column by Jack Anderson in the Washington Post.

I commend the article to all of our colleagues, and in particular to the President of the United States:

A-ARMED USAF NO HELP TO "PUEBLO"

(By Jack Anderson)

SEOUL.—Over here where it happened, grim U.S. officers give a different version of the Pueblo incident than the Pentagon has peddled to the public. Those who dare to talk declare bitterly that the spy ship, with its super-secret electronic gear, could have been rescued if our Air Force squadrons in Korea had not been stripped of planes and weapons.

Only a few token fighter planes—F-104 Starfighters and F-105 Thunderchiefs—were ready for action when the Pueblo called for help. But, unfortunately, these were armed with nuclear weapons to defend our forces against an invasion. They were not equipped merely to intercept a couple of Communist patrol boats off the Korean coast.

The nuclear armaments, of course, give these few fighters tremendous firepower. In theory, this is supposed to provide our 50,000 ground troops in Korea with adequate air protection and still free a maximum number of planes to fight in Vietnam.

It would also seem to commit the United States to a nuclear response in case full-scale fighting should be resumed in this bleak country. What many Americans don't realize is that the Korean War isn't really over. A truce was declared 15 years ago, but the negotiators at Panmunjom still haven't been able to agree upon peace terms.

The reliance on nuclear retaliation has left a critical shortage here of conventional weapons, which have been taken out of the Korean arsenals to supply the desperate needs in Vietnam.

Other supplies, including arms, ammunition, vehicles, helicopters and spare parts, have also been diverted to Vietnam.

VIETNAM COMES FIRST

Vietnam also gets first call on men as well as materiel. The best-trained soldiers and most experienced pilots usually are sent to Saigon, not Seoul.

Thus it happened that the Pueblo's alarm brought no help, and North Korea's challenge caught the United States unprepared. The real lesson of the Pueblo incident, therefore, is that American might is stretched dangerously thin.

To cover up its unpreparedness, the Pentagon has put out the word that the Pueblo was caught by surprise. The approach of North Korean patrol boats, according to the Pentagon version, was mistaken as routine harassment. By the time the crew realized that the North Koreans intended to seize the ship, so the story goes, it was too late to summon military help.

This is disputed by a confidential report which was sent to the White House, detailing the incident. The report, made available to this column, states that two fishing trawlers silently circled the Pueblo about noon on Jan. 22, then departed without incident for Wonsan.

The following noon, a North Korean subchaser circled the Pueblo three times, and on the last circle, signaled the spy ship to heave to or be fired upon. Three patrol boats joined the subchaser an hour later, and two circling Mig fighters appeared overhead.

The confidential report then relates: "One attempt to board the Pueblo by armed personnel was rebuffed. We believe the North Koreans were prepared to fire and that they later did so, but with what effect we do not know. We also think that within a few minutes they again tried unsuccessfully to board the Pueblo. At about 1:30 p.m., the Pueblo was again directed to stop, and at 1:45 an attempt to board was apparently successful."

Clearly, this strange drama at sea lasted long enough for the nearest U.S. jets, less than 20 minutes away, to have flown to the rescue. But they simply weren't equipped to cope with the emergency.

STRONG RUSSIAN NAVY

There was also some hesitation over whether U.S. planes had authority to attack the North Korean marauders without direct orders from Washington—which, incidentally, never arrived. U.S. forces can return the fire of any hostile force which shoots first. But planes loaded with nuclear weapons cannot attack without direct orders from the President. Apparently the question arose as to whether the planes could fire substitute conventional armaments without White House approval.

When the United States belatedly reacted, a naval task force was rushed into Korean waters. Yet the only reason the nuclear carrier Enterprise, frigate Truxton, and two escort ships were available is that they happened to be in the Sea of Japan en route to Vietnam.

In contrast, Russia had several naval vessels in the area, part of a powerful surface and submarine force that is guarding the shipping lanes from Vladivostok to Haiphong.

Indeed, the Pueblo's principal mission was to monitor this Soviet sea traffic, particularly Russian submarines.

The Pueblo affront, coming at the same time that the British are planning to withdraw their forces east of Suez, is another sober reminder that the West can no longer police the world. The demands of the Vietnam war, for example, have compelled the United States to cancel planned fleet visits to Indian ports.

How about this, Mr. President?

GENERAL LEAVE TO EXTEND

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the President's message on crime.

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

There was no objection.

CONGRESS SHOULD SUPPORT PRESIDENT JOHNSON'S PROGRAM TO INSURE THE PUBLIC SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 10 minutes.

Mr. FEIGHAN. Mr. Speaker, today the President has called upon the Congress to meet the challenge of crime in our society. I urge the members of the Congress to join me in support of the program of action which he has set forth.

The problems of crime facing this Nation are extensive and we must attack those problems with the best methods at our disposal. This means that we must utilize at every level of law enforcement the latest facilities which our advanced technology can offer. We must encourage better training and better pay for our law enforcement officials. We must provide the best correctional institutions and programs at our disposal.

A strengthening of the Federal criminal statutes can do much to stop the illegal traffic in drugs and in the fight against organized crime. New legislation is required in some of these areas, in others—such as the Safe Streets and Crime Control Act and the Juvenile Delinquency Act—we need to act upon matters which are already before the Congress. On these we cannot afford to delay.

POLITICAL THICKET

Mr. HALL. 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 Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, the citizens and newspapers of the State of Missouri are expressing their shock and disgust with Federal Judge John W. Oliver for his secret meeting with Gov. Warren Hearnes, and the Democrat leadership of the Missouri Legislature. They are shocked that a member of the respected Federal judiciary would breach judicial ethics and stoop to purely partisan politics by meeting the State Democrat leaders concerning congressional redistricting. Missouri citizens find it hard to believe that a member of the three-man Federal court that struck down Missouri's congressional redistricting, and who would rule on the redistricting plan now before a special session of the Missouri Legislature, would breach judicial ethics by participating in these secret meetings.

But, Mr. Speaker, beyond the question of improper exercise of judicial ethics on Judge Oliver's part, is the question of interference and intervention of the judicial branch upon the legislative process. Congressional and legislative reap-

portionment for many years had been considered a political question and not within the purview of judicial review. These precedents were fairly recently changed by Supreme Court decisions. The late Mr. Justice Frankfurter warned repeatedly against judicial entry into this political thicket of legislative reapportionment. The Joplin Globe has reiterated Mr. Justice Frankfurter's learned views in an editorial printed on February 2, 1968.

Mr. Speaker, I insert this editorial at this point in the RECORD:

POLITICAL THICKET

When the U.S. Supreme Court in an unprecedented decision assumed jurisdiction over apportionment of state legislatures and prescribed its one-person-one-vote formula for congressional redistricting, the late Justice Felix Frankfurter cautioned in a dissent against judicial entry "into this political thicket."

An example of his wisdom now is seen in the snarl over emergency Missouri congressional redistricting, and this week's disclosure that federal district judge John W. Oliver has conferred with Governor Hearnes and other Democratic political leaders in Jefferson City relative to seeking a solution of the problem. Judge Oliver is one of the two federal judges of a three-judge panel that has voided the latest redistricting by the Legislature.

Granting Judge Oliver complete good faith in trying to be helpful, his action has stirred a political uproar, chiefly among Republicans. It promises to become a political issue this year and doubtless will be a source of embarrassment to him, since the matter is unresolved and still is pending before the court panel of which he is a member. It embroils Judge Oliver in a partisan political feud in which, rightly or wrongly, the GOP charges a plot to favor the Democrats in an alleged gerrymander in St. Louis area redistricting in a new plan now before the Legislature.

It also raises anew the issue of separation of legislative, executive and judicial powers in constitutional government, which was what Justice Frankfurter was talking about. Judge Oliver denies any wrongdoing or political motivation. Nevertheless he becomes a victim of innuendoes inasmuch as he was active in Democratic politics in Kansas City before being elevated to the federal bench, and a cloud is cast over the redistricting order.

Under all of the circumstances, with time an important factor in this year's congressional elections in Missouri, it now appears that the best and wisest course would be to hold the whole matter in abeyance and proceed with this year's election in districts drawn by the 1967 Legislature. After all, the present districts have a population variance of only about 5 per cent, more nearly equal than those in a good many other states. The partisan political aspects are most unfortunate, to say the least.

LEGISLATIVE REORGANIZATION

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

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

There was no objection.

Mr. GROVER. Mr. Speaker, I include as a part of my remarks today a comparison of section 106 of the Legislative Reorganization Act of 1967 with similar bills introduced in the House, together with explanatory material on provisions contained in two of the bills directed to the handling of congressional contempt citations:

SECTION 106. CONFERENCE REPORTS

S. 355—Requires that each report of a conference committee be printed as a report in each house, accompanied by an explanatory statement prepared by the conferees on the part of that house. Individual conferees may file additional views which, if available at the time of printing, may be printed in an appendix to the report of that house.

If time for debate on a conference report (in either house) is limited, that time shall be divided equally between members of that house who favor and those who do not favor agreement to the report.

Bolling—Same as S. 355 except that time is to be divided equally between members of the majority and minority parties.

Reid—Same as S. 355. (New Sec. 105 in Reid bill.)

Print No. 3—Requires explanatory statement to be prepared jointly by the conferees of both houses, although the report is to be printed separately for each house. Deletes provision for additional explanatory statements. Provides for equal time in debate between majority and minority parties.

House Rule 29, paragraph 1(c), provides that "there shall accompany every such report a detailed statement sufficiently explicit to inform the House what effect such amendments or propositions will have upon the measures to which they relate." The Senate has no comparable rule. House managers prepare the statement for both houses.

See Final Report page 25: "1. The conferees of each House should prepare an explanatory statement in connection with the conference report. Individual explanatory views may also be filed in an appendix to the statement. 2. The minority should have the right to half the allotted time in the floor debate on a conference report."

Sec. 106 was not amended.

CONTEMPT CITATIONS

Point 7 of the Supplemental Views of Reps. Curtis, Hall, and Cleveland, supported by Rep. Hechler (see Final Report pp. 88–89, 92), proposes that all citations of contempt be referred to the proposed Joint Committee on Congressional Operations before they are reported to the floor of the House for further proceedings:

"At present, it is the practice for the committee which has been the subject of the act of contempt to serve as first judge of the matter. It is the committee itself which reports the matter to the parent body, acting as both victim and prosecutor. We question both the soundness and the justice of such a procedure and for that reason we recommend that contempt citations be referred in each case to an impartial committee—the Joint Committee on Congressional Operations. This committee would screen the evidence and report its findings and recommendations to its parent body."

S. 355 and Print No. 3 contain nothing on the subject of contempt citations (it was not a unanimous recommendation of the Joint Committee). However, this Supplemental Views recommendation has appeared in the Reid and Bolling bills, in different forms—

A subsection of Section 131 of the Bolling bill would simply add to the jurisdiction of the House Rules Committee (see House Rule XI, Clause 16): "Contempt of Congress citations issued by committees of the House."

New Section 107 of the Reid bill provides for the appointment in each house of a special committee composed of seven members, not more than four from the same political party, to consider contempt citations. Upon report of such committee, and only by direction of that house, the Speaker of the House or President of the Senate shall file a statement of fact concerning the citation in question with the appropriate U.S. attorney who will then bring the matter before a grand jury. No contempt case could be considered in either body except by this procedure.

A-WEAPON TREATY REMOVES NATO OPTION

Mr. FINDLEY. 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 Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, in the year 1493 leading statesmen of the world powers perceived that the struggle for empire might result in war among the European States as each raced for the promised bounty of colonialism in the new world. In an attempt to preserve peace, Pope Alexander VI, with the acquiescence of the major powers, divided the world into two colonial hegemonies. On one side of the line Spain was to have undisputed access to the wealth of the new world, while on the other side Portugal, then the other major power, was granted influence in Africa and the Far East. It was assumed that the division would be a stable one for the two major beneficiaries and would jointly enforce their preeminent influence in their respective spheres. Of course, these well laid plans collided with the reality of Britain's emerging seapower. Determined to carve an empire upon which the sun would never set Britain, among others, proceeded to disregard and dismantle the Pope's plan.

Notwithstanding that experience, however, almost each successive generation has attempted through hegemonies to control what was preceived to be the greatest danger to peace. Some of these ambitious plans have been crude and materialistic such as the carving of China into commercial and political spheres of influence. Others have been idealistic, although ill fated, such as the attempted control on naval capital ships. But, unfortunately, all have in time failed, usually to the detriment of the party proposing the limitation.

The proposed nuclear nonproliferation treaty drafts submitted by the Soviet Union and the United States to the 18-Nation Disarmament Committee—ENDC—is the latest in the series of these maneuvers to preserve peace. Its premise is not unlike that which guided Pope Alexander. The United States and the Soviet Union, now the major nuclear powers, preceive that the spread of nuclear weapons endangers the bipolar status of international politics.

For the last 20 years the world has been divided essentially into two camps, each headed by a nuclear superpower. Each power could impose its will upon its allies, as was proven in the Suez and Hungary crises in 1956.

However, bipolarity was doomed on February 13, 1960, when France exploded a tiny nuclear device on the Sahara Desert. Its small yield hid its larger political significance. Four years later

China exploded her own nuclear device. Since that time the power, influence, and prestige of both France and China have grown to the dismay of their camp leaders, the United States and the Soviet Union. If France and China could so easily disturb the grand design of each camp leader, then imagine, the two camps reasoned, what six or eight more nuclear powers could do.

Prior to the membership increase in the nuclear club, nonproliferation efforts were largely propaganda. However, in the last few years they have been undertaken with deadly seriousness. Each side has compromised so much on its original position that it is hardly recognizable in the effort to achieve a halt to proliferation. On its part the United States undertook every diplomatic measure available, short of open threats, to disarm the nuclear force of France or bring it under U.S. control, and some authorities have even suggested that Khrushchev intended to completely destroy China's embryonic nuclear capabilities before his sudden political demise.

Before the U.S. Congress is faced with a fait accompli, now is the time to question seriously the motives and purposes of our efforts to promote a nuclear nonproliferation treaty. There is no better way to do this than by the bill to extend the authorization for appropriations of the Arms Control and Disarmament Agency.

If Congress waits until the treaty is initialed and presented to the Senate, the House will be effectively excluded from making its desires known. At the same time once the prestige of the President is committed formally to a particular draft then the Senate will be under pressure to protect the President's position. Whatever influence or control the House wants to exercise in the Geneva negotiations must be exerted in the framework of H.R. 14940.

In my judgment, the draft treaty which has been proposed is a threat to the national security of the United States and the free world. It contains the seeds for the final disruption of the Atlantic Alliance. It may lead to involving the United States into guarantees of the security of every non-Communist country in the world, regardless of its real importance to our security. It may set the stage for another German-Soviet Rapallo. Since neither France nor China will sign the treaty, their own influence will increase enormously because of their ability to transfer nuclear weapons to those countries who need or desire them but cannot obtain them from the United States or the Soviet Union. As a preventative of nuclear proliferation this treaty has as little substance as the emperor's nonexistent new clothes. The treaty draft does not strengthen peace; it weakens it. In our zeal to reach an agreement with the Soviet Union we have turned our backs on the legitimate defense needs of the Atlantic Alliance and at the same time have seriously damaged the prospects for peaceful use of nuclear energy.

Before outlining eight arguments against the language proposed in the treaty, I want to comment on three aspects of the draft that have largely been ignored. These are the retreat in U.S. negotiating position, the question of guarantees to nonnuclear states, and the assumption that nuclear proliferation is imminent.

THE RETREAT IN U.S. NEGOTIATING POSITION

On August 29, 1957, the United States in cooperation with three other powers—France, Canada, and the United Kingdom—proposed a scheme that would restrict nuclear proliferation but at the same time require nuclear nations to cease their production of fissionable material for weapon purposes. A caveat to the nonproliferation proposal was that nuclear weapons could be transferred for individual or collective self-defense.

Initially U.S. position envisioned some nuclear sharing arrangement within the framework of multinational alliances like NATO but it sought to reduce nuclear weapon production as well as proliferation. The Soviet Union on September 20, 1957, rejected these proposals, especially the collective sharing of nuclear weapons. In 1959, the United Nations adopted a general resolution urging efforts to be undertaken to prevent nuclear proliferation.

In 1961, the United States undertook its first significant change in its position. It abandoned the transfer of nuclear weapons for defense purposes to individual nations. But it still retained collective sharing under an alliance as a part of its policy.

From 1962 to August 17, 1965, the main issue at the Geneva Conference on Nuclear Proliferation was whether such an agreement would prevent nuclear sharing arrangements within a collective defense organization like NATO. The Soviet Union was anxious to make sure it did, whereas the United States did not want to close the door on possible arrangements within NATO.

On August 17, 1965, the United States made the second major change in its position. It retained the concept of nuclear sharing, but only if the total number of nuclear states did not increase. Ambassador Foster stated that this U.S. position would not preclude the establishment of nuclear arrangements within NATO so long as the arrangement did not constitute an additional entity having the power to use nuclear weapons independent of existing nuclear nations. In other words, if the United States independently surrendered its control over all its own nuclear weapons to a NATO arrangement then a sharing arrangement would be possible. This proposal, in light of the 1964 presidential campaign in which the President reiterated that the United States would never surrender control of nuclear weapons was a farce. Since the Soviet Union realized that the United States was not about to turn over voluntarily its entire stockpile of nuclear weapons to a new organization and renounce its right of veto over them, Moscow could see light at the end of the tunnel in their efforts to prohibit any sharing arrangement. On September 24, 1965, the Soviet Union insisted again that any sharing arrangement within a military alliance was out of the question.

Objective evidence indicates that the Soviet Union patience was rewarded on October 10, 1966, when President Johnson and Secretary Rusk met Soviet Foreign Minister Gromyko at the White House. The New York Times reported on August 25, 1967:

> It has since become clear that in their talks that day President Johnson and Mr. Rusk gave Mr. Gromyko strong indication that the previous United States reservations, aimed at accommodating some nuclear sharing device in the North Atlantic Treaty Organization had been withdrawn.

After that time the Geneva Conference marked time waiting for the United States to finish "consultation" with its allies. Within less than a year, on August 24, 1967, the United States and the Soviet Union came to an agreement on all particulars except the inspection provision which was soon remedied by absurdly "agreeing to agree" at some later date.

In the 10-year period from 1957 through 1967, the United States changed its position on three major points. It no longer suggested that the nuclear powers reduce their own stockpiles at the same time nonproliferation measures were taken. It no longer insisted upon some arrangement for individual self-defense. Most important, it dropped the requirement that nuclear sharing within NATO be protected.

The advisability of U.S. reducing its nuclear stockpiles is questionable, but it is imperative, for reasons I shall outline below, that the United States insist upon some provision for establishing nuclear defense within its regional defense organizations, principally NATO. To facilitate that result I plan to offer an amendment to this bill during its consideration by the Foreign Affairs Committee. My amendment reads:

> *Provided*, That no funds authorized by this Act may be spent for salaries or other expenses connected with advancing proposals which preclude the provision of weapons or other materials for the establishment of nuclear defenses to regional organizations established under article 52 of the United Nations Charter.

In this respect my amendment—which retains the NATO option, so to speak—reflects the position of the United States on the nonproliferation treaty up till October 1966. I believe that the policy of nuclear sharing within regional defense alliances as subscribed to and supported by Presidents Eisenhower and Kennedy, and initially by President Johnson is wise. Nothing has changed which has altered the basic soundness of their initial judgments.

THE PROBLEM OF NUCLEAR GUARANTEES

The United States should ask itself whether it wants to make such guarantees. By holding out the promise of guarantees the United States may find its role as world policeman greatly expanded. Instead of defense treaties with 43 nations we may soon be responsible for defending an additional 50 nations. For instance, the United States presently has no treaty with Nepal or Afghanistan, both of which border China. Suppose, for example, that China threatens nuclear attack against either one of these states. Are we bound to give them, in the words of President Johnson, "strong support"? Are we bound to defend two countries, one a remote Himalayan kingdom, which previously we did

not consider to be vital to the security of the United States? These are questions that should be answered before we proceed further on the draft treaty.

Another problem connected with guarantees is the ambiguity in language. The President has had little to say on guarantees. His most important public statement was this one made on October 18, 1964:

> The nations that do not seek national nuclear weapons can be sure that, if they need our strong support against some threat of nuclear blackmail, then they will have it.

To date, however, the President has not been specific about how such guarantees might work. Before proceeding further on the treaty, should we not move beyond the domain of the speechmaker, where the matter presently rests, to specific measures upon which nations act? Since the President's position is couched in sufficiently ambiguous terms not to disturb anyone, we should not expect it to have a measurable effect on the decisions of governments which possess the ability to develop nuclear weapons. The nonnuclear nations are not interested so much in defense, as in deterrence. A U.S. guarantee therefore must be really dependable, indeed automatic, to have value. Nations are not interested in accepting a Hiroshima on their soil as the condition precedent to U.S. defense. A policy for the benefit of a particular nonnuclear nation may have some utility, especially if expressly addressed to an imminent nuclear threat. A unilateral declaration, such as the President's, addressed to the world at large probably will not be taken seriously by anyone. Empty guarantees to the world at large, on the other hand, tend to weaken the credibility of the guarantees given to our allies in NATO.

Ambassador Foster, in his testimony last Thursday to the Foreign Affairs Committee, sought to meet some of the problems on guarantees. He stated that the U.N. could guarantee nations in Southeast Asia and Asia against nuclear blackmail, but when I asked him if he anticipated the U.N. would own and control nuclear weapons, he replied, "Not under present circumstances."

Regarding India, the only thing he could promise was—

> We are working on a set of assurances that will partially meet the concern of India.

I, of course, do not know what these assurances are, and by his own testimony they will only "partially" meet the concerns of India. Ambassador Foster stated that under the treaty we are not bound to use nuclear weapons to defend India or Israel. What did he offer these countries in the way of U.S. guarantees? In Israel's case he said only, "I refuse to speculate on that possibility" that we might use nuclear weapons. Of India, he said:

> I think that the record of the U.S. in supporting this great democracy of India over the last twenty years is a very clear record. I think that other nations are aware of the interest the U.S. has in India.

Apparently Pakistan treated this interest casually at the time of the Kashmir war and it did not deter China's invasion of India in 1962.

It is unlikely that New Delhi—or anyone else—will take such assurances seriously—especially when Ambassador Foster said further that there "is not a specific commitment at this moment in history" to defend India.

The proffer of U.S. guarantees is simply not credible. The announcement of virtuous ends does not discharge our responsibilities or deter aggression. The futility of unilateral allied guarantees for the political integrity of independent smaller states did not deter aggression against Albert's Belgium, Republican Poland, independent China, or Haile Selassie's Ethiopia, nor did it prevent Communist aggression in Korea, Southeast Asia, or Eastern Europe.

Ambassador Foster said:

> We feel the spread of these (nuclear weapons) is the greatest danger to the survival of the world.

I disagree strongly with that assumption and I believe a majority of the Congress does also. Of the greatest dangers to the survival of the world proliferation ranks well down the list.

In fact such acquisition might even preserve the peace in some cases. One wonders whether Hungary might not be independent today if she had had a small arsenal of tactical nuclear weapons to use against Soviet tanks in 1956. In the final analysis, what preserves a nation's independence is its own willingness to defend its territorial integrity, the determination of its allies, the balance of power, strategic frontiers and an international order which places it in an unassailable position.

Prohibiting nuclear proliferation within the context of the draft treaty does not enhance the survival of the world; it may well threaten it.

THE LIKELIHOOD OF NUCLEAR PROLIFERATION MAY BE VASTLY OVERRATED

There are numerous obstacles to proliferation. The size of the investment needed to build a strategic nuclear force and the cost of a diversified delivery system are inhibiting factors. Weapons technology does not stand still, and therefore research and development are also heavy cost factors. Domestic political pressures may inhibit the acquisition of nuclear weapons. Outright transfer of nuclear weapons from one power to another is possible but not probable. Furthermore, it would not necessarily solve or meet other inhibiting factors.

The premise upon which we have negotiated this treaty is a faulty one. We have perceived this treaty to be so important that writing in the July 1965 issue of Foreign Affairs, Ambassador Foster said:

> A heavier cost could be the erosion of alliances resulting from the high degree of U.S.-Soviet cooperation which will be required if a non-proliferation program is to be successful. Within NATO, there could be concern that the detente would lead to a weakening of our commitment to Western Europe. The problem will be particularly acute in Germany . . .

Certainly this is a backward listing of priorities. But this reasoning of the State Department is internally consistent, because they believe, as Ambassador Foster testified last Thursday that—

> The Soviet Union is a responsible nuclear power.

I cannot accept these premises. Neither did this committee in 1961, when it published a list of 15 countries which the Soviet Union had threatened with destruction.

Was the Soviet Union a responsible nuclear power when it abruptly broke the nuclear explosion moratorium in 1961 and 3 days later inaugurated a lengthy series of tests—tests that must necessarily have been in preparation while the Soviet Union was piously proclaiming its observance of the moratorium?

Was the Soviet Union a responsible nuclear power when it sought to place nuclear-tipped rockets in Cuba?

Was it a responsible nuclear power when it defied world opinion and an outraged United Nations by detonating the 50-megaton bomb?

Was the Soviet Union a responsible nuclear power when Chairman Khrushchev told how he had intimidated the Greek Ambassador who said to him:

> I trust the Chairman of the Council of Ministers of the Soviet Union will never give the order to drop atomic bombs on the Acropolis and other historic monuments of Greece.

On that occasion Mr. Khrushchev replied:

> Mr. Ambassador, I do not like to be unpleasant, but you are deeply mistaken.

Is our fetish to work out empty arrangements with the Soviet Union so strong that we take flight of reality? I sincerely hope not.

In reviewing the language of the treaty, it appears to me there are eight principal arguments against it.

First, it will seriously weaken and may completely destroy the North Atlantic alliance.

I believe the complete destruction of NATO is a chief aim of the Soviet Union in participating in the negotiations on the treaty. The durability and strength of NATO depends upon its becoming a partnership of equals, an alliance in which the United States permits the other members to have a fair share in nuclear strategy. Such a partnership cannot grow if a nonproliferation treaty renders the European nations who do not possess nuclear weapons forever dependent upon the United States for protection in the event of an attack requiring a nuclear response.

A treaty denying these powers an adequate deterrent in the future while U.S. troops stationed in Europe are cut back is bound to raise questions regarding the sincerity of our commitment. In my view a nonproliferation treaty should not be accorded any priority which prevents the North Atlantic nations from solving the nuclear sharing problem in whatever way they decide is best.

William R. Kintner, deputy director of the Foreign Policy Research Institute at the University of Pennsylvania, has written:

> Many Europeans who favor a strong Atlantic Alliance would like to replace European military dependence on the U.S. with a true partnership based upon the interdependence of a powerful United Europe and a powerful U.S. East-West agreement on nuclear nonproliferation would render the concept of interdependence meaningless. Partnership implies the creation of a European deterrent independent of the American de-

terrent, yet closely connected with it. The prospects for creating a European nuclear deterrent are now slim. An anti-proliferation treaty might eliminate any future possibility of such a development.

Second. It will have an undesirable effect on the Federal Republic of Germany.

Bonn is in a special situation, because it bears a heavy risk and burden in the defense of Western Europe, yet is subjected to special restrictions concerning nuclear arms which were imposed in the early postwar years. To keep firm ties with the Federal Republic, it will be necessary for the Western Allies to treat Germany as an equal. The signature of East Germany, the so-called German Democratic Republic, on this treaty will increase its prestige and standing in the international community at the expense of the Federal Republic. Continued discrimination against Germany might fan the flames of extreme nationalism increasing the strength and appeal of the Neo-Nazi Party. The inspection provisions finally negotiated under the treaty may well lead to industrial espionage, and the treaty may preclude Germany's harnessing nuclear energy for peaceful purposes.

Since the Atlantic and West German agendas seem to be overweighed with hot issues at the present, it is to be wondered whether top U.S. policy officials have given sufficient attention to the questions of timing and priorities in respect to this treaty.

Third. It will not prevent completely the spread of nuclear weapons.

Nations follow the course which they deem in their national interest, and will manufacture, or decide not to manufacture nuclear weapons whether or not there is a nonproliferation treaty. Indeed this treaty, based as it is on unbelievable guarantees, may encourage proliferation. Exaggerated chatter about the damage that additional nuclear forces can achieve encourages the notion of nuclear weapons as "the great equalizer" in international relations.

Fourth. Its inspection features are not clearly spelled out.

To approve a treaty such as has been submitted without knowing what inspection features may be ultimately agreed upon is inviting the creation of a dangerous illusion. Without adequate inspection a nation may covertly transfer or manufacture weapons. The possibility of different standards of inspection being applied is a real one because each state to the treaty negotiates inspection features separately.

Even assuming that the safeguards of the International Agency for Atomic Energy are adequate to prevent diversion of nuclear materials from declared peaceful activities it is unlikely that there will be a provision for inspecting the nuclear stockpiles or weapon production facilities of the nuclear weapons powers to determine whether they may be transferring any to nonnuclear powers. Furthermore, there is no penalty provided for in the treaty and any nation could withdraw upon three months notice whenever it decided it wanted to proceed with open production of nuclear weapons. It is still not clear how industrial trade secrets would be protected under a system of international inspection.

Fifth. It may restrict peaceful development of atomic energy for industrial or energy purposes.

The draft treaty outlaws any "nuclear explosive device" regardless of whether it is detonated for peaceful or military purposes. A number of respected nuclear scientists believe the development of "ploughshare" depends upon peaceful atomic explosives. Proposals have been advanced, for example, for atomic explosions for such massive excavation jobs as creating a new canal supplemental to the congested Panama Canal. Other large scale nuclear excavation needs might be needed in the CHOCO and NAWAPA water and power projects in Latin America. Underground explosions offer splendid economic potentials. It has been estimated, for instance, that the world's supply of natural gas can be doubled by nuclear fracturing of impervious gas formations deep beneath the surface.

On the other hand critics of this argument claim the draft treaty will not affect peaceful development of nuclear energy. If this be so then I agree with Mr. Adrian Fisher's statement that a nation which can develop nuclear energy for peaceful purposes likely can develop it also for military purposes.

Sixth. It would require the nonnuclear nations to sacrifice a nuclear weapon capability which might someday be imperative for their self-defense without placing any counterbalancing limitation on the further acquisition of nuclear weapons by the nuclear powers.

The nonnuclear powers are required—under the treaty—to renounce their right to manufacture or acquire nuclear weapons, but the nuclear powers would not have any limitations placed upon them except a prohibition against transferring to or assisting nonnuclear states in the manufacture of nuclear weapons, something they have already chosen not to do. True, the treaty does require "good faith" bargaining to achieve more concrete steps toward general disarmament, but this has not been achieved in 22 years of disarmament negotiations and its achievement is not likely in the foreseeable future.

The very act of signing a nonproliferation treaty assumes significance even though the treaty does not change an existing de facto situation. The act can be interpreted as one of signing away future national security, in an age when balance-of-power politics still prevails, when nuclear weapons still appear the ultimate guarantee of security, when regional or international security organizations are far from being capable of taking over national responsibilities for defense and when alliances do not appear to be guaranteed for all time, if at all.

In other words, the treaty strikes at the heart of national sovereignty without providing any substitute organization principle or any meaningful security guarantees.

Rumania, an Eastern European Communist state with a growing streak of external independence, and a member of the ENDC, accurately stated that the concern of these smaller nations when its President, Nicolae Ceausescu, said:

> Without precise, firm and efficient measures, on the part of all states for ceasing the production of nuclear weapons . . . nonproliferation would not only fail to secure progress along the way of liquidating the danger of nuclear war, but would bring about its indefinite perpetuation. Such an approach to non-proliferation of nuclear weapons would only legislate the division of the world into nuclear and non-nuclear states.

Indeed Rumania proposed that if at the end of 5 years the nuclear powers had not taken steps for reduction of their own nuclear stockpile then the nonnuclear signatories would reexamine their own position. Rumania has also insisted upon security guarantees for the nonnuclear powers a precise, just, and efficient control system and the absolute requirement that the treaty not block peaceful development of atomic energy. It would appear that the Rumanian delegation—among others—has a better grasp of "realpolitik" and its own national interest than some of the major powers.

Seventh. It will weaken the relative military position of the United States.

It is unlikely that the nonnuclear powers will sign a nonproliferation treaty unless it is linked with measures to limit the nuclear powers to a comparable degree. The treaty may lead to further disarmament measures which will weaken our security. Such measures may include a comprehensive nuclear test ban or a prohibition against the first use of nuclear weapons.

The treaty will impede the deployment of an antiballistic-missile defense system to protect countries from Communist aggression since a successful antiballistic-missile system requires nuclear warheads. In the future countries such as India, Japan, and European allies might want to build such a defense system, but the Nonproliferation Treaty would prevent the United States from assisting them.

Finally, the treaty will require the United States to accept new commitments to help defend the states which forgo the manufacture of nuclear weapons. Nonnuclear nations cannot be expected to give up the right to acquire nuclear weapons without some sort of guarantee of protection against an attack requiring a nuclear defense. Such commitments may overextend the United States, whereas if nations could acquire their own nuclear weapons or participate in regional systems, we would be relieved of responsibility.

Eighth. It will be a gain for the Soviet Union.

The Soviet Union is probably interested in securing a treaty for these reasons:

It will effectively keep Germany from acquiring a nuclear defense either through an ABM system or a control or policy influence in nuclear strategy development.

It will aggravate differences within the Atlantic Alliance among Rome, Bonn, Paris, and Washington.

China's refusal to sign the treaty will further isolate her from the world community and in particular the Communist movement.

It will prevent certain Eastern European countries from obtaining nuclear weapons and perpetuate their reliance on the Soviet Union to defend their position.

It will keep nuclear weapons out of the Middle East and South Asia where Russia, perhaps by "Cuban missile type" arrangements, seeks to expand her influence.

The draft treaty confuses appearance for reality, symbols for substance. It would lump together all the "have-nots" of the world—the backward and the advanced, the neutral and the alined, the subservient and the independent, the malign and the well intentioned in one category, and the diverse "haves" minus two—China and France—in another category, thus symbolically reversing alinements and priorities that have prevailed for over 20 years.

At the very least the Congress should insist that the treaty be modified in order to permit regional organizations sanctioned under article 52 of the United Nations Charter to own and control such nuclear defenses as they may decide will serve their common interests.

A TRIBUTE TO HON. GRAEME C. BANNERMAN

Mr. SIKES. 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 Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, today a distinguished American is retiring after an active and outstanding career with the U.S. Government. His friends in and out of Government are legion. He is very well known and very highly regarded on Capitol Hill. Many of us have worked closely with him and we appreciate his caliber and his contributions.

The Honorable Graeme C. Bannerman is retiring as Assistant Secretary of the Navy after serving the U.S. Government for more than 31 years. His has been a most remarkable career, culminating in the unusual situation where an Assistant Secretary retires as opposed to resigning.

The Secretary of the Navy very aptly described the services rendered by Secretary Bannerman as Assistant Secretary of the Navy in the Distinguished Public Service Award presented on February 2, 1968. I quote from the citation as follows:

For exceptionally meritorious service to the Department of the Navy while serving as Assistant Secretary of the Navy for Installations and Logistics from February 1965 to February 1968. Mr. Bannerman's accomplishments contributed greatly to the Navy's capabilities during a period marked by intensive operations of Naval Forces in Southeast Asia. A nationally recognized authority on Department of Defense procurement policy, systems and practices, Secretary Bannerman, through his leadership, imagination and practical approach to installations and logistics problems, conceived and implemented advanced and effective management techniques throughout the Navy. Under his direction and guidance the Navy established a large gun and air ammunition complex in a short time; began the use of multi-year procurements for obtaining lower prices and for securing the modernization of shipyard manufacturing processes; and applied total package concepts to the procurement of the Fast Deployment Logistics ships and other ships. He has raised the efficiency level of the purchasing function throughout the Navy and the Department of Defense and in so doing has saved hundreds of millions of dollars in Defense appropriations. He has also inspired dynamic leadership in planning and directing real property management and facilities matters in the Navy. For these and many other exceptional accomplishments and contributions to the United States Navy and for their far reaching impact on the Government and the public, Secretary Bannerman is awarded the Navy's Distinguished Public Service Award.

Mr. Bannerman was born in Washington, D.C., on April 1, 1910, and has continued residence there except during a period of service as a naval officer in World War II. He attended Hamilton College, Clinton, N.Y., from which he received a bachelor of science degree in 1931. While there he majored in mathematics and physics. In 1936 he received a bachelor of laws degree and 1938 a master of laws degree from the George Washington University in Washington, D.C. He was on the staff of the George Washington Law Review. He was admitted to the practice of law in the District of Columbia in 1936 and admitted to practice before the Supreme Court of the United States in March 1967.

Prior to World War II he was employed by the Treasury Department's Procurement Division. During World War II he served in the U.S. Navy and was assigned for most of his duty to the Naval Aviation Supply Office, Philadelphia. He left the naval service as a lieutenant. From 1946 to 1948 he was in the private practice of law in the District of Columbia. In 1948 he joined the Navy's Bureau of Ships as a contract negotiator, later becoming the Deputy Director of Contracts in that Bureau. In 1953 he accepted a position in the Office of Naval Material where he served as the Navy's senior civilian procurement official until 1957, leaving there to become Director of Procurement Policy in the Office of the Secretary of Defense. In February 1961 he was appointed Deputy Assistant Secretary of Defense by Secretary of Defense McNamara.

In 1963 Mr. Bannerman received the Career Service Award of the National Civil Service League which included the following citation:

Graeme C. Bannerman oversees procurement activities of the Department of Defense involving approximately $25 billion annually—some 30 percent of the total Federal budget. In carrying out his duties, he has achieved national stature as a recognized authority on Defense procurement policy, systems, and practices. Through Mr. Bannerman's leadership, the procurement elements of the Armed Services have been drawn into a cooperative and cohesive group thus paving the way for significant improvements in purchasing policy and techniques and the consequent saving of millions of dollars in Defense appropriations.

He was serving as Deputy Assistant Secretary of Defense when appointed by President Johnson in February 1965 to be Assistant Secretary of the Navy. Throughout most of his career Mr. Bannerman has been engaged in the procurement field for the Federal Government.

This is a great career. Let us hope that we will see others like it. Mr. Bannerman has been one of the Navy's most persistent advocates of career service, and there is no better argument to make on its behalf than to cite the example he has set himself. Anyone who has worked with him has been thoroughly impressed by his great integrity, ability, dedication, and enthusiasm. I hope that the exposure has been contagious and that some of our younger men and women in Government have been reassured by his career that merit is rewarded.

Graeme C. Bannerman brought to every position a determination to do something a little better than it was being done and indeed he did. He and every position he held grew in stature. He is that rare combination of the idea man and man of action that the Government will always need.

His retirement concludes his active service with the Federal Government. He will continue to apply his remarkable talents in the public interest as he takes up his new duties as vice president for business and finance for the University of California.

CONGRESSIONAL REFORM

Mr. MICHEL. 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 Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, as a member of the Republican Task Force on Congressional Reform, I have been working with 16 other Republican Members on a project to compare the various congressional reform bills, including the Senate-passed version, S. 355.

My assignment relates to section 105, Legislative Review, and I include the following in the RECORD:

SECTION 105—LEGISLATIVE REVIEW

(NOTE.—House Rule XI, paragraph 27, now provides that "each standing committee of the House shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the House by the agencies in the executive branch of the Government." The Government Operations Committee has special powers and duties of oversight.)

S. 355—Attempts to restate the legislative review function of standing committees in broader and more comprehensive terms: "Each standing committee of the Senate and House . . . shall . . . analyze, appraise, and evaluate reports and other data of the Comptroller General . . . keep currently informed with respect to the regulations, procedures, practices, and policies of the Government pertaining to the application, operation, administration, and executive of the laws . . . (conduct) reviews of programs of grants-in-aid," etc.

Each such committee is entitled to employ a Review Specialist, appointed by the chairman with the prior approval of the

ranking minority member, who shall be in addition to the professional staff to which the committee is otherwise entitled.

A report of its review activities must be submitted to the Senate and House respectively, no later than March 31 each year, by each committee to which this section applies (exceptions are both Appropriations committees and House ethnics committee). Each house will transmit copies of such reports to appropriate officials of the Executive Branch.

Legislative "oversight" will henceforth be known as legislative "review."

Bolling—Strikes, as well as S. 355 language on oversight, even the meager language of '46 Act. Under Bolling bill, there would be no formal exercise of oversight by standing committees except grant-in-aid programs.

Reid—Same as Bolling except for inclusion of that language which redesignates "oversight" as "review." (New Sec. 104 in Reid.)

Print No. 3—Pretty well deletes everything except the redesignation language and allowance for a Review Specialist, who, however, has no specific duties and may be added to staffs of House committees without approval of the minority.

Recommendations of the Final Report under the heading "Legislative Review," pages 23–25, are as follows:

"1. The activity commonly referred to as 'oversight' shall be redesignated as 'review' so that there will be a better public understanding of the function.

"2. In addition to the permanent professional staff otherwise authorized, each standing committee shall be entitled to one additional permanent professional staff member who shall be designated a review specialist and who shall be assigned exclusively to performance of review (oversight). He shall be selected by the chairman with the concurrence of the ranking minority member. The review specialist shall be directed to carry out review projects, or to supervise the same, contingent upon the approval of such projects by the chairman and ranking minority member of the committee.

"3. Each standing committee other than the Appropriations Committees shall file an annual report on the review activities of the committee during the year. The report shall include an evaluation of programs under the jurisdiction of the committee, an assessment of the quality of administration of agencies investigated during the year, and recommendations as to organizational and program changes and/or the elimination of unnecessary activities under the committee's jurisdiction. The reports shall be delivered to the majority and minority leadership of both Houses and by the leadership to the President, with a copy to the Bureau of the Budget.

"4. The legislative committees should hold hearings on major reports required of the Executive.

"5. The legislative committees should review reports required by the law of the executive departments and agencies to determine whether the reports perform a useful function, should be reoriented, or are no longer necessary."

Sec. 105 was twice amended by the Senate. See Amendment No. 76, Feb. 15, S2002, and Proxmire Amendment on Mar. 3, pages S3075–77.

See also recommendation No. 1 under the heading "Committees on Procedures and Policies", in the supplemental views of Reps. Curtis, Hall, and Cleveland, final report pages 85–87, and supplemental views of Sen. Mundt, which were concurred in by Curtis, Hall, and Cleveland, final report pages 78–79. Excerpts from both views follow.

SUPPLEMENTAL VIEWS OF MESSRS. CURTIS, HALL, AND CLEVELAND

We support the committee report and feel it is a constructive, forward step in strengthening Congress.

These supplemental views contain further recommendations for needed reforms in the procedures of Congress. They are not intended to detract from the work that has been accomplished but are offered as constructive additional steps to be taken. . . .

We strongly urge the creation of new committees in the House and Senate to be known in each body as the Committee on Procedures and Policies. Such committees would have the power to examine into and report back to the Congress on the expenditure of Federal funds by the executive branch to insure that they are spent efficiently and in accordance with law. The chairman of these committees shall be members of the minority party.

During the past few years, the legislative branch has been increasingly subordinated in the lawmaking process. Power has been increasingly concentrated in the executive branch. By allowing this development, the Congress has strayed from the mandate of the Constitution by which it is established as a coequal branch of Government.

The appropriations process, the right to raise and maintain armies, and the right to declare war are outstanding examples of authorities granted exclusively to the Congress which are more and more being absorbed by the executive branch.

In addition, there are other ways by which the power and authority of the legislative branch have been diminished. It is not our object to enumerate these abuses here but, recognizing their existence, to propose means for correcting them.

We believe the best means would be creation of the Committees of Procedures and Policies in the House and Senate, headed by members of the minority party.

In both Houses of Congress are Committees on Government Operations having jurisdiction to conduct comprehensive investigations. It is difficult for them to do so effectively when the results appear likely to reflect unfavorably on their own party's administration. This is the purpose of giving control of these committees to the minority.

This is not an original idea in representative government either here or abroad. The House of Commons in Great Britain has a committee known as the Committee of Public Accounts whose chairman is by convention a leading member of the opposition, usually a person who has been Financial Secretary of the Treasury. The committee is charged with responsibility for insuring that all public money is spent in the manner intended by Parliament. It also promotes economy and efficiency and helps to maintain high standards of morality in all public financial matters.

In our own history also, there are examples of minority control of committee investigations. Perhaps the most famous occurred in 1923 when the Teapot Dome oil-reserve investigation was conducted by a Democratic Senator at a time when both Houses of Congress and the executive branch were controlled by the Republican Party. This Senator, Thomas J. Walsh, of Montana, accepted the responsibility of conducting the investigation at the urgent request of Republican Senator Robert LaFollette.

These committees would infringe in no way upon the majority's power to conduct its own investigations. The new committees would help only to reveal areas in which Government was not serving the American people as well as it should. . . .

SUPPLEMENTAL VIEWS OF MR. MUNDT

There are numerous recommendations in the joint committee's report which, if adopted by the Congress, will lead to substantial improvement in congressional procedures. . . .

I do feel however, that the report does not delve deeply enough into the fundamental question of preserving the traditional check and balance system of our government. Everyone knows that the executive branch increasingly has encroached upon the powers of the Congress. We might have created a mechanism which would help assure a better check and balance system. I believe we might have looked more closely at proposals which would have provided a sort of watchdog committee on procedures and policies which would be chaired in each House by Members of the minority party. This would give greater assurance that partisanship would not prevent or modify complete scrutiny by the Congress or the executive branch, especially when both Houses of the Congress, as well as the Executive, are controlled by the majority party. Surely it would give far greater assurance that the public would be given the full truth in matters such as the Bobby Baker scandal. This is a parliamentary tool which the British have found to be very effective through the operation of what they call "The Committee of Public Accounts" which is controlled by the minority. . . .

STATEMENT BY HON. JAMES E. WEBB

Mr. FULTON of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a statement of James E. Webb of the National Aeronautics and Space Agency on the future of the space program for fiscal year 1969.

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

There was no objection.

Mr. FULTON of Pennsylvania. Mr. Speaker, I include the above-mentioned statement at this point in the RECORD:

STATEMENT OF JAMES E. WEBB, ADMINISTRATOR, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, BEFORE THE COMMITTEE ON SCIENCE AND ASTRONAUTICS, HOUSE OF REPRESENTATIVES

Mr. Chairman and Members of the Committee: We are here today to present to the Committee the President's authorization request for NASA's Budget for Fiscal Year 1969, a year that marks the beginning of NASA's second decade.

For the past seven years, Dr. Robert C. Seamans, Jr., first as Associate Administrator and then as Deputy Administrator, has played a principal role in presenting the NASA program to the Committee. All of us at NASA deeply regret the loss of his services as a full-time official, but we are glad that he has agreed to continue on a part-time basis as a consultant.

The President last week submitted to the Senate the appointment of Dr. Thomas O. Paine of Santa Barbara, California, to succeed Dr. Seamans. Dr. Paine has achieved a distinguished record in many technical fields including metallurgy and magnetism. Equally important, he is experienced in the field of management. His most recent post was as Manager of General Electric's Center for Advanced Studies. Here he was responsible for a substantial effort in research and analytic studies on complex problems of military systems and on broad technological and social problems of a national and international character. Thus NASA is able to draw on an outstanding technically and scientifically oriented executive from private life to enrich the high competence of its career service. Dr. Paine will be available for duty in about a month.

Dr. Homer Newell, as Associate Administrator, is concentrating on a number of special assignments centering on an analysis of policy and planning needs for the next ten years. Since the position of Deputy Administrator is temporarily vacant, and in view of Dr. Newell's current assignment, I have asked the Associate Administrators for Space Science and Applications, for Tracking and

Data Acquisition, for Advanced Research and Technology, and for Manned Space Flight to present NASA's 1969 budget requests. They will testify not solely as the managers of the four major program offices, but as officials responsible for and participating in the conduct of the total NASA program including the areas of over-all management and public policy. Statements covering a number of specialized areas have been supplied by other officials.

With your permission, my own statement will be limited to a few important points which will be developed further by the Associate Administrators.

1. NASA's 1969 authorization request, at the $4,370 million level, is $700 million below the amount requested last year. It is almost $500 million less than this year's authorization and is $200 million below this year's appropriation. NASA's expenditures for FY 1969 will be down $230 million from this year, $850 million below last year, and $1.3 billion less than in FY 1966. The NASA program has been cut. I hope you will decide it has been cut enough and will approve the full amount recommended by the President.

2. The FY 1969 request does not meet all our Nation's needs in aeronautics and space. It is a compromise—one which I fully support—between needed work toward advances in aeronautics and space which we can and should make, and other overriding requirements. The President was forced, in spite of his conviction as to the importance of a larger effort in aeronautics and space research, to accept reductions in NASA's budget as submitted for FY 1968 and to recommend in this 1969 budget an even lower level.

3. During this period when we are reducing our effort by one-third, the USSR is still increasing its effort. We must therefore face the probability that in the coming year, and in those following, the Soviets will continue to demonstrate capabilities beyond those which we will have. They will soon be in position to launch a booster with greater thrust than the Saturn V. I expect them to resume manned space flights soon. They may well land instrument package on Mars in 1969 and again in 1971. In terms of scientific advance and in applications of immediate economic use, such as meteorological and communications systems, our program has contributed more than theirs. But in terms of the use of large launch vehicles and in the rate at which future greater capabilities are being developed, they are and will remain ahead, at our 1969 Budget level. The hard fact we now face is that just as we have begun to catch up in large-scale booster operations—as shown by the flights of Apollo 4 and 5 and the bringing of Launch Complexes, 34, 37 and 39 on stream—we are cutting back our program while they continue to advance.

Within the necessary fiscal constraints, the NASA FY 1969 program and budget estimates are based on the following guidelines:

First, we will continue with the Apollo program on the schedule we presented to this Committee in its hearings on our 1968 operating plan. A manned lunar landing by the end of 1969 depends on success in practically every one of the eight Saturn V flights remaining in our operational plan for 1968 and 1969. Our schedules and our budget estimates are based on success in utilizing the all-up test concept for both the Saturn V and Apollo. At the 1969 Budget level, our ability to promptly overcome any serious problems which our test launches may show is greatly reduced.

Second, we will reduce production rates under space systems contracts and our NASA center operations in order to hold expenditures to a minimum in FY 1968 and FY 1969. The delivery rate of Saturn IB's after the first 12 and of Saturn V's after the first 15 will be reduced to two per year. We are also carefully analyzing with the Department of Defense future requirements for large launch vehicles and will consider further adjustments. No Apollo Applications flights will be scheduled until after the first manned lunar landing, and the number of launches will be sharply limited. A number of new studies will focus on definition of a *Saturn V Workshop* as the major follow-on use of the Saturn-Apollo capability we have developed for initial use in the manned lunar landing. The Saturn I Workshop will be considered as an interim step toward the Saturn V Workshop. The earliest launch of the Saturn I Workshop will be in 1970; it will be used in association with a later launch of an Apollo Telescope Mount as we described to you last year. Under our reduced budget, this is a logical step in the development of manned flight in the period following the lunar landing. Practically all programs have been stretched out. For example, in the Physics and Astronomy program, the launch schedule for the Pioneer spacecraft has been revised so that there is now a gap of more than three years between Pioneer E and the first of the next two missions, Pioneer F and G.

Third, we are phasing-out a number of flight research projects such as the X–15 and XB–70. We are terminating the orbiting geophysical observatory program after OGO–F now scheduled to be launched early in 1969.

Fourth, those urgent new starts which we must undertake will be reduced in scope. Instead of the large NERVA II nuclear engine proposed last year, we will be developing a smaller NERVA I. This will enable us to greatly increase the future capability of the Saturn V launch vehicle, but will not require the construction of extensive engine development and test facilities. In the planetary program, in place of the Voyager mission, we are now proposing an extended use and expansion of the less costly Mariner class spacecraft. This program includes Mars missions in 1971 and 1973.

Fifth, in aeronautics and in space applications we will undertake certain urgent activities in an expansion of current levels. In aeronautics, technology developed in space programs is now able to make important contributions to the improvement of aircraft. We will devote increased effort to noise reduction and the development of vertical and short take-off and landing aircraft. We will increase our experimental work in the utilization of space systems for direct application and related economic benefit. For example, Nimbus D, planned for 1970, offers a major step forward in charting the vertical structure and composition of the Earth's atmosphere. We will enlarge with other Federal agencies an aircraft program to experiment with techniques and instruments for remote measurement of earth resources. We will also start definition studies of a future satellite system for acquiring data on earth resources.

Sixth, we are reassessing our NASA Center work assignments and organization as our work force is reduced. Our objective is to retain in our research and development centers, after the reductions are made, a limited but strong and well-balanced team of scientists, engineers, program and project managers. In our work with industrial contractors and universities, where employment on NASA work is down by 135,000 and is still dropping at a rate of about 4,000 per month, we plan to develop new ways through which the supporting research and technology funds in our contracts and an extension of step funding of university projects can help stabilize the operations on which the nation's most experienced scientific and technical teams depend. In all these actions, we are emphasizing the continuing need for basic research and basic work in technology to ensure that we will continue to strengthen our national resource base and have the ability to move forward again on a firm basis in the years to come.

Mr. Chairman, with your permission, I would now like to call on Dr. Naugle and then Mr. Truszynski.

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. BLATNIK (at the request of Mr. ALBERT), for 30 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. PETTIS) to revise and extend their remarks and include extraneous matter:)

Mr. MORTON, for 15 minutes, today.

Mr. GROSS, for 30 minutes, Thursday, February 8.

Mr. HALPERN, for 10 minutes, today.

Mr. FEIGHAN (at the request of Mr. BLANTON), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. FLOOD (at the request of Mr. BLANTON), for 60 minutes, on February 20; to revise and extend his remarks and include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GROVER and to include extraneous matter.

Mr. KARTH and to include extraneous matter.

Mr. BELCHER and to include extraneous matter.

Mr. MCCORMACK (at the request of Mr. ALBERT) and Mr. ALBERT in the body of the RECORD following the President's message on crime.

Mr. MICHEL and to include extraneous matter.

Mr. MURPHY of New York following the President's message on crime and to include pertinent extraneous material.

Mr. MACGREGOR following the remarks of Mr. MORTON and to include a newspaper article from the Minneapolis Morning Tribune of February 1, 1968.

(The following Members, (at the request of Mr. PETTIS) and to include extraneous matter:)

Mr. WYATT.
Mr. RHODES of Arizona.
Mr. FINDLEY.
Mr. HANSEN of Idaho in five instances.
Mr. ASHBROOK.
Mr. DERWINSKI in two instances.
Mr. DENNEY.
Mr. ESHLEMAN.
Mr. BERRY in two instances.
Mr. HOSMER in two instances.
Mr. ESCH.
Mr. FINO.
Mr. BLACKBURN.
Mr. BUSH.
Mr. TEAGUE of California.
Mr. FRELINGHUYSEN.
Mr. MAILLIARD.
Mr. TAFT in four instances.
Mr. ROTH in five instances.
Mr. MCDADE.
Mr. BOB WILSON.
Mr. MORSE of Massachusetts.
Mr. ANDREWS of North Dakota.

(The following Members (at the request of Mr. BLANTON) and to include extraneous matter:)

Mr. BROOKS.
Mr. EVANS of Colorado.
Mr. FISHER in four instances.
Mr. MACHEN in six instances.
Mr. MCFALL in two instances.
Mr. HAWKINS.
Mr. CELLER.
Mr. MOORHEAD in four instances.
Mr. RARICK in two instances.
Mr. RODINO.
Mr. ST GERMAIN in two instances.
Mr. STEED.
Mr. EILBERG in two instances.
Mr. DINGELL.
Mr. COHELAN in two instances.
Mr. LONG of Maryland.
Mr. BURKE of Massachusetts.
Mr. FASCELL in three instances.
Mr. MARSH in two instances.
Mr. WILLIAM D. FORD.
Mr. EVINS of Tennessee in three instances.
Mr. CAREY.
Mr. BOLLING.
Mr. KARTH.
Mr. BINGHAM.
Mr. HANNA in two instances.

ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p.m.) the House adjourned until tomorrow, Thursday, February 8, 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:

1482. A letter from the Acting Director of Civil Defense, Department of the Army, transmitting the report of Federal contributions program equipment and facilities for the quarter ending December 31, 1967, pursuant to the provisions of subsection 201(i) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1483. A letter from the Acting Secretary of the Army, transmitting a report of the number of officers on duty with Headquarters, Department of the Army, and the Army General Staff on December 31, 1967, pursuant to the provisions of section 3031(c) of title 10, United States Code; to the Committee on Armed Services.

1484. A letter from the Deputy Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Fish and Wildlife Act of 1956, as amended, to provide technical and financial assistance to the commercial fishing industry in meeting the requirements of the Wholesale Fish and Fishery Products Act of 1968; to the Committee on Merchant Marine and Fisheries.

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. HALEY: Committee on Interior and Insular Affairs. S. 1727. An act to authorize the consolidation and use of funds arising from judgments in favor of the Apache Tribe of the Mescalero Reservation and of each of its constituent groups (Rept. No. 1087). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Commitee on Interior and Insular Affairs. S. 2402. An act to provide for credit to the Kings River Water Association and others for excess payments for the years 1954 and 1955 (Rept. No. 1088). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. S. 2447. An act to amend section 2 of the Migratory Bird Conservation Act (Rept. No. 1089). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1058. Resolution providing for the consideration of H.R. 25, a bill to authorize the Secretary of the Interior in cooperation with the States to preserve, protect, develop, restore, and make accessible estuarine areas of the Nation which are valuable for sport and commercial fishing, wildlife conservation, recreation, and scenic beauty, and for other purposes (Rept. No. 1090). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1059. Resolution providing for the consideration of H.R. 11308, a bill to amend the National Foundation on the Arts and the Humanities Act of 1965 (Rept. No. 1091). 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. BOLAND:

H.R. 15180. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BRASCO:

H.R. 15181. A bill to amend title 39, United States Code, to provide a new system of overtime compensation for postal field service employees, to eliminate compensatory time in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 15182. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL of Virginia:

H.R. 15183. A bill to amend the District of Columbia Teachers' Salary Act of 1955 to provide salary increases for teachers and school officers in the District of Columbia public schools, and for other purposes; to the Committee on the District of Columbia.

By Mr. BUSH:

H.R. 15184. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe penalties for the possession of LSD and other hallucinogenic drugs by unauthorized persons; to the Committee on Interstate and Foreign Commerce.

By Mr. DENNEY:

H.R. 15185. A bill to provide for improved employee-management relations in the Federal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN:

H.R. 15186. A bill to clarify the status of National Guard technicians, and for other purposes; to the Committee on Armed Services.

H.R. 15187. 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.

By Mr. FULTON of Tennessee:

H.R. 15188. A bill relating to dealings between parties to franchise agreements; to the Committee on the Judiciary.

By Mr. GARMATZ:

H.R. 15189. A bill to authorize appropriations for certain maritime programs of the Department of Commerce; to the Committee on Merchant Marine and Fisheries.

By Mr. GARMATZ (by request):

H.R. 15190. A bill to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. MATSUNAGA:

H.R. 15191. 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. PHILBIN:

H.R. 15192. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. RIVERS:

H.R. 15193. A bill to authorize a study for flood control and allied purposes in the New River Basin, S.C.; to the Committee on Public Works.

By Mr. SELDEN:

H.R. 15194. A bill to revise the quota-control system on the importation of certain meat and meat products; to the Committee on Ways and Means.

H.R. 15195. A bill to provide for orderly trade in iron and steel mill products; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 15196. A bill to amend the Public Health Service Act to provide for the protection of the public health from radiation emissions from electronic products; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIAS of California (for himself, Mr. TEAGUE of California, Mr. SISK, and Mr. RUPPE):

H.R. 15197. A bill to enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer; to the Committee on Agriculture.

By Mr. PERKINS (for himself, Mrs. GREEN of Oregon, Mr. THOMPSON of New Jersey, Mr. HOLLAND, Mr. DENT, Mr. PUCINSKI, Mr. DANIELS, Mr. BRADEMAS, Mr. O'HARA of Michigan, Mr. CAREY, Mr. HAWKINS, Mr. WILLIAM D. FORD, Mr. HATHAWAY, Mrs. MINK, Mr. SCHEUER, Mr. MEEDS, Mr. BURTON of California, Mr. AYRES, Mr. REID of New York, Mr. DELLENBACK, and Mr. STEIGER of Wisconsin):

H.R. 15198. A bill to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint industry promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective bargaining agreements; to the Committee on Education and Labor.

By Mr. SAYLOR:

H.R. 15199. A bill to amend the Internal Revenue Code of 1954 to provide for an excise tax on electrical energy produced in nuclear powerplants; to the Committee on Ways and Means.

By Mr. STAFFORD (for himself, Mr. HORTON, Mr. SCHWEIKER, Mr. SHRIVER, and Mr. WHALEN):

H.R. 15200. A bill to amend title 37, United States Code, to increase the rates of basic pay for enlisted members of the uniformed services; to the Committee on Armed Services.

By Mr. FINO:

H.R. 15201. A bill to prohibit the distribution of estates to distributees in foreign countries which do not permit similar distributions to be made to distributees in the

United States; to the Committee on Ways and Means.

By Mr. FULTON of Pennsylvania:

H.R. 15202. A bill to provide for the establishment of a Commission on Negro History and Culture; to the Committee on Education and Labor.

H.R. 15203. A bill to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended; to the Committee on Education and Labor.

By Mr. WAMPLER:

H.R. 15204. A bill to amend title 38 of the United States Code so as to increase the amount of home loan guarantee entitlement from $7,500 to $10,000, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HANNA (for himself, Mr. SISK, Mr. TUNNEY, Mr. WALDIE, Mr. HAWKINS, Mr. VAN DEERLIN, and Mr. COHELAN):

H.R. 15205. A bill to amend the National Housing Act to eliminate interest rate ceilings on FHA and VA insured mortgages; to the Committee on Banking and Currency.

By Mr. EDWARDS of California:

H.R. 15206. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 15207. A bill for the relief of certain distressed aliens; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 15208. A bill to amend the Nurse Training Act of 1964 to provide for increased assistance to hospital diploma schools of nursing; to the Committee on Interstate and Foreign Commerce.

By Mr. BRASCO:

H.J. Res. 1060. Joint resolution to assist veterans of the Armed Forces of the United States who have served in Vietnam or elsewhere in obtaining suitable employment; to the Committee on Post Office and Civil Service.

By Mr. BUSH:

H.J. Res. 1061. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. ESHLEMAN:

H.J. Res. 1062. Joint resolution proposing an amendment to the Constitution of the United States relating to the employment of subversives; to the Committee on the Judiciary.

By Mr. GERALD R. FORD:

H.J. Res. 1063. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. FULTON of Tennessee:

H.J. Res. 1064. 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 Messrs. MAHON, KIRWAN, and BOW:

H.J. Res. 1065. Joint resolution to provide for the reappointment of Dr. William A. M. Burden as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 1066. Joint resolution to provide for the reappointment of Dr. Crawford H. Greenewalt as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 1067. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. NEDZI:

H.J. Res. 1068. Joint resolution to provide for the issuance of a special postage stamp in commemoration of Dr. Enrico Fermi; to the Committee on Post Office and Civil Service.

By Mr. RIEGLE (for himself, Mr. HARRISON, Mr. ABBITT, Mr. GROVER, Mr. SCHADEBERG, Mr. BUTTON, Mr. BUSH, Mr. SHIPLEY, Mr. THOMSON of Wisconsin, Mr. LONG of Louisiana, Mr. BURTON of Utah, Mr. CEDERBERG, Mr. TALCOTT, Mr. DONOHUE, Mr. MCEWEN, Mr. DIGGS, Mr. HÉBERT, Mr. MCCLURE, Mr. COWGER, Mr. HALPERN, Mr. MCCLOSKEY, and Mr. MCCLORY):

H.J. Res. 1069. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. GERALD R. FORD (for himself, Mr. ARENDS, Mr. LAIRD, Mr. GOODELL, Mr. BOB WILSON, Mr. CRAMER, Mr. RHODES of Arizona, Mr. HALL, Mrs. DWYER, Mr. BATES, Mr. BROOMFIELD, Mr. KING of New York, Mr. HARVEY, Mr. ROBISON, Mr. WATSON, Mr. MCDONALD of Michigan, Mr. BIESTER, Mr. KYL, Mr. MOORE, Mr. FRELINGHUYSEN, Mr. SNYDER, Mr. FINO, and Mr. HUNT):

H.J. Res. 1070. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter; to the committee on Education and Labor.

By Mr. O'NEILL of Massachusetts:

H.J. Res. 1071. 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. SAYLOR:

H.J. Res. 1072. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter; to the Committee on Education and Labor.

By Mr. PICKLE (for himself, Mr. POAGE, Mr. MAHON, and Mr. PURCELL):

H. Con. Res. 632. Concurrent resolution calling on the Boy Scouts of America to continue to serve the youth of this Nation as set out by their congressional charter; to the Committee on Education and Labor.

By Mr. ST GERMAIN:

H. Con. Res. 633. Concurrent resolution to express the sense of the Congress that the Secretary General of the United Nations should deliver an annual message on the state of mankind; to the Committee on Foreign Affairs.

By Mr. KUPFERMAN (for himself, Mr. BARING, Mr. BRASCO, Mr. BROWN of Michigan, Mr. CAHILL, Mr. DANIELS, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DICKINSON, Mr. FOLEY, Mr. GOODELL, Mr. KYROS, Mr. MCCLORY, Mr. MCCLURE, Mr. O'KONSKI, Mr. PHILBIN, Mr. POOL, Mr. RIEGLE, Mr. ROGERS of Florida, Mr. SMITH of New York, Mrs. SULLIVAN, Mr. VANDER JAGT, Mr. WHALLEY, Mr. WHITTEN, and Mr. WIDNALL):

H. Con. Res. 634. Concurrent resolution to require France to pay its World War I debt; to the Committee on Ways and Means.

By Mr. WILLIAMS of Pennsylvania:

H. Con. Res. 635. Concurrent resolution expressing the sense of the Congress with respect to the indebtedness of the Republic of France to the United States; to the Committee on Ways and Means.

By Mr. ASPINALL (for himself and Mr. SAYLOR):

H. Res. 1057. A resolution to print as a House document a revised and up-dated version of the collection of materials entitled "Documents on the Use and Control of the Waters of Interstate and International Streams: Compacts, Treaties, and Adjudications"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. MURPHY of New York:

H.R. 15209. A bill for the relief of Jai Doh Kim; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 15210. A bill for the relief of Dr. Ramon R. Azaret; to the Committee on the Judiciary.

By Mr. ST. ONGE:

H.R. 15211. A bill for the relief of Cesaria Salemi; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 15212. A bill for the relief of Hillman F. Griffith, Jr., and Betty A. Griffith; to the Committee on the Judiciary.

By Mr. DELANEY (by request):

H.R. 15213. A bill for the relief of Maria Peponias and Argyro Peponias; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 15214. A bill for the relief of Filippo Ardizzone; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

240. The SPEAKER presented a petition of Sister Anna S. Krieter and others, San Diego, Calif., relative to investigation of the Federal Communications Commission, which was referred to the Committee on Interstate and Foreign Commerce.

SENATE—*Wednesday, February 7, 1968*

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

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

Our Father God, we are grateful for the sweet time of prayer, that calls us from a world of care, and bids us at our Father's throne make all our wants and wishes known.

In the mercies of yet another day, we come with hearts grateful for Thy grace, praying that, by a strength not our own, our individual record may be kept by any word or act unworthy of our best.

Inspire and guide with Thy spirit these servants of the people—the few among the many—lifted to high pedestals of power and responsibility, to the end that they may be found faithful stewards of the Nation's trust.

In these anxious days when the destinies of nations hang in the balance, be Thou our chart and compass.

For Thine is the kingdom and the power and the glory. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, February 6, 1968, be dispensed with.

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

MESSAGES FROM THE PRESIDENT

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

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

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

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

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

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

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The bill clerk read the nomination of Thomas O. Paine, of California, to be Deputy Administrator of the National Aeronautics and Space Administration.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

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

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

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

Frederick E. Batrus, of Maryland, to be an Assistant Postmaster General.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ATTENDANCE OF A SENATOR

Hon. FRANK E. MOSS, a Senator from the State of Utah, attended the session of the Senate today.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 13094) to amend the Commodity Exchange Act, as amended.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED WHOLESOME POULTRY PRODUCTS ACT

A letter from the Secretary, Department of Agriculture, transmitting a draft of proposed legislation to clarify and otherwise amend the Poultry Products Inspection Act, to provide for cooperation with appropriate State agencies with respect to State poultry products inspection programs, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Health, Education, and Welfare for "Grants to States for public assistants" for the fiscal year 1968, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation for the Department of Agriculture for "Forest protection and utilization," Forest Service, for the fiscal year 1968, has been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

AUTHORIZATION OF PERSONNEL STRENGTHS FOR SELECTED RESERVES

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to prescribe the authorized personnel strength of the Selected Reserve of each reserve component of the Armed Forces (with an accompanying paper); to the Committee on Armed Services.

SPECIAL 30-DAY LEAVE FOR MEMBERS OF UNIFORMED SERVICES

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend section 703(b) of title 10, United States Code, to make permanent the authority to grant a special 30-day period of leave for members of the uniformed services who voluntarily extend their tours of duty in hostile fire areas (with an accompanying paper); to the Committee on Armed Services.

AUTHORIZATION OF APPROPRIATIONS FOR PROCUREMENT OF CERTAIN VESSELS AND AIRCRAFT

A letter from the Secretary, Department of Transportation, transmitting a draft of proposed legislation to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard (with an accompanying paper); to the Committee on Commerce.

NATIONAL SAFE BOATING PROGRAM

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for a coordinated national safety program to reduce boating accidents, and deaths and injuries resulting therefrom (with an accompanying paper); to the Committee on Commerce.

PROPOSED WHOLESOME FISH AND FISHERY PRODUCTS ACT OF 1968

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to regulate interstate commerce by amending the Federal Food, Drug and Cosmetic Act to provide for the inspection of facilities used in the harvesting and processing of fish and fishery products for commercial purposes, for the inspection of fish and fishery products, and for cooperation with the States in the regulation of intrastate commerce with respect to State fish inspection programs, and for other purposes (with an accompanying paper); to the Committee on Commerce.

REPORT ON MUTUAL EDUCATION AND CULTURAL EXCHANGE PROGRAM

A letter from the Chairman, the U.S. Advisory Commission on International Educational and Cultural Affairs, transmitting, pursuant to law, the fifth annual report of the Advisory Commission for the fiscal year ended June 30, 1967 (with an accompanying report); to the Committee on Foreign Relations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on potential savings in procurement of petroleum products for use by Navy contractors, Department of the Navy, dated February 6, 1968 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the examination of financial statements of the Panama Canal Company, for the fiscal years 1967 and 1966, dated February 6, 1968 (with an accompanying report); to the Committee on Government Operations.

FINANCIAL STATEMENT OF THE LEGION OF VALOR OF THE UNITED STATES OF AMERICA, INC.

A letter from the National Corporation Agent, Legion of Valor of the United States of America, Inc., transmitting, pursuant to law, a copy of their financial statement covering the period August 1, 1966 to July 31, 1967 (with an accompanying statement); to the Committee on the Judiciary.

REPORT OF ADVISORY COUNSEL ON VOCATIONAL EDUCATION

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Vocational Education: The Bridge Between Man and His Work," dated 1968 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT ON COST OF CLEAN WATER

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report which comprises industrial waste profiles of ten important water-using industries (with an accompanying report); to the Committee on Public Works.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. CLARK (for himself, Mr. BREWSTER, Mr. BYRD of West Virginia, Mr. CANNON, Mr. COOPER, Mr. FULBRIGHT, Mr. GRUENING, Mr.

HARRIS, Mr. HART, Mr. JAVITS, Mr. INOUYE, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGEE, Mr. MCGOVERN, Mr. MONDALE, Mr. MONTOYA, Mr. MORSE, Mr. MOSS, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCOTT, Mr. TYDINGS, Mr. WILLIAMS of New Jersey, Mr. YOUNG of Ohio, and Mr. YARBOROUGH):

S. 2938. A bill to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended; to the Committee on Labor and Public Welfare.

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

By Mr. SMATHERS:

S. 2939. A bill for the relief of Dr. Hugo Ferrara Collazo; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself, Mr. BARTLETT, Mr. BROOKE, Mr. MCGEE, Mr. MORSE, Mr. PERCY, Mr. PROXMIRE, Mr. SMATHERS, Mr. TOWER, and Mr. WILLIAMS of New Jersey):

S. 2940. A bill to amend the Small Business Act to provide for increased eligibility for and greater utilization of the displaced business disaster loan program established under section 7(b)(3) of that Act; to the Committee on Banking and Currency.

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

By Mr. LONG of Missouri:

S. 2941. A bill to amend the provisions of chapter 5 of title 5, United States Code, relating to administrative procedure; to the Committee on the Judiciary.

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

S. 2942. A bill to confer U.S. citizenship posthumously upon Primitivo Garcia; to the Committee on the Judiciary.

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

By Mr. HART (for himself and Mr. GRIFFIN):

S. 2943. A bill to amend the Anadromous Fish Conservation Act of October 30, 1965, relating to the conservation and enhancement of the Nation's anadromous fishing resources, to encourage certain joint research and development projects, and for other purposes; to the Committee on Commerce.

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

By Mr. NELSON:

S. 2944. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to provide for a Federal drug compendium which lists all prescription drugs under their generic names together with reliable, complete, and readily accessible prescribing information, and includes brand names, suppliers, and a price information supplement, and providing for distribution of the compendium to physicians and others, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. TOWER:

S. 2945. A bill for the relief of Lyda Josefa Aparicio; to the Committee on the Judiciary.

S. 2946. A bill for the relief of Edwin A. and Mattie Lee Barnes; to the Committee on Finance.

By Mr. MONRONEY:

S. 2947. A bill for the relief of Hershel Smith, publisher of the Lindsay News, of Lindsay, Okla.; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 2948. A bill to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans; to the Committee on Commerce.

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

By Mr. YARBOROUGH:

S.J. Res. 138. Joint resolution calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter; to the Committee on Labor and Public Welfare.

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

By Mr. TOWER:

S.J. Res. 139. Joint resolution to designate the period beginning October 20, 1968, and ending October 26, 1968, as "National Engineering Technicians Week"; to the Committee on the Judiciary.

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

By Mr. BENNETT:

S.J. Res. 140. Joint resolution to authorize the President to issue annually proclamations designating the Sunday of each year which occurs immediately preceding February 22 as Freedom Sunday and the calendar week of each year during which February 22 occurs as Freedom Week; to the Committee on the Judiciary.

MDTA EXTENSION

Mr. CLARK. Mr. President, I introduce, for referral to the Labor and Public Welfare Committee, a bill which would extend the Manpower Development and Training Act of 1962 for 3 additional years beyond its expiration date.

I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, a copy of the bill, together with an explanatory statement, which has been supplied by the Department of Labor.

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

(See exhibits 1 and 2.)

Mr. CLARK. I am glad to say that 33 Senators have agreed to join me in cosponsoring this important legislation.

The Manpower Development and Training Act was first passed in 1962 and began operation 5½ years ago. It was the first comprehensive, nationwide manpower training effort on the part of the Federal Government.

Since its inception, MDTA has given a new lease on life to more than a million Americans by teaching them the new skills necessary to obtain and hold jobs. It has done so at an average cost of less than $2,000 for those who are taught a new trade in vocational schools and less than $400 for those who are trained on the job in private industry.

These costs are well worth our investment in both human and economic terms. The training provided through MDTA provides the ability to earn a living, and the job found for the family breadwinner can do more than any other single factor to help break the dispairing cycle of poverty for 30 million Americans. Moreover, people with jobs have money to spend which contributes to our Nation's economic growth. They become taxpayers to the local, State, and Federal governments. In fact, each person employed through MDTA more than repays the cost of his training in Federal income taxes alone within 5 years.

The Subcommittee on Employment, Manpower and Poverty will begin hearings in mid-March to review all the manpower training efforts of the Federal Government.

Despite its notable success MDTA, as every Federal program, can be made better. We will look for areas where training can be made more efficient and the programs improved.

MDTA, as an arm of the war on poverty, must continue to focus more and more on the hard-core unemployed.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2938) to extend certain expiring provisions under the Manpower Development and Training Act of 1962, as amended, introduced by Mr. CLARK (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

EXHIBIT 1

S. 2938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Manpower Development and Training Act of 1962 is amended as follows:

(1) Section 104(a) of the Act (Labor Mobility Demonstration Projects) is amended by striking out "1968" in the first sentence of such section, and inserting in lieu thereof "1970";

(2) Section 105 of the Act (Trainee Placement Assistance Demonstration Projects) is amended by striking out "1968" in the first sentence of such section, and inserting in lieu thereof "1970";

(3) Section 251 of the Act (PART D—CORRECTIONAL INSTITUTIONS) is amended by striking out "1969" in the first sentence of such section, and inserting in lieu thereof "1970";

(4) Section 304(d) of the Act is amended by striking out "1968" and "1969", and inserting respectively in lieu thereof "1969" and "1970";

(5) Sections 310(a) and 310(b) of the Act are amended by striking out "1969" wherever it appears, and inserting in lieu thereof "1972".

EXHIBIT 2

EXPLANATORY STATEMENT OF A DRAFT BILL TO EXTEND CERTAIN EXPIRING PROVISIONS UNDER THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962, AS AMENDED

This bill would merely extend existing authority for those programs under the Manpower Development and Training Act which are not authorized on a permanent basis; it would create no new type of program authority.

The Labor Mobility Demonstration Projects under section 104(a) and the experimental bonding projects under section 105 are authorized in the present Act only through June 30, 1968. This bill would extend authority for those programs through June 30, 1970.

The training and skill development programs under title II of the Act are currently authorized through June 30, 1969, with additional authority to disburse funds appropriated under that title through December 30, 1969.

This bill would extend the experimental and demonstration programs for the training and education of persons in correctional institutions under section 251 of title II through June 30, 1970. The remaining authorizations in title II would be extended through June 30, 1972 (in the case of program authorizations) and December 30, 1972 (in the case of the authority to disburse funds appropriated.)

EXTENSION OF ELIGIBILITY FOR DISPLACED BUSINESS DISASTER LOANS TO ADDITIONAL SMALL BUSINESSES

Mr. SPARKMAN. Mr. President, I introduce for appropriate reference, a bill to amend the Small Business Act to provide for increased eligibility for and greater utilization of the displaced business disaster loan program established under section 7(b)(3) of that act. As it presently stands, Mr. President, section 7(b)(3) authorizes the Small Business Administration to make so-called displaced business disaster loans to small concerns forced to move as a result of urban renewal, highway, or Federal or other federally assisted projects involving land condemnation. It is the purpose of my bill to extend eligibility for such loans to certain groups of small businesses that are not now eligible but which are no less deserving and no less affected, economically, by the activities of their Government. It is my further purpose, by this bill, to encourage greater utilization of this important loan program both by those now eligible and those that the bill would make eligible.

The groups not now covered, to which my bill would extend entitlement, are:

First, small-business concerns not physically displaced, the premises of which have not been condemned and taken, but which nevertheless have suffered substantial economic injury as a result of an urban renewal highway, or other public project carried on in whole or in part with Federal funds.

Second, small-business concerns which have suffered substantial economic injury as a result of the actual or threatened loss, through Federal action, of a major source of employment in the area in which they are located. This last refers specifically to the shutdown of a Federal installation, such as a military base, or to cutbacks in substantial Federal procurements made in the area.

In explanation of this legislation, it may be best to begin with a brief background review of the SBA's business and disaster loan programs in general and the displaced business disaster loan program in particular. The Small Business Act, as originally enacted in 1953, set up two main classes of lending operations within the Small Business Administration. The first class, of course, was loans to small business concerns, under specified criteria and limitation, for ordinary and usual business purposes. Authorization for this activity is now contained in section 7(a) of the amended act. The second class was the so-called disaster loan, now authorized by section 7(b) of the amended act. Disaster loans, in addition to being available to individuals as well as businesses, may generally be made for longer terms and at lower interest rates than business loans.

From 1953 until 1961, the types of disaster which could entitle small businesses and others to obtain SBA disaster-loan assistance were limited to natural catastrophes, with floods, drought and excessive rainfall expressly mentioned. For some time prior to 1961, however, recognition had been growing in the Congress that certain types of governmental activity could deal as disastrous an economic blow to small-business concerns as some of the natural catastrophes. The Senate Select Committee on Small Business and the Banking and Currency Subcommittee on Housing had long been concerned with the problems of small business displaced by urban renewal projects, and other public works projects involving land condemnation. As early as January 1960, in its 10th annual report, the Senate Select Committee on Small Business discussed "Small Business and Eminent Domain" and stated its "aim to discover whether legislative action is required to lessen the impact of such projects upon the small businesses they displace."

In its next annual report, the 11th, issued in February 1961, the Select Committee on Small Business Committee again discussed "Small Business and Eminent Domain" and noted with approbation, attempts, during 1960, by SBA to utilize its existing business loan authority for more flexible aids to condemnation-displaced small business.

After expressing the hope that these programs would be continued under the new administration, we also observed:

> Nevertheless, your committee feels that the severe impact of eminent domain on one-fourth of all the small businesses it affected in the cities studied by [a] University of Connecticut research team cannot lightly be dismissed. Accordingly the Committee will continue to work during 1961 for improvement of the treatment of small businesses displaced by public projects.

Just a little over 5 months after that report was issued, the Congress enacted the Housing Act of 1961—Public Law 87–70—which contained another major improvement of the type toward which both the Small Business Committee and the Housing Subcommittee had long been working. Section 305 of the 1961 Housing Act added to section 7(b) of the Small Business Act a new paragraph (3). That new paragraph established for the first time statutory recognition of the principle that displacement by a public project can be as much of a "disaster" to a small business concern as displacement by a flood. And the new paragraph made these displaced businesses eligible for disaster loans from SBA, if the project was Federal or federally assisted.

These loans differ from the section 7(a) business loans in important respects. The loans can be made for 30 years, which is 20 years longer than under the regular business loan program. The interest rate on SBA's portion of such a loan can be no higher than the average annual rate on all U.S. interest-bearing obligations at the end of the last fiscal year, plus one-fourth of 1 percent. This is currently 4¼ percent. And an amount of working capital can be included in the loan.

This program was set up to assist small business concerns physically displaced—forced to move—by Federal and federally assisted projects utilizing land condemnation. But small business not actually displaced can often be as grievously hurt by such projects as those whose premises are condemned and taken. A simple example would be the case of two gasoline service stations. A Federal highway project takes the premises of one, and that one can get a loan. The same project does not take the other, but the new road diverts most of the traffic on which it depended. The second station owner is in an even worse fix than the first, but he cannot get one of these loans because he is not displaced. My bill would make him eligible.

The bill would also make those small businesses eligible for these disaster loans which have suffered substantial economic injury as a result of a substantial reduction of employment in the concern's area caused by the closing—in whole or in part—of a Federal installation. They would also be eligible if there is a decline in the volume of Government procurement orders in its area.

Many small business concerns, and whole communities for that matter, stand to suffer from the closing of Federal defense installations or from the termination of large Federal defense procurement programs that provide heavy percentages of the payrolls and disposable personal incomes in an area. This is a real problem in many areas of the country, and this bill would help relieve the economic distress of qualified small businesses in those areas.

In the Housing Act of 1964, Public Law 88–650, section 305, the Congress took note of the tremendous gap between displacements and loans and directed SBA to make particular effort to publicize the displaced business loan program to local public agencies administering urban renewal programs, and the small business concerns. The bill I am introducing today provides for an expansion of this directive to SBA to include management counseling to owners of small business concerns.

The following table will show the growth of the displaced business loan program from fiscal year 1962 through fiscal year 1967:

[Dollar amounts in thousands]

Fiscal year	Loans approved				
	Number	Amount		Average size	
		Total	SBA share	Total	SBA share
1962	90	$4,996	$4,877	$55.5	$54.2
1963	93	5,662	5,448	60.9	58.6
1964	95	6,874	6,817	72.4	71.8
1965	199	12,504	12,152	62.8	61.1
1966	276	18,341	17,918	66.5	65.1
1967	385	32,676	31,440	84.9	81.7
Total	1,138	81,053	78,652	71.2	69.1

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2940) to amend the Small Business Act to provide for increased eli-

gibility for and greater utilization of the displaced business disaster loan program established under section 7(b)(3) of that act, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

FREEDOM OF INFORMATION AND THE DISTRICT OF COLUMBIA

Mr. LONG of Missouri. Mr. President, I introduce for appropriate reference, a bill to amend the provisions of chapter 5 of title 5, United States Code, relating to administrative procedure. This bill is simple in purpose: it will bring the District of Columbia government under the provisions of the Freedom of Information Act.

When the Freedom of Information Act passed the Congress in 1966, it was designed to establish a general philosophy of full agency disclosure. We were concerned with the many instances where Government agencies denied legitimate information to the public under the guise of the then public information section of the Administrative Procedure Act—section 3. Hearings before my Subcommittee on Administrative Practice and Procedure disclosed case after case where information was withheld from the public only to cover up embarrassing mistakes or irregularities within the agency—information which the public certainly had a need to know.

On July 4, 1967, the Freedom of Information Act became the law of the land. All Government information is to be publicly available unless it falls under one of nine specific statutory exemptions. The agencies clearly understand the directive, issued by both the Congress and President Johnson to make disclosure of Government information the rule rather than the exception. The agencies of the Federal Government have it within their power to carry out this directive.

And yet today, after a little more than 7 months in operation, I am not sure whether all agencies have complied with the objectives of the act. Some agencies have been slow in implementing their regulations under the act; many agency officials have tried to find loop-holes in the law, rather than adhere to the philosophy and spirit of the act. And this policy of evasion exists despite the statement of Attorney General Clark, in his foreword to the Attorney General's memorandum on the public information section, that—

> The new law was initiated by Congress and signed by the President with several key concerns:
>
> That disclosure be the general rule, not the exception;
>
> That all individuals have equal rights of access;
>
> That the burden be on the Government to justify the withholding of a document, not on the person who requests it;
>
> That individuals improperly denied access to documents have a right to seek injunctive relief in the courts; and
>
> That there be a change in Government policy and attitude.

Mr. President, this last statement is very important. But I must again ask the question I have been asking on the Senate floor for many years now: Is there really a change in Government attitude?

I have introduced a bill today to include the operations of the District of Columbia under the Freedom of Information Act. This does not mean that I am dissatisfied with information policies of the new Mayor and City Council of Washington, D.C. On the contrary, quite often these new leaders are hampered because of the lack of proper legislation. My amendment should assist the new government as it begins to attack the many problems which confront the city of Washington.

Mr. President, in the near future my Subcommittee on Administrative Practice and Procedure will hold hearings on this bill. At that time, I also intend to determine the effectiveness of the Freedom of Information Act.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2941) to amend the provisions of chapter 5 of title 5, United States Code, relating to administrative procedure, introduced by Mr. LONG of Missouri, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROPOSED BILL TO CONFER U.S. CITIZENSHIP POSTHUMOUSLY UPON PRIMITIVO GARCIA

Mr. LONG of Missouri. Mr. President, on November 15, 1967, in Kansas City, Mo., Primitivo Garcia, a young immigrant from Mexico, was shot fatally as he tried to help a young woman who was being assaulted by a street gang.

Young Garcia had come to our country less than a year before, and his fondest hope was to become a U.S. citizen. In furtherance of this desire, he was attending night school to learn English.

On the evening of the 15th, he had left school after his class and was standing across the street when he saw the ruffians attack and knock down his teacher who was pregnant. Unlike other incidents about which we have read and heard, Primitivo was willing to become involved to help the victim of an assailant. Despite the odds and without regard for his own safety, he went to the aid of his teacher. During the scuffle, he was shot in the abdomen.

Primitivo died 2 weeks later. His courage and valor struck a most responsive chord with the people of Kansas City and before his death $14,000 had been contributed to a fund for his doctor and hospital bills. The Governor, Warren Hearnes, made him an honorary citizen of Missouri. Many organizations and groups bestowed honors on him both before and after his death. There is no question that the people of Kansas City and Missouri consider Primitivo a fellow citizen and I have received numerous petitions urging the necessary legal action be taken to grant him posthumous citizenship.

Mr. President, I am today introducing, for appropriate reference, a bill for this purpose. I hope the Congress will act quickly on it for I believe Primitivo Garcia should be so honored. His heroism and selfless concern for his fellow man are traditional American traits. We can all learn from his examples. If all Americans would follow his lead and become involved when they witness a crime, we could cut our crime rate substantially. The enactment of this bill would stand as a permanent reminder that U.S. citizenship carries responsibilities as well as rights.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2942) to confer U.S. citizenship posthumously upon Primitivo Garcia, introduced by Mr. LONG of Missouri, was received, read twice by its title, and referred to the Committee on the Judiciary.

CONSERVATION AND ENHANCEMENT OF THE NATION'S ANADROMOUS FISHING RESOURCES

Mr. HART. Mr. President, on behalf of the junior Senator from Michigan [Mr. GRIFFIN] and myself, I introduce a bill to amend the Anadromous Fish Conservation Act of October 30, 1965, to encourage certain joint research and development projects. This is a companion bill to H.R. 14228, introduced in the other body by Congressman DINGELL for himself and Congressmen CEDERBERG, WILLIAM D. FORD, GRIFFITHS, KARTH, MCCARTHY, NEDZI, O'HARA of Michigan, REUSS, RUPPE, VANDER JAGT, and VIGORITO.

The anadromous fish program—Public Law 89-304—resulted from legislation proposed in the 89th Congress by Congressman DINGELL and the able senior Senator from Alaska [Mr. BARTLETT]. I was a cosponsor and a supporter of this legislation, which has produced tangible benefits. Insofar as the Great Lakes are concerned, with Federal aid from this program the State of Michigan embarked on an exciting and, according to some, almost visionary experiment: to bring Coho salmon fingerlings from the west coast and plant them in the lakes.

The results have been spectacular. The Coho, feeding on the alewife which we must control, has grown so fast that as one fisherman said to me "we must be able to hear them grow." Thousands of sizes, ranging from 15 to 20 pounds, were caught last summer and fall.

This initial success must be capitalized upon. The benefits to sport fishery, commercial fishery, tourism, control of nuisance fish are clear.

The bill which we introduce would increase the authorization under the Anadromous Fish Conservation Act from $25 million to $30 million. In order to encourage joint research and development projects by two or more States, the bill would permit the Secretary of the Interior to increase the Federal contribution from 50 to 75 percent where the States agree to act jointly.

Mr. President, my colleague and I believe that this is a good bill. It will provide a much-needed assist to the States that are struggling to save the fishery resources of the Great Lakes, and we hope the chairman of the Senate Merchant Marine and Fisheries Subcommittee, who has given leadership in all fish-

ery resource problems, will schedule early hearings on this bill.

I ask unanimous consent that the bill be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2943) to amend the Anadromous Fish Conservation Act of October 30, 1965, relating to the conservation and enhancement of the Nation's anadromous fishing resources, to encourage certain joint research and development projects, and for other purposes, introduced by Mr. HART (for himself and Mr. GRIFFIN), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first proviso contained in the second sentence of subsection (a) of the first section of the Act of October 30, 1965 (16 U.S.C. 757a(a)), is amended by inserting ", except as provided in subsection (c) of this section," immediately before "the Federal share".

(b) The first section of such Act of October 30, 1965 (16 U.S.C. 757a), is further amended by adding at the end thereof the following new subsection:

"(c) Whenever two or more States having a common interest in any basin jointly enter into a cooperative agreement with the Secretary under subsection (a) of this section to carry out a research and development program to conserve, develop, and enhance anadromous fishery resources of the Nation, or fish in the Great Lakes that ascend streams to spawn, the Federal share of the program costs shall be increased to a maximum of 75 per centum. Structures, devices, or other facilities, including fish hatcheries, constructed by such States under a cooperative agreement described in this subsection shall be operated and maintained without cost to the Federal Government. For the purpose of this subsection, the term 'basin' includes rivers and their tributaries, lakes, and other bodies of water or portions thereof."

SEC. 2. (a) Subsection (a) of section 4 of such Act of October 30, 1965 (16 U.S.C. 757d(a)), is amended (1) by striking out "$25,000,000" and inserting in lieu thereof "$30,000,000", and (2) by adding at the end thereof the following new sentence: "Sums appropriated under this subsection are authorized to remain availabe until expended."

(b) Subsection (b) of such section 4 (16 U.S.C. 757d(b)) is amended to read as follows:

"(b) Not more than $1,500,000 of the funds appropriated under this section in any one fiscal year shall be obligated to any one State."

SEC. 3. Such Act of October 30, 1965 (16 U.S.C. 757a–757f), is amended by adding at the end thereof the following new section:

"SEC. 7. This Act may be cited as the 'Anadromous Fish Conservation Act'."

Mr. GRIFFIN. Mr. President, it is a pleasure to join with the senior Senator from Michigan [Mr. HART] in introducing legislation today which calls for a step-up in Federal support for the important Coho salmon planting program in the Great Lakes.

The Great Lakes border the State of Michigan on three sides. Our State has benefited significantly from the Anadromous Fish Conservation Act, and, in turn, the Nation has benefited, too.

A full one-quarter of the Nation's population is located within a day's drive of the Great Lakes. These wonderful lakes are an unparalleled resource base for an extremely valuable commercial, recreational, and residential area.

But, difficult times have beset these waters, adversely affecting the ecological balance of the Great Lakes.

At a time when we are hopeful that the sea lamprey has been brought under control, another marine species—the alewife—has entered the Great Lakes and proliferated at a frightful rate. The alewife has already reached incredible abundance in Lakes Huron and Michigan, and their numbers are mounting in Lake Superior.

During the spring and summer of 1967, alewives died by the millions, presenting a problem of unprecedented magnitude as they floated on the surface of Lake Michigan and accumulated to rot on the beaches of Michigan, Indiana, Illinois, and Wisconsin.

The odor and sight of the dead, herringlike fish caused a sharp decrease in the beach resort business in many areas and resulted in a $55 million loss in tourist revenues to Michigan alone.

By utilizing funds made available through the Anadromous Fish Conservation Act, the State of Michigan and other States have launched programs aimed at controlling the alewife by stocking the Great Lakes with predatory game fish, such as salmon and trout.

The goal is not only to control the alewife, but also to provide a significant boost to sport and commercial fishing in the Great Lakes.

However, in order to step up planting rates in the lakes, there is a need for hatcheries capable of producing some 30 million yearling trout and salmon. A lack of funds has been the major obstacle hindering full-scale implementation of this significant program.

Mr. President, the legislation being introduced today would quicken the pace of work now under way to restore a more appropriate ecological balance to the Great Lakes.

Specifically, the bill would amend the Anadromous Fish Conservation Act of 1965 in three respects:

First, it would increase from the present 50 percent to 75 percent the matching Federal share of the costs of programs undertaken jointly by two or more States.

Second, it would increase from $1,000,000 to $1,500,000 the maximum amount of funds which could be obligated to a single State in a fiscal year.

And, finally, it would raise from $25 million to $30 million the appropriation authorization for the entire anadromous fish conservation program.

To save, restore, and enhance the fisheries of the Great Lakes, positive action must be taken. I am talking about research, planning, investment, and management.

It makes sense for several States having a common problem to work together toward a solution. And, it is commonsense for the Federal Government to help in the effort.

Mr. President, this bill is not just another Federal spending program. This legislation will produce important and substantial dividends for a very modest investment.

PRESCRIPTION AND DISTRIBUTION OF ETHICAL DRUG PRODUCTS

Mr. NELSON. Mr. President, I am introducing today, for appropriate reference, the first of three bills which are designed to help protect the health of the American people, the health of citizens of foreign countries where American drug products are sold, and to aid in the prescribing and distribution of ethical drug products in this country.

The first bill authorizes establishing a Federal drug compendium.

The second bill, which I will introduce in a few days, amends the Federal Food, Drug, and Cosmetic Act to require that the label of drug containers dispensed to the patient bears the established or generic names of the drugs dispensed.

The third bill, also to be introduced at a later date, amends the Federal Food, Drug, and Cosmetic Act to assure that the quality of drugs exported from this country meets the same qualifications as for drugs sold domestically.

Over the course of 8 months of Monopoly Subcommittee hearings looking into the competitive problems of the drug industry, many peculiarities of the industry have come to the surface.

The drug pricing structure is the most puzzling aspect of all, and the committee is still engaged in that exploration.

The compendium bill I am introducing today will help correct deficiencies in our pure food and drug laws. The need for them has been spelled out during the course of these hearings. They represent the initial series of bills which I shall offer for consideration by Congress.

Modern medicine has created miracles in treatment of dread diseases such as diphtheria, smallpox, tuberculosis, polio, and many others.

The ingenuity of science has developed thousands of drugs to help man rise above the fear of painful, crippling illnesses.

It is probably only a matter of time before the genius of man conquers cancer.

Yet it is a shocking fact that no official publication exists which discloses all the vital details about prescription drugs which are so necessary to proper medical care.

No official way exists which passes unbiased information on to the medical practitioners of this country.

The U.S. Pharmacopeia and the National Formulary are private publications which list basic drugs and their component parts.

But no indications for use, no warnings discussing the dangers and side effects, and no dosage information appears in the U.S. Pharmacopeia or the National Formulary.

The drug compendium bill would help protect the public health by authorizing the publication of an intensive, all-inclusive "blue book" of drug information.

The volume would consist of a book giving for each drug a description, indi-

cations, contraindications, warnings, adverse reactions, management of overdosage, dosage, and the supplier. It would list all prescription drugs under their generic names together with brand names. It would include a price information supplement. It would also provide for distribution of the compendiums to physicians, hospitals and others who would use this kind of important information.

The busy, practicing physician can find—by using scarce and valuable time—important drug information through a careful reading of several volumes of drug texts, and from his colleagues, and from doing a thorough reading of all the available literature. He can also read various drug company advertising in the medical journals and in the trade publications. And he can listen to the pleadings of drug company detail men. He can then make his decisions based on what he sees and hears.

In any case, no unbiased source of information for all drugs exists.

It is even more difficult to determine the costs of the various drugs available for prescription purposes. Most busy doctors do not have time to worry about that aspect of prescribing. A call to the pharmacist is necessary, and valuable time has to be used to explore all the prices available.

I think physicians are interested in saving their patients money; if it can be done at little cost in terms of their own time and effort.

Several times in past months, it has been demonstrated dramatically that many drugs are sold in the marketplace whose prices range by several thousand percent. Many large brand-name companies make identical drugs of equal effectiveness which are sold under different trade names. Yet prices still vary widely.

The Medical Letter of June 2, 1967, a highly authoritative, distinguished, and unbiased drug journal, published the results of a careful study. The Medical Letter said that 22 brands of prednisone, an essential drug used in treating arthritis, had been studied and it was their conclusion that they were all of equivalent therapeutic value. Of the 22 brands studied, prices varied from a high of $17.90 per 100 tablets to a low of 59 cents per 100 tablets—price to the pharmacist.

Several large distinguished companies sell the drug for $2.20 per hundred and $2.25 per hundred. Several good, small, generic companies sell the drug for under $1 per 100 tablets—price to the pharmacist.

Yet practicing physicians, in the main, know very little of the large variance in prices. Because they are bombarded by massive amounts of literature and extensive detailing by the drug companies, one company which sells the drug for $17.90 per 100 tablets to the pharmacist is still able to command a substantial share of the market.

Many witnesses have expressed the opinion that if doctors were aware of a prednisone product that sells for a few dollars as compared to one that sells for almost $18 they undoubtedly would prescribe it if they have confidence in the company.

At various times during the course of the hearings, I have questioned distinguished pharmacologists as to their opinion of the drug compendium. All have agreed without exception that this would be a valuable tool for the practicing physician to use.

A volume called the "Physician's Desk Reference" is published by a private company called Medical Economics. This is a fairly extensive volume, but it is an advertising catalog, paid for by the drug companies who have their drug products listed in it. Every drug company whose product appears in the "Physicians Desk Reference" paid $115 per column inch in 1966 for the listing and description of the drug. Nevertheless this is an advertisement and must be viewed in that light.

Discussions with Commissioner Goddard of the Food and Drug Administration have shown that the "Physicians Desk Reference" is used extensively, but because it is really advertising matter it is unfair to many smaller manufacturers and sellers of drugs who cannot afford its high rates. It is unfair to the doctor who may be misled into believing this is a semiofficial publication. It follows that the consumer does not benefit by it either.

Each company is compelled to include a package insert in each drug product now distributed to pharmacies. This is a lengthy, detailed document which is intended to describe the product to the doctor and the pharmacist—it does not list the price. The insert usually is discarded by the pharmacist, and is rarely distributed to the doctor who needs the information as much as the pharmacist.

Dr. Walter Modell, an eminent pharmacologist from Cornell University Medical College, recently stated in an editorial reprinted from Clinical Pharmacology and Therapeutics that—

> The stuffer is very extensive and contains lengthy excerpts from the literature with lengthy bibliographies. The stuffers are generally printed in Lilliputian type and on bible paper and are hard to handle and difficult to read. There is no uniformity, physical or technical.

He goes on to say:

> They are very inconsistent—some are good and some are bad. But we have called them stuffers only because, since most physicians never receive them, stuffing packages seems to be the only use to which they were certain to be put and that is all the use they will serve until they are made equable, are reviewed and rewritten regularly and frequently, printed in standard form, obtain acceptance as consigned summaries and are automatically distributed to all physicians.

As matters stand now, for all practical purposes, the physician does not receive them. The stuffers cost the drug industry about $6 million per year. Estimates by FDA are that replacing the stuffers could be accomplished by the use of a compendium and the cost, to be borne by the industry, would be the same.

Recently I polled a number of drug manufacturing companies who are members of the Pharmaceutical Manufacturers Association. Several companies have written back to me that they support the concept of a drug compendium.

Smith Kline & French Laboratories, Philadelphia, Pa., wrote to me on November 17, 1967. They said:

> We believe that the general concept is a good one.

Mr. S. B. Penick, Jr., of S. P. Penick & Co. wrote:

> It is my opinion, based on a long association with the manufacturers of prescription drugs, that the industry will support any reasonable kind of compendium that assists the practicing physician in carrying out his professional duties.

Strong Cobb Arner, Inc., informed me of their endorsement of a compendium as follows:

> It is our feeling that a compendum, which would bring together in one place all of the authoritative information that would enable the medical profession to dispense or prescribe drugs with complete knowledge of their actions and side effects, is a worthwhile undertaking. This compendium should replace the now substantially useless package inserts required by FDA regulations, which cost the pharmaceutical industry and indirectly the consumer millions of dollars each year.

Abbott Laboratories, North Chicago, Ill., said:

> I might add that we . . . believe that economics information on drugs should be made available to the physician. This is, however, secondary to the primary objective of supplying physicians with key information on all prescription drugs.

Hoffmann-La Roche, Inc., a distinguished major drug manufacturer, wrote me as follows:

> We would support the general idea of a compendium because we believe it could be a useful addition to the existing means of making available information on drug products.
>
> We believe that medical and paramedical personnel should have ready access to complete information necessary to the proper prescribing and dispensing of drug products."
>
> Hoffman-La Roche's support of the general idea of a compendium of information on drug products assumes that such a compendium would be produced in a manner so as to provide physicians and other appropriate persons with complete and current information on drug products essential to medical practice. Among other benefits, a drug compendium with official status could, as noted by Dr. Goddard, provide a preferable alternative to the current package insert requirements.

The Upjohn Co., of Kalamazoo, Mich., wrote me on November 17, 1967:

> The position of the Upjohn Company is compatible with others who have endorsed the general concept of a drug compendium. It has been our consistent policy to insure full disclosure as to the quality, characteristics and proper usage of the products which we manufacture. Thus, we would certainly support, in principle, the idea of a compendium as a vehicle for providing such relevant information to the medical profession.

Joshua Lederberg, a Washington Post columnist and a distinguished geneticist from Stanford University School of Medicine, wrote me in November:

> A compendium would indeed be an extremely valuable system for drug information. In principle, I would give it the highest possible endorsement.

He said:

Such a compendium would have the obvious purpose of replacing the inexpressively bad system of drug advertising that now prevails. In my opinion the shift of emphasis from promotional to informational activity on the part of the drug industry would have the most constructive effect in many other problem areas that affect the industry and its relationship to public interest at the present time. The tragedy is that the physicians have not developed their own professional organization to deal with this problem. Even now there would be obvious merit in delegating as much responsibility as possible to professional, non-governmental agencies for the implementation of these educational programs.

Betty Furness, the special assistant to the President for consumer affairs, wrote me on January 3:

A significant step in providing information by this publication would be of invaluable aid to the consumer and to the physician.

On July 24, 1967, during the Monopoly Subcommittee hearings, a colloquy with the president of the Parke, Davis drug company, page 617 of the record, testifies to further industry support for a compendium:

Senator NELSON. Would you think it would be of any value to establish a national compendium of drugs? I assume it would have to be done in cooperation with the industry, the medical profession, and other advisers, but that it would have to be done largely, I am assuming, by the Federal Government. Do you think it would be of value to establish a national compendium in which the drugs are all listed by their generic names, brand names, and with all of the known clinical information recited alongside them? A physician would open up the national compendium, and find there all the drugs, their side effects, and the companies that manufacture them. This, of course, would also involve testing by FDA, and also involve putting in the known clinical information? Do you think this type of a national compendium would be of value to the country as a whole?

Mr. BURROWS. I think it would as long as the doctor is still allowed his prerogative of prescribing the particular drug of the particular manufacturer that he thinks best, and providing that we, as a manufacturer, are not stopped from attempting to advance and advocate our particular line of products. Those are the ones that we are in business to make and sell, and those are our potentials for corporate progress for the future.

Senator NELSON. I want to be sure that I was understood.

I was saying national compendium, not formulary. I am not suggesting that you have a formulary from which a physician must prescribe. I am simply saying you list the drugs in a national compendium with the pertinent information and the manufacturer as informational matter to the medical profession, the teaching hospitals and the practicing physician. That will be all that is intended, and it should not interfere with the private operations of the drug companies. That is my question.

Mr. BURROWS. I can see nothing wrong with having facts on such an important subject as drugs and health available for reference by people who have occasion to use and benefit from such information.

Senator NELSON. Thank you.

Mr. Richard Furlaud, president of E. R. Squibb & Sons drug manufacturing company during his appearance before the committee on October 13, 1967, said that the position of his company is that a compendium should be produced:

Senator NELSON. Several witnesses have testified previously as to the desirability of a national compendium. There is legislation pending on the Senate side proposing the creation of such a compendium.

Dr. Goddard testified in favor of a compendium yesterday before Mr. Dingell's committee in the House. He made a very strong statement in favor of a compendium. And I am told that Senator Hart, without having read the record of these hearings, has been critical of the Pharmaceutical Manufacturers Association for not coming out more positively or strongly for a compendium.

By a compendium I mean a listing of drugs by generic name, along with a list of trade names and directions for the use of the drug, its side effects, indications, contraindications, and so forth. There has been much discussion across the country among pharmacists, pharmacologists, the medical profession, as well as testimony before this committee, as to the great confusion caused by the multiplicity of drug product names, and about the desirability of having a national compendium. I am not saying a national formulary; I mean a national compendium. Do you have a viewpoint about the desirability of such a compendium?

Mr. FURLAUD. Senator, of course I cannot speak for the industry, but I certainly can give you my personal views.

I am glad you made a distinction between a formulary and a compendium. We would certainly be opposed to a national formulary. But we think the idea of a national compendium has a great deal of merit. We have been giving some thought to it. We think that it is something that should be pursued. It has obvious technical problems in producing it and keeping it up to date. But I personally see no reason why the industry and the Government working together along with representatives of the profession should not be able to work out a perfectly adequate compendium that would give the doctor and the pharmacist what they need to know. After all, the tax bar has succeeded in keeping themselves up to date through services where they can keep track of recent developments in the tax law. And there is no reason why in due course a similar type of program cannot be worked out.

As I say, it is not simple, and it is going to take a lot of hard work. But I should think in due course it will be possible to produce one, and I think it should be produced.

Now, these are my personal views, and do not represent those of anybody else.

Senator NELSON. Your views represent the position of your company, I take it.

Mr. FURLAUD. It represents the position of my company.

Dr. Leighton E. Cluff, professor and chairman, Department of Medicine, University of Florida College of Medicine, Gainesville, Fla., testified to the need of a drug compendium on June 29, 1967:

Dr. CLUFF. The exact details and implementation of it is something that will have to be worked out. My own personal feeling is that the leadership for the development of such guidance for the public must come out of the Federal Government, probably out of the Food and Drug Administration.

So far as the physician is concerned, I agree the compendia would be a very desirable thing. Personally, I am not at all convinced that that would solve the problem of the excessive use of drugs by physicians.

I still think that one must must recognize that some method must be provided for improving our present guidance to physicians about the use of drugs, rather than, as we do now, depending so heavily upon the pharmaceutical manufacturers' detail representative for the principal education of the physician about drugs.

In answer to a question about the advisability of a drug compendium, Dr. Harry Williams, a distinguished professor of pharmacology from Emory University School of Medicine, Atlanta, Ga., said:

Dr. WILLIAMS. Such a pharmacologist's bible would be a wonderful thing to have, for all of us, for those of us in teaching, too. No; I think this could be done. I think this will have to be done.

Dr. James Goddard, Commissioner of the Food and Drug Administration, appeared before the Monopoly Subcommittee on November 9 and gave unqualified support to a compendium. His statement, portions of which I shall ask to be printed in the RECORD, again relates the need for an FDA-sponsored compendium to replace the package insert, and which will serve as an unbiased and all inclusive volume for physicians and other interested persons.

He feels that if we "get cracking," a suitable product could be published within 18 months.

Mr. President, the need for a good drug compendium has been established. Exactly what the final format would be like is a matter for the experts in Congress, the Food and Drug Administration, and the industry to determine. Further hearings to set out final details are necessary. I hope that this will be done speedily and thoroughly, for Congress bears the responsibility to oversee the health of our people.

I ask unanimous consent that a portion of a statement by Dr. James L. Goddard, M.D., Commissioner of Food and Drugs, Department of Health, Education, and Welfare, and correspondence with drug manufacturers be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the items will be printed in the RECORD.

The bill (S. 2944) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to provide for a Federal drug compendium which lists all prescription drugs under their generic names together with reliable, complete, and readily accessible prescribing information and includes brand names, suppliers, and a price information supplement, and providing for distribution of the compendium to physicians and others, and for other purposes, introduced by Mr. NELSON, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The items presented by Mr. NELSON are as follows:

STATEMENT OF JAMES L. GODDARD, M.D., COMMISSIONER OF FOOD AND DRUGS, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, NOVEMBER 9, 1967

Dr. GODDARD. I will amplify my previous recommendation to this Subcommittee that a Compendium of prescription drugs should be published by the United States.

As you know, vital information concerning all prescription drugs is presently disseminated via the "package insert." A condensation and compilation of "package inserts" into a readily readable compendium distributed without cost to the physicians, pharmacies, hospitals, et cetera., would be a

significant step forward in educating the health professions to the safe and effective use of therapeutic agents. It could also relieve the drug industry from the burden of printing the voluminous "package inserts" as such a compendium could appropriately replace this type of labeling.

The content of "package insert" type of labeling is initially approved by FDA during the new drug clearance procedure and is constantly reviewed by our medical staff to insure that the labeling is consistent with current knowledge. Often the "package insert" is the only source of such necessary data on medicines which are prescribed daily.

Unfortunately the information seldom reaches the physician—it remains on the local pharmacist's shelves. Proper utilization of this information is further hampered by the present format of the "package inserts."

Senator NELSON. May I interrupt a moment?

Dr. GODDARD. Certainly.

Senator NELSON. Do you have an estimate on the cost of printing, preparing and supplying these inserts along with the drugs?

Dr. GODDARD. I was advised by the Pharmaceutical Manufacturers Association when—this subject was first raised by them, I might add—when they asked would I consider a drug compendium to replace the package insert, that the program presently costs industry about $6 million a year.

Senator NELSON. Six million?

Dr. GODDARD. Yes, sir.

Senator NELSON. Do I understand you to say that the Pharmaceutical Manufacturers Association raised the question of the preparation of a compendium in place of this?

Dr. GODDARD. Yes. This was in April of 1966. And they pointed out that my predecessor, the matter had been discussed with Commissioner Larrick, and his position was that they could publish a compendium but would have to also continue the use of package inserts for one year in order to evaluate the effectiveness of the compendium.

Now, they were anxious to move ahead with this program but didn't see the necessity for running two programs in tandem for a year.

I agreed at that time that we would not require the package insert for the year after the compendium was published.

And this was the beginning of our discussions on the drug compendium.

Now, we have had nothing but discussions since that time, and I am hard put to understand the recent statement of the president of the PMA where he was critical of my testimony before a Committee of Congress where I expressed my displeasure with the foot dragging—I think I characterized it as that. He said why we are discussing that matter right now.

Well, they are going to discuss it to death. And I think we stand at a unique point in time. With the National Academy of Sciences' efficacy review reports beginning to come back to us, these can form the basis for much of what will be needed in the compendium on the drugs that were marketed between 1938 and 1962. So we truly have an opportunity that is well perceived by the members of the Drug Research Board of the Academy of Sciences and by others in this field. And that is why I am anxious to get on with the job.

Senator NELSON. Are you carrying on continuous discussions with the Pharmaceutical Manufacturers Association respecting this matter?

Dr. GODDARD. We have been through the good offices of the National Academy of Sciences meeting on this, and I say, for many, many months now.

Senator NELSON. Has the Pharmaceutical Manufacturers Association made any specific proposal as to what kind of a compendium they would like to see?

Dr. GODDARD. Yes, sir.

Senator NELSON. Have you discussed with them who would publish it, who would pay for it?

Dr. GODDARD. Yes.

Senator NELSON. What is——

Dr. GODDARD. Let me just state our position for the record, that we feel that the Pharmaceutical Manufacturers Association should pay for it.

I have pointed out that this is an opportunity for them to exercise leadership. They state that they sell—that they manufacture, rather, 95 per cent of the drugs that are sold as prescription drugs. And I say, therefore they should assume the burden of the additional 5 per cent, pay for the publication of a compendium that will be useful to every physician in the country and provide him with comprehensive information on all of the drugs available.

The format we have discussed in some detail, and there does seem to be a problem, I am told, from their point of view with a requirement that I wish to impose, namely, that the drugs be discussed under the generic heading, a brief discussion of the important uses, the dosage, side effects, contraindications for the drug, followed then by a listing of the trade names of the drugs, the dosage forms, and the manufacturers.

Such a book would be cross-indexed by both trade and generic name. But this does seem to be a stumbling block—at least I am told that it is.

Now, on the other hand, this is the only way in which—the people who have been advising me from the Drug Research Board and from the American Medical Association's Council on Drugs feel that a comprehensive, intelligent job could be done. From just the standpoint of format, it seems necessary to do it this way, otherwise there is great duplication, you see, because there may be—there are indeed, I think, some 42 firms or more who produce Rauwolfia serpentina as a prescription drug, and I think there are some 70 firms that—Serpasil under the generic name reserpine has 70 firms manufacturing it.

Well, it does not seem sensible to produce a volume that would have in 70 different places the description of a drug that is, the active ingredient is identical.

Senator NELSON. I guess you address yourself to this question a little later in your statement, but if you produced a compendium, would you contemplate listing every single manufacturer of every drug?

Dr. GODDARD. I hesitate to say every single manufacturer, because, as the Senator knows, there are a number of manufacturers very small intrastate business only, and I do think just as a practical limitation on size you have to have a cut point somewhere. These individuals, then, would probably not, these individual firms would probably not be listed in such a compendium. But we are interested in having those firms that produce and distribute nationally and even regionally included.

Senator NELSON. How many drugs would be involved?

Dr. GODDARD. Well, there are 21,000, approximately——

Senator NELSON. Different or——

Dr. GODDARD. Different dosage forms of the some 7,000 drugs in the marketplace today. These would all be included.

Senator NELSON. And would a compendium and the drugs included have the approval of FDA?

Dr. GODDARD. It would have to be approved by the Food and Drug Administration since it does serve as a form of labeling. The best possible outcome as far as I am concerned, would be for PMA to exercise leadership in this area, assume the burden and use, if such could be arranged, the format of the PDR, if the owners of PDR were willing to engage in that. I say this because PDR has a great level of acceptance in the country, and this would become competitive, you see.

If such a marriage, if you will, could take place, I think it would find instant acceptance on the part of the practicing physicians, that they would receive this volume each year, as they already have, and they provide them with comprehensive information in terms of coverage of the drugs as opposed to today's PDR which is on the basis of paid advertising, and not—even the major firms do not include all of their drugs in today's PDR. So I think it would be a marked improvement and everyone would benefit.

Senator NELSON. All the drug products listed there would have the approval of FDA?

Dr. GODDARD. Of course, the drugs have to have our approval to be in the marketplace.

Now, if you are saying that we would be offering an implicit warning or guarantee that they are efficacious, until the Academy review is completed, we could not offer such a guarantee. Until we are in a better position to apply therapeutic equivalency than we are today, could we offer the physicians such a guarantee.

But that is our goal. It is an achievable goal, and I think it is one that we can accomplish by 1971, as I have indicated in other testimony.

Senator NELSON. Am I correct in saying that to get approval to be introduced into the marketplace at all, a prescription drug has to meet USP standards?

Dr. GODDARD. If there exists—or NF, yes. Combinations are not in USP, of course, and so there are many combination drugs in the marketplace today, too.

Mr. GORDON. Well, there are FDA standards, too, aren't there; for example, on antibiotics?

Dr. GODDARD. Yes, there have to be standards, and we do certify them on a batch-by-batch basis.

Mr. GORDON. Perhaps you cover this later, but how useful and effective are the package inserts—do the doctors really read them?

Dr. GODDARD. Most of the time the physician does not receive them, so he does not really have an opportunity.

I have some here, for example. Here is a package insert. I do not think many physicians are going to receive this, if they even get it.

It has selected laboratory data for patients on this drug, for example, in tabular form. It is very small print.

The answer is no, but the physician does get one particular form, or package inserts on biological products do tend to reach him, and I think that should be continued. It is important. These others, all sorts of sizes, are printed on what is called in the trade bible paper.

Mr. GORDON. What do you mean by "bible paper"?

Dr. GODDARD. Well; it is very thin.

Mr. GORDON. You need a magnifying glass to read the print?

Dr. GODDARD. That is true.

Mr. GORDON. Dr. Goddard, doesn't this present situation really make the doctors more dependent on drug advertising and promotional activity?

Dr. GODDARD. Yes. Of course, that is not their only source of information. But as I have pointed out on numerous occasions the industry does spend a significant amount of their income to educate the physicians through advertising.

Mr. GORDON. Are you using that word with quotation marks?

Dr. GODDARD. Well, I say advertising in this field is a form of education, and I am serious when I make that point. And the AMA also now recognizes this point—has done so apparently in response to a recent position the Internal Revenue Service took with respect to their income on general advertising. They pointed out this was different from most advertising and that it did serve an educational purpose.

And I must agree with that.

Mr. GORDON. Who took that position?

Dr. GODDARD. The AMA.

Mr. GORDON. How about the IRS?

Dr. GODDARD. They haven't responded to this, to my knowledge. But advertising apparently does influence the physicians' choice of the drug. Therefore, I think it is educational. And we are anxious to have a comprehensive, more impartial source of drug information readily available to every physician, every pharmacist and every hospital kept up to date with accurate prescribing information.

Senator NELSON. I don't understand the mechanics of the delivery of the package insert. The doctor himself in his office just writes a prescription. The drugs, with some rare exceptions, come into the pharmacy. Does each package of prescription drugs, no matter how small, have to have an insert?

Dr. GODDARD. That is correct.

Senator NELSON. So then the doctor does not come in contact with that package insert——

Dr GODDARD. Except for biological products, which tend to go directly to his office.

Senator NELSON. What do you mean by "biological"?

Dr. GODDARD. Well, vaccines and things of this nature, you see.

Senator NELSON. That he administers himself?

Dr. GODDARD. That is correct.

Senator NELSON. I see.

Dr. GODDARD. And intravenous therapy on wards in the hospital tend also to be accompanied by the package insert. But by and large these are received by the pharmacist and thrown away after he has a file of them, you see. And the physician can call the pharmacy and get information on a drug. And some of them do this. But by and large they do not see them. So the system does not accomplish what it set out to accomplish at all.

Senator NELSON. And do I understand that it is your posiiton that if there were an acceptable compendium adopted and published, you would be willing to remove the requirement that an insert be used except for biologicals?

Dr. GODDARD. That is correct.

Senator NELSON. Is the insert required by law, or is it the result of an administrative ruling?

Dr. GODDARD. Those are the conditions for the approval of a new drug. Yes, sir, statutory.

Senator NELSON. By statute or by a ruling of the F.D.A.?

Dr. GODDARD. Statute.

Senator NELSON. So you would have to change the law respecting the insert——

Dr. GODDARD. Mr. Goodrich, do you want to comment on that?

Mr. GOODRICH. We have authority to exempt a prescription drug from the requirement of that detailed label where it is not necessary for the protection of the public health. We could do so if we had an alternative compendium available to the physician. Then it would not be necessary to carry that information in the packages.

STRONG, COBB, ARNER, INC.,
Cleveland, Ohio, November 15, 1967.

Senator GAYLORD NELSON,
Chairman, Senate Monopoly Subcommittee, U.S. Senate, Washington, D.C.

DEAR SENATOR NELSON: Your letter of November 3rd has been discussed with our technical, legal and scientific staffs. It is our feeling that a Compendium, which would bring together in one place all of the authoritative information that would enable the medical profession to dispense or prescribe drugs with complete knowledge of their actions and side effects, is a worthwhile undertaking. This Compendium should replace the now substantially useless package inserts required by FDA regulations, which costs the pharmaceutical industry and indirectly the consumer millions of dollars each year.

This Compendium must be prepared by knowledgeable persons from the pharmaceutical, medical, legal, government and academic fields who are aware of the scientific and other complexities involved. It is unlikely that the first edition could encompass all drugs, nor should it. It should consist of the single entity drugs and probably those now listed in the U.S.P. and N.F., which are the most widely used. These drugs should be listed by generic name with references both to trade names and manufacturers.

The Compendium should be a compilation of scientific and medical facts and not a sales advertising tool where prices are included. This type of sales information is readily available from other sources.

If the FDA is in agreement, the Compendium could possibly start with the package insert information already reviewed and approved by them. Also data from such references as the Hospital Formulary, Physician Desk Reference, etc. could be the basis of the Compendium.

The project will require several years to complete after a staff has been assembled, and perforce might have to be subsidized by the Federal Government.

The second edition could include many of the combination drugs now being used. Subsequent editions could continue to add drugs as it will take many editions before all drugs are listed.

SCA as well as the whole pharmaceutical industry is looking forward to a National Drug Compendium.

Sincerely,

FRED J. DAMLOS,
President.

HOFFMANN-LA ROCHE, INC.,
Nutley, N.J., December 8, 1967.

Hon. GAYLORD NELSON,
Chairman, Senate Monopoly Subcommittee, U.S. Senate, Washington, D.C.

DEAR SENATOR NELSON: Thank you for your letter of November 3, 1967, asking for our views on the subject of a drug compendium. I am pleased to have the opportunity to give you the views of my company on this matter. We would support the general idea of a compendium because we believe it could be a useful addition to the existing means of making available information on drug products.

We believe that medical and paramedical personnel should have ready access to complete information necessary to the proper prescribing and dispensing of drug products. We consider the development, preparation and dissemination of such information regarding our own products to be one of our vital responsibilities. The listings of Roche products in such widely-used reference works as the Physicians' Desk Reference (PDR), which are virtually complete reproductions of our package inserts, is evidence of our policy of making available to physicians complete prescribing information on Roche products. As I will discuss in more detail later, we agree with Dr. James Goddard that the PDR, with certain modifications, may be the best vehicle for establishing a drug compendium since it already is widely used by physicians as a source for prescribing information.

Hoffmann-La Roche's support of the general idea of a compendium of information on drug products assumes that such a compendium would be produced in a manner so as to provide physicians and other appropriate persons with complete and current information on drug products essential to medical practice. Among other benefits, a drug compendium with official status could, as noted by Dr. Goddard, provide a preferable alternative to the current package insert requirements. We believe firmly, however, that an official compendium must not limit or impair the physician's prerogative and ability to prescribe those drug products which he believes are in the best interests of his patients. We are certain you would agree that if the current high standards of medical care are to be maintained, "compendium" must not mean "control."

We must also express our opinion that funds and efforts in the health field should not be diverted to any major innovation from the many recognized areas of need which exist until after there has been thorough exploration of all aspects of the proposed project. The concept of a comprehensive drug compendium presents many complex scientific, medical and legal issues, all of which we believe must be explored in depth by an independent "compendium task force" drawn from government industry and the medical and scientific communities before the project is undertaken. We especially urge that the questions of need and format of a compendium be explored in detail with the medical profession since they would, of course, be the primary users of the publication.

In response to your question on the content of such a compendium, we offer the following comments and suggestions for consideration. We have also included some suggestions on other matters relating to a compendium which we hope will be useful.

We believe the purpose of a comprehensive drug compendium should be to provide necessary information in concise form for the proper and efficient usage of drug products. A total dissertation on use of any drug would probably require too great an amount of space, but the information presented should be sufficient to enable a physician to prescribe a drug confidently.

At the present time, this basic information is contained in "package inserts" which are included in every container of most drugs. These inserts are developed by the manufacturer of a drug and, for new drugs, are approved by the Food and Drug Administration before use. We recommend that a compendium contain substantially the same product information now contained in these inserts.

We do not believe that it would be desirable to alter the respective statutory responsibilities of the drug manufacturers and the Food and Drug Administration with respect to this basic drug prescribing information. In particular, we would recommend against any delegation of the present statutory responsibilities of the manufacturer and the Food and Drug Administration in this area to a third party. This would have the effect of duplicating activities presently performed by the Food and Drug Administration in reviewing new drug applications to determine the adequacy of such information, and could also impair the ability of a manufacturer to disseminate information on its own products.

In the compilation of a drug compendium, careful consideration would have to be given to the question of which drugs should be included. It will have to balance the need for a work of manageable size with the need to provide adequate information on the widest range of drugs which might be of value to the physician in his practice. At the present time there are several thousand drugs available for prescription specification. To include in a compendium information on all of those drugs might cause it to be too unwieldy and awkward for use in everyday practice for most physicians. It may be that a compendium should, initially at least, be limited to the two or three hundred most frequently prescribed drugs.

A major issue with respect to a drug compendium is the format for presenting information on specific drug products. The basic issue seems to be whether a single monograph can provide adequate information on drugs with the same established name but manufactured by different companies. We would be opposed to this approach

as being contrary to sound medicine and inconsistent with our competitive system of free enterprise.

There has been much discussion before your Monopoly Subcommittee concerning drugs sold under established or generic names as opposed to proprietary name drug products and the existence or lack of therapeutic equivalency between them. We believe it is clear from the testimony of Dr. Goddard and others that sufficient data is not yet available to answer definitively the question of therapeutic equivalency for chemically similar drugs. And, from a medical standpoint, the question is obviously too important to be answered solely on the basis of assumption.

Our position is that whether a drug product has a proprietary name or is sold under its established name does not determine the drug's quality or therapeutic value. Whether a drug product will have its intended effect can be determined only by appropriate laboratory and clinical tests. When a drug containing a specified amount of a particular active ingredient demonstrates a certain clinical or pharmacological activity, it is possible that another drug containing the same amount of the same active ingredient, if properly compounded into a finished product, will have the same effect. However, it is certainly true that this is not always the case. A second product sold under the same established name may not be in fact a therapeutic duplicate of the first. Furthermore, it is essential to recognize that drugs are used to treat individual patients. Effective and safe action in most cases is not sufficient; failure of a drug to perform, even in isolated instances, can be critical to the individual concerned.

Dr. Goddard has stated that his agency is in the process of developing information in this difficult and complex area for many drug products, but that they do not know the answers at this time to many of the issues. Thus it is highly important that a physician not be required, or even encouraged, to disregard the source of the products which he prescribes. And, from a competitive standpoint, minimizing the distinctions between manufacturers would discourage, not promote, competition. For these reasons, we believe it is essential that a compendium distinguish between drug products which have been demonstrated by appropriate scientific studies to provide consistently the intended therapeutic effect and those which have not.

Some suggestions for preserving the distinction between drugs from different manufacturers in a compendium are (1) to permit manufacturers to list their products individually by company with full information for each product, (2) to permit manufacturers to include following the listing of a drug specific facts pertaining to the clinical experience, usage, particular studies or other materials which would demonstrate proof of effectiveness of their own form of the particular medication, (3) to cite in the compendium those companies which have approved new drug applications, including the dates of approval, and (4) to note whether clinical studies have been done by each listed manufacturer for all dosage forms of the products. Additionally, since some companies make available only the most widely prescribed dosage forms, it is essential that a compendium include information from companies on their range of dosage forms of any given drug. Also, a compendium should not be designed in such a way as to limit the usefulness of trademarks, which, of course, are a basic and important means for identifying the manufacturers of drug products.

A drug compendium would need a number of indices enabling ready reference to medications by (1) established names, (2) proprietary names, (3) therapeutic classifications, (4) chemical or pharmacological index, and (5) names of manufacturers. Also, complete and periodic supplementation of the information in a drug compendium would be needed to assure that the information is the latest available.

The questions of how a compendium would be financed and how it would be published are, of course, extremely important. We agree here again with Dr. Goddard that the project should be undertaken by private industry and ultimately recognized and endorsed by government.

The primary responsibility for the development of information regarding drug products rests with the manufacturer. It is also a major and important function of a drug manufacturer to make available to physicians all necessary information relating to its products. We would envision a drug compendium as a further step in this role. We recognize, of course, that the government, and in particular the Food and Drug Administration, has a vital interest and statutory responsibility with respect to drug information provided to physicians. Thus, as already noted, we would support the principle of a combined effort by medicine, industry and government to study the issues and develop the basic guidelines and format for a drug compendium.

The specific vehicle for achieving this combined effort could be an existing private publication, such as the already-mentioned PDR, which is given statutory recognition. There is precedent for this approach in the drug field since the Federal Food, Drug and Cosmetic Act expressly recognizes several private publications as "official compendia."

At the present time many of the criteria which we suggest for a drug compendium are contained in the PDR, a work currently available to all practicing physicians and used by most of them. We have seen a recent analysis of PDR by the R. A. Gosselin Company, Inc., which indicates that in 1966 over 85 percent of all prescriptions dispensed in the United States by established and proprietary names were for drugs currently listed in the product information section in it. Another study by Alfred Politz Media Studies showed that over 90 percent of all physicians in private practice utilize this publication for prescribing information, many on a daily basis. Thus the basic usefulness of this publication is well established.

The information regarding particular drugs in the PDR "white section" is by legal requirement substantially the same as the information contained in the package insert for the drug. The one substantial change needed to conform it to the standards recommended above would be to include a section providing information on drugs which are sold under established name. These monographs could be arranged alphabetically by drug name and could be followed in each instance with a listing of the companies which manufacture such drugs. The company's name could be cross-referenced to the manufacturers' section of the publication where their specific products would be individually described with full information. We believe that utilization of PDR with this and other additions suggested above would provide a compendium which would serve the purpose of providing information on drugs sold under established name, and, by having individual product listing of manufacturers, avoid the presently unanswerable question of therapeutic equivalency of chemically similar drugs with the same established name. Thus we believe this publication should be considered carefully as a possible solution to the compendium problem, assuming, of course, that the publisher would agree to certain modifications and assuming that affected manufacturers would agree to participation and that the costs of publication would be reasonable.

If the Physicians' Desk Reference or perhaps another existing publication or organization could not assume the responsibility for privately producing such a compendium, it may be desirable to consider the establishment of a quasi-public corporation such as the Communications Satellite Corporation which includes on its Board of Directors several Presidential appointees. These appointees would be drawn from the ranks of government, private industry, and the medical and scientific communities.

A private publication could be financed by payments from participating manufacturers for the listing of their products. An exemption from certain of the requirements relating to the use of package inserts would provide an inducement for manufacturers to participate.

As we noted at the outset of this letter, Roche would support the general idea of a drug compendium designed to provide physicians with current, complete and readily available information on drugs. We further believe that a "compendium task force," as indicated above, should be established, with the concurrence of all interested groups and bodies, to consider the many issues involved, including the suggestions in this letter.

I again express my appreciation for the opportunity to give you our thoughts on this important subject. I hope they will be of value to you in the development of your proposal.

Sincerely,

V. D. MATTIA, M.D.,
President.

TEXAS PHARMACAL CO.,
San Antonio, Tex., December 14, 1967.

Senator GAYLORD NELSON,
Chairman, Senate Monopoly Subcommittee, Washington, D.C.

DEAR SENATOR NELSON: Reference is made to your letter of November 3, 1967, concerning the possibility of developing a drug compendium.

While I am not familiar in detail with all of the testimony before your committee, I am, of course, acquainted in general with the proposal advanced by Dr. Goddard and have some views on this matter which I am happy to share with you.

The general concept of a drug compendium is certainly an acceptable one in theory. Problems arise in the manner in which the development of such a compendium is implemented. As you may have been informed, such a compendium now exists in the form of the privately published "Physicians' Desk Reference". I know from my own knowledge that this publication is widely used by doctors and is considered to be reliable. The publication is not absolutely complete in that it does not include the products of every drug company in existence. Further, I am not aware that the contents of the publication necessarily have FDA approval; however, my observation has been that the material included in PDR closely follows approved package inserts.

There is little argument that the most useful compendium to the medical profession would be one in which the products of all drug companies would be included, although the expense involved in collecting and presenting information on all drugs of all companies would indeed be significant. If the drugs have received new drug approval from the Food and Drug Administration, presumably the material appearing in such a compendium would be based upon their package insert. However, some of these package inserts tend to be quite lengthy, including matter of little practical use to the practicing physician, so that I would hope some way could be evolved to provide an acceptable condensation as indicated in order to prevent the compendium from becoming unduly bulky and, thereby, destroying its practical value. The ultimate question, of course, is the real need to be filled for the practicing physician, that is not al-

ready provided by existing methods, and I have not seen any definitive information on this point.

There would also be the problem of maintaining the compendium up-to-date, but presumably this could be done with periodic supplements, such as now utilized by PDR.

I am told that a suggestion has been made that drug prices should be included in such a compendium. I would strongly oppose this suggestion since it is not clear to me how the prices would be selected. A great deal of the information regarding drug prices which I have recently observed seems highly misleading and confusing. Rather than attempt, therefore, to select a price (wholesale or retail?) for each drug—whether it be the lowest price quoted by anyone regardless of extent of distribution, an "average" price, or a price which might be regarded as a "fair" price—it seems to me best to not include the price. The doctor can always determine any price by calling his pharmacist.

I have also seen suggestions made that drugs be listed under their generic as well as brand names. I see no objection to including generic names in such a compendium, where they exist, since such names already appear on the label of the product. In our own field of specialty, namely dermatologicals, the brand name is practically the only one which would have any meaning to a doctor, since the products we market tend to be composed of several ingredients, properly blended, to which a generic name is not usually applicable. Of course, any compendium that did not include such combination products could not be considered complete.

In summary, as I have indicated, I believe the broad concept of a reliable drug compendium cannot be questioned. The difficulty arises when one attempts, on the one hand, to make it all inclusive and completely accurate, yet recognizes the necessity of keeping it within an acceptable length and expense. I am not sure I know the answers to these problems, but I certainly wish to commend your committee for attempting to shed light on the matter.

Sincerely,

ARTHUR W. MUELLER,
President.

ORGANON, INC.,
West Orange, N.J., November 15, 1967.

Hon. GAYLORD NELSON,
Chairman, Senate Monopoly Committee, U.S. Senate, Washington, D.C.

DEAR SIR: This is in response to your letter dated 3 November 1967.

We are favorably inclined towards the compendium concept. Such compendium of drugs could be useful provided it is worked up carefully with respect to the objectives.

Among the prime objectives would be to assist the prescribing physician. This should provide the guidelines as to what goes into such compendium. It should reflect the expressed views of physicians as to what they would find most useful and significant to facilitate their use of the drugs the pharmaceutical industry has made, and will continue to make available.

Sincerely,

ALAN KUSIK,
Administrative Vice President.

S. F. DURST & CO., INC.,
Philadelphia, Pa., November 17, 1967.

Hon. GAYLORD NELSON,
U.S. Senate
Washington, D.C.

DEAR SENATOR NELSON: We appreciate receiving your letter of November 3rd, 1967 and welcome the opportunity to give you our thoughts on national compendium of drugs. It may be relevant to point out that we have been handling drugs for the medical profession for thirty-seven years, and are well respected in the geographic areas that we service. We think that a smaller company such as ours that works intimately with thousands of physicians may have some useful thoughts to contribute.

We are in favor of a compendium and believe it should be similar in format to the "Physicians Desk Reference" but greatly expanded to include every item of every company from the largest to the smallest in the pharmaceutical field.

If you would desire additional thoughts on the subject we will be happy to cooperate.

Sincerely,

RICHARD L. DURST,
President.

CROOKES-BARNES LABORATORIES, INC.,
Wayne, N.J., December 4, 1967.

Hon. GAYLORD NELSON,
Chairman, Senate Monopoly Subcommittee, U.S. Senate, Washington, D.C.

MY DEAR SENATOR NELSON: In reference to your letter of November 3 addressed to Mr. Louis E. S. Santamaria, please be advised that I endorse the concept of a compendium of drugs.

It would seem to me, having spent many years in practice, that the compendium should include generic and brand names, the manufacturer of each generic and brand name, some basic pharmacology and adverse reactions.

In general, I feel that an official compendium similar to the Physician's Desk Reference but without the promotion, would be the most valuable.

Sincerely,

DANIEL K. BEIRNE, M.D.,
Vice President.

THE UPJOHN CO.,
Kalamazoo, Mich., November 17, 1967.

Senator GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: This is in response to your recent letter requesting my views as to the merits of a drug compendium.

I appreciate your courtesy in writing and expression of interest in the position of The Upjohn Company on a subject of such importance to the pharmaceutical industry and the medical profession.

The position of The Upjohn Company is compatible with others who have endorsed the general concept of a drug compendium. It has been our consistent policy to insure full disclosure as to the quality, characteristics and proper usage of the products which we manufacture. Thus, we would certainly support, in principal, the idea of a compendium as a vehicle for providing such relevant information to the medical profession.

While one can endorse the principal of a compendium, careful and serious thought must be given to the substantive composition of this publication. I share the view expressed by Dr. Goddard in his testimony before your Subcommittee on November 9, that the compilation of a Drug Labeling Compendium will be a difficult task. Certainly a meaningful compendium must include pertinent information presented in a form best suited to impart essential facts included in package inserts. These facts, as you well know, are related to the quality and characteristics, safety and efficacy of our drug preparations. I think it would be a mistake to include information superfluous to this purpose and do not feel, therefore, that economic data, such as price, would be germane to this publication.

I believe that considerable thought and attention must be given to membership of the committee which will prepare the compendium and be responsible for its content, for the value of this publication will be directly related to the caliber of its format and composition. Careful consideration should be given to this question as well as others which relate to content of the compendium. The views of concerned parties should be elicited in deciding whether all or portions of information presently contained in package inserts should be included. If this document is to group drugs according to specified nomenclature with an accompanying summary of the drugs listed, then standards should be adopted concerning the method of drug selection as well as proper preparation of the summary. There are, after all, delicate distinctions between many drugs which require recognition in a compendium. Furthermore, a policy should be formulated to insure that new drugs approved subsequent to publication of a compendium but prior to release of supplements thereto may be distributed without penalty for not being included in the compendium.

These are but examples of some decisions which must be made prior to the preparation and publication of a compendium. I would suggest that to resolve questions such as these, thought be given to calling a meeting of those people who will be concerned with its use. Among such people would be the Commissioner of the Food and Drug Administration, the Director of the National Institutes of Health, representatives of the pharmaceutical industry and the medical profession. This could provide a blue ribbon committee to study these and other questions of vital importance to the preparation of a worthwhile compendium.

I hope that these brief comments will be of assistance, and wish to assure you of my desire to cooperate.

Sincerely yours,

R. T. PARFET, Jr.

SMITH KLINE & FRENCH LABORATORIES,
Philadelphia, Pa., November 17, 1967.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: In reply to your recent letter asking for our comments on the idea of a drug compendium, we believe that the general concept is a good one.

As to content, we feel that there should be a description of each individual nationally marketed drug product of all registered manufacturers, together with full prescribing information as approved by the FDA. Anything less than this would deprive the physician of full information on the specific drug product he may wish to prescribe.

As to the format, we believe that an expansion of the existing Physicians' Desk Reference (PDR), currently the most widely available source of this information, would be the most practical and economical solution to the problem. Further, we would suggest specific controls by the publisher and the FDA to assure that the information on each drug product is complete and up-to-date. Admittedly, such a compendium would significantly increase the size or create additional volumes of the PDR, but we don't believe this would lessen its usefulness to the physician. We also agree that PDR should continue to be supported by the industries whose drug products are included. In the case of products not included for reason of limited distribution (or for any other reason), prescribing information inserts could still be required for inclusion with the commercial package, as at present.

We appreciate the opportunity to express our views on this subject.

Sincerely,

T. M. RAUCH.

AMENDMENT OF ACT PROVIDING FOR A STUDY TO DETERMINE A SITE FOR THE CONSTRUCTION OF A SEA-LEVEL CANAL CONNECTING THE ATLANTIC AND PACIFIC OCEANS

Mr. MAGNUSON. Mr. President, at the request of the Atlantic-Pacific Interoceanic Canal Study Commission, I in-

troduce, for appropriate reference, a bill to amend sections 3 and 4 of the act approved September 22, 1964—78 Stat. 990—providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans.

The grave disturbance in Panama in 1964 made us more aware of the commercial and strategic deficiencies of the present canal.

The Senate Commerce Committee, after hearings, determined the need for an investigation to examine into the feasibility of constructing a new canal at sea level through the Isthmus.

The committee members recommended that a Presidential commission be created to conduct the study and the committee bill became Public Law 88–609. In April 1965, the President appointed the Commission and designated Robert B. Anderson, Chairman.

In the first session of the 90th Congress, the law was amended to extend the reporting date of the Commission to December 1, 1969. The Commission claims that it cannot conclude the investigation by this deadline.

Commissioner Hill testified during the hearings held this past June that circumstances beyond the control of the commission have restricted the progress of the study.

The delay in negotiating treaties with Panama and Colombia to permit on-site surveys slowed the progress of the commission. Only limited work was accomplished along the survey route in Panama during the 1966 dry season.

The United States did not conclude an agreement with the Colombian Government until October 1966. Two full years were lost before maximum efforts at collection could get under way.

In the meanwhile, the U.S. Atomic Energy Commission Plowshare program, which includes the cratering studies needed to decide whether nuclear excavation of the new canal is feasible has suffered delays. On January 26 the AEC conducted a successful nuclear excavation test but several more could be expected before the technique is refined. As a consequence, the commission now estimates that they cannot complete their work and make their recommendations until late in 1970.

Furthermore, the estimated cost of the study has increased from $17.5 million now authorized to $24 million. The delays cited by the commission are responsible in part for the higher cost figure. In addition, services the commission expected to receive at minimal or no cost whatever, cannot now be provided by the Department of Defense because of the demands of our commitment in Vietnam. The commission must now pay for these services.

The bill which I have introduced would amend the enabling law which created the Commission to provide additional time—until December 1, 1970—and authorize sufficient funds, a maximum of $24 million, for the Atlantic-Pacific Interoceanic Canal Study Commission to complete its job.

Unrestricted shipping through the American Isthmus is essential to commerce in the United States. This study is necessary to guarantee the future growth of this commerce as the Panama Canal becomes obsolescent. I am concerned that the Commission shoud have ample time and funds to complete the study.

I ask unanimous consent that the letter of Chairman Robert B. Anderson to Vice President HUMPHREY dated January 31, 1968, which explains in detail the need for the proposed legislation, be printed in the RECORD following my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2948) to amend Sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

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

ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION,
Washington, D.C., January 31, 1968.

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

DEAR MR. PRESIDENT: Provided herewith is a draft bill "To amend Sections 3 and 4 of the Act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans."

We recommend that this draft bill be referred to the appropriate committee for consideration, and we recommend its enactment.

The Atlantic-Pacific Interoceanic Canal Study Commission was established by the Act approved September 22, 1964 (Public Law 88–609, 78 Stat. 990), to make a full and complete investigation and study, including necessary on-site surveys for the purpose of determining the feasibility of, and the most suitable site for, construction of a sea-level canal connecting the Atlantic and Pacific Oceans, and the best means of construction.

When Public Law 88–609 was enacted, the expectation was that site surveys in Panama and Colombia would begin not later than January 1965. This expectation was the basis for the establishment of the June 30, 1968 reporting date and was a factor in fixing the $17.5 million ceiling on appropriations.

On April 18, 1965, the President appointed the five present members of the Commission from private life. After the Commission was appointed, it adopted a plan of study that attempted to adjust the study program schedule to the circumstance that the favorable dry season occurring in fiscal year 1965 had already passed. At that time the Commission had no actual on-the-ground experience on which to base a more accurate time and cost estimate. The new program schedule assumed the start of full-scale data collection beginning in January 1966, with completion of the study by June 30, 1968.

In September 1965, it became apparent to the Commission that the necessary treaties with Panama and Colombia could not be negotiated and ratified before the advent of the 1966 dry season. It, therefore, requested the Department of State to direct its immediate efforts toward achieving early agreements for site surveys only, with the understanding that negotiations for sea-level canal treaties would continue with the hope of agreement at a later date. The negotiations of site surveys initiated with Panama in October 1965 were successfully concluded in an exchange of notes between the United States and Panama on February 15, 1966. A similar exchange of notes with the Colombian Government was made on October 25, 1966.

Although access to the survey route in Panama was achieved prior to the close of the 1966 dry season, only limited work could be accomplished there in the remaining weeks of dry weather. During the negotiation period, every advantage was taken to expedite those functions not requiring actual route access. Supplies and equipment were purchased and stored, but full-scale data collection had to be postponed until January 1967. In spite of maximum efforts during this period, two full years for data collection have been lost.

Evaluating the alternatives available to the Commission for completing their investigation and study, in the face of the delay caused by difficulties in starting actual on-site surveys and the delay in the nuclear excavation research program, the Commission determined that it will require until December 1, 1970, to complete and submit its study.

The Congress has extended the required completion dates but only to December 1, 1969. An additional year's time to complete and submit the study is needed. Also, while this legislation originally included a provision for increasing the appropriate authorization, the Act as passed did not include such an increase. The Commission cannot accomplish its task within the current appropriation limitation of $17.5 million. The current estimate of funds required to complete the study is $24.0 million, an increase of $6.5 million. The major items contributing to the increase in estimated cost are the result of delays in beginning on-site surveys, more realistic cost estimates based upon actual field conditions, and other changed conditions. Included in the Commission's present cost estimate are funds to extend the study, to cover unprogrammed Federal pay raises, to provide services for the Commission that otherwise would have been provided by the Department of Defense at little or no cost to the Commission had it not been for the Vietnam requirements, to support program changes resulting from actual on-site conditions, to support a program stretchout which will result from the extension of the nuclear excavation research activities, and other requirements resulting from conditions which were not envisioned in the original program planning.

The Atlantic-Pacific Interoceanic Canal Study Commission considers that the objectives of Public Law 88–609 can best be accomplished by enactment of the proposed amendment to extend the study until December 1, 1970, and to increase the appropriation ceiling to $24.0 million so as to provide the Commission with sufficient time and funds to complete the study in an orderly and efficient manner.

For the reasons stated above and because of the fact that the concluding work plans of the Commission will be affected by the inclosed draft bill, its prompt and favorable consideration is recommended.

The Bureau of the Budget has advised that the enactment of the draft legislation would be consistent with the Administration's objectives.

Respectfully yours,

ROBERT B. ANDERSON,
Chairman.

JOINT RESOLUTION ON THE SERVICE OF THE BOY SCOUTS OF AMERICA TO AMERICAN YOUTH

Mr. YARBOROUGH. Mr. President, this morning I was pleased to attend the Report to the Nation breakfast of the Boy

Scouts of America in which Vice President HUBERT HUMPHREY and over 200 Senators and Congressmen participated. This breakfast was held in observance of the 52d anniversary of the chartering of the Boy Scouts of America by Congress.

The highlights of the long range program for expansion of the Boy Scouts of America was presented by Mr. Edwin H. Gott, a member of the executive board of the organization—a report which outlined the important future of America as well as the Boy Scouts. In this expansion, the Boy Scouts of America hope to expand their membership by 40 percent in the next 9 years, bringing scouting to over one-third of our American boys. To illustrate the service to this country, particular emphasis is being placed on the disadvantaged boys in both urban and rural areas of the country.

In 1966 Congress passed a concurrent resolution marking the 50th anniversary of the granting by Act of Congress of the charter of the Boy Scouts of America—the first youth organization to be granted such a charter by Congress.

It is my privilege today to introduce a joint resolution of Congress calling on the Boy Scouts of America, in their expansion and renewal efforts, to serve the youth of America to the ultimate end of improving the leadership of the future Nation. I ask that this joint resolution be printed in full at this point in the RECORD.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 138) calling on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S.J. RES. 138

Whereas the Boy Scouts of America has acted under a congressional charter since 1916, serving over 40,000,000 boys with a program that develops physical fitness, character, and citizenship; and

Whereas the Boy Scouts of America has achieved significant results in preventing and reducing juvenile delinquency; and

Whereas the Boy Scouts of America has extended its program to disadvantaged boys in the deprived areas of urban and rural areas of our Nation; and

Whereas there is an increasing need for training boys to become responsible citizens in accord with the ideals and principles of the Scout oath and law; and

Whereas the Boy Scouts of America gives strong support to the home, the religious institution, the schools, and communities in the training, education, and development of youth; and

Whereas the Congress is called upon to assist and promote programs of promise in these critical areas: Therefore be it

Resolved by the Senate and House of Representatives of the United States America in Congress assembled, That the Congress of the United States calls on the Boy Scouts of America to serve the youth of this Nation as required by their congressional charter to the end that more boys in every segment of our society will be involved in its program and future generations of Americans will be better prepared with the skill and confidence to master the changing demands of America's future and prepared to give leadership to it.

PROPOSED NATIONAL ENGINEERING TECHNICIAN WEEK

Mr. TOWER. Mr. President, I introduce, for appropriate reference, a measure which authorizes the President to proclaim the week between October 20, 1968, and October 26, 1968, as National Engineering Technician Week. The American Society of Certified Engineering Technicians is a young, aggressive organization that was formed in 1964. Since then it has worked hard in establishing the engineering technician as a part of the national and local community utilizing sound, professional practices.

The goals of the society are very worth while. Among them are the desire to obtain recognition of its members as a vital component of the engineering and scientific team in service to the national and public welfare, and to promote the education, social, economic, and ethical responsibilities of engineering technicians. They have made great strides toward achieving their goals. I hope that we will be able to help them a little in this way.

I believe that it is altogether fitting and proper for the achievements of this organization to be recognized by the proclamation of a National Engineering Technician Week in their honor. All of America will be furthered by the achievement of the society's goals. I would like for the Senate to expeditiously consider this measure.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 139) to designate the period beginning October 20, 1968, and ending October 26, 1968, as "National Engineering Technicians Week," introduced by Mr. TOWER, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROFESSORS EMERITUS—AMENDMENT TO TITLE III OF THE HIGHER EDUCATION ACT OF 1965

AMENDMENT NO. 526

Mr. YARBOROUGH. Mr. President, I rise to submit a measure that would amend title III of the Higher Education Act of 1965 by adding a new section providing grants to qualified professors emeritus who wish to continue their teaching career by moving to a developing educational institution. Technically, my proposal is in the form of an amendment to S. 1126, the Higher Education Amendments of 1967, which the Senate's Subcommittee on Education is soon to consider.

Substantively, my proposal for a program of grants to professors emeritus makes possible a marriage of interests between developing educational institutions, which need competent faculty who, merely because of age, face compulsory retirement from a developed institution. This is one of those rare but happy instances when each of two problems has within it at least a partial solution to the other problem.

On the one hand there is the problem of a shortage of qualified faculty at our new and developing 2- and 4-year colleges. These institutions, which are struggling financially and otherwise to meet the educational demands of a steadily growing influx of students, find it increasingly difficult to compete for qualified faculty, not only with their sister, developing institutions, but also with older, established institutions.

The faculty shortage is made even more acute by a rapidly growing student enrollment and a phenomenal increase in the number of new campuses across America—both of which further diffuse the existing store of qualified faculty.

In the Office of Education's recent publication, "Staffing American Colleges and Universities," James F. Rogers observes:

The current decade is expected to witness a doubling of enrollments in higher education.

Coupled with this increase in enrollment is a great increase in the number of educational institutions, especially of junior and community colleges. The study of the Office of Education reports that 166 educational institutions were created during the 5-year period of 1961–65. Of these, 114, or 69.7 percent, were junior colleges and technical institutes. Mr. Rogers suggests that this tendency will persist in the foreseeable future:

The continuing thrust to extend educational opportunity, especially through the junior college level, lends support to the probability that the creation of new institutions is likely to continue at a brisk pace.

Probably the most significant development in higher education in recent years is the commitment by this Nation to make advanced education available to more people in more places. A primary means of achieving this universality of higher education is the junior or community college movement, which attempts to bring into a region, a community, or even a neighborhood the additional education that the people want.

Each of these new colleges requires a new faculty. The American Association of Junior Colleges reported in 1967—

Fifty new junior colleges were established in 1965 and another fifty in 1966.

They predicted the likelihood that this 50-per-year rate would continue in the coming decade. Needless to say, this demand cannot be quenched from the existing pool of qualified faculty.

In addition, the greatest rate of enrollment increase is to be found in the 2-year institutions. James Rogers reports an estimate that these institutions will absorb a 125.5 percent increase in enrollment during the 6-year period of November 1963 through October 1969.

In the fall of 1963 these 2-year institutions enrolled 19.3 percent of all students pursuing higher education, but they employed only 12.8 percent of the professional staff. By the fall of 1969—which is the beginning of the next academic year—these institutions are expected to

enroll 27 percent of all students in higher education.

Obviously, there exists a critical shortage of qualified faculty for these new and developing institutions. The American Association of Junior Colleges tells us that "conservative estimates indicate a need for at least 100,000 additional instructors by 1975." This estimate relates only to junior colleges, and does not consider the similar needs of other 2- and 4-year institutions which qualify under title III as developing institutions.

In most cases, these institutions are financially unable to offer the salaries required to attract faculty from developed institutions or to compete with these institutions for new faculty. Even if they could compete, the problem would still exist, for there has been an increase in the number of institutions and students without a commensurate increase in the number of faculty.

In short, there is a serious faculty shortage in America, intensified by an exploding student population and a proliferation of new institutions. The impact of this shortage is most severely felt by developing institutions. The bill which I am introducing today proposes to make available to these developing institutions the talent and experience of qualified faculty who have reached compulsory retirement age at a developed institution, but who are not eager to retire and would welcome the opportunity to teach and pursue research at a developing institution.

In an article written for the October 1963 issue of the "Journal of Higher Education," Dr. A. Packchanian, formerly a member of the faculty of the University of Texas School of Medicine, offers the following judgment of compulsory retirement of faculty:

> Compulsory retirement of scientists from universities and research institutions presents one of the most challenging problems of the day. It is well known that every year able men and women of science are compelled to retire from active duty because they have reached an arbitrary age limit. The majority of these retired scientists find themselves bewildered and unproductive. This is an injustice to them and to society.

The problem is not one that plagues the scientist alone. His colleagues in other disciplines are faced with the same compulsory retirement and feel a similar frustration at their lack of productivity.

I was alarmed, Mr. President, to learn of the manpower and brainpower that apparently falls victim to a compulsory retirement age. In a 1965 survey of 1,084 institutions of higher education, the National Education Association reported that 917, or 84.6 percent, designate a formal retirement age, ranging from 62 to 75 years. Of these 917 colleges and universities, employing 160,806 teachers in 1965, only 328 report existing provisions of any kind for continuing service. In short, 64.4 percent of the institutions surveyed, employing over 70 percent of the teachers, have policies of compulsory retirement.

What I propose in my amendment is not a retirement plan or a subsidized pasture for tired and ineffective professors; rather I suggest both a challenge to and opportunity for those men and women of our Nation's faculties who maintain their competence and enthusiasm long past any arbitrary retirement age. The very essence of productivity is a good blend of competence and enthusiasm. It is absurd to suggest that this is universally lost at 65, 70, or any other arbitrary age limit.

It strikes me as ironic that the students of developing institutions should go begging for qualified faculty while hundreds of experienced and productive teachers annually are forced into a frustrating retirement. On the one hand there is a challenging job in search of a qualified employee. On the other hand, there is a qualified employee wanting a challenging job. Simply stated, my amendment provides the mechanism to get the two together for the mutual advantage of both, with society receiving the ultimate benefit of the alliance.

Mr. President, I look forward to exchanging ideas on this proposal with witnesses testifying on S. 1126 before the Education Subcommittee. As far as the mechanics of my amendment are concerned, I believe the text is self-explanatory, and I ask unanimous consent that it be printed at this point in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 526) was referred to the Committee on Labor and Public Welfare, as follows:

AMENDMENT NO. 526

On page 12, line 11, insert the following:

"SEC. 304. Title III of the Higher Education Act of 1965 is amended by adding the following new section:

"'PROFESSORS EMERITUS

"'SEC. 306. (a) The Commissioner is authorized to award grants under this section to professors retired from active duty at institutions of higher education which do not qualify for assistance under this title, to encourage such professors to teach and to conduct research at developing institutions. The Commissioner shall award such grants only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching or research set forth in the application is reasonable in the light of the qualifications of the Professor Emeritus and of the educational needs of the applicant.

"'(b) To facilitate subsection (a) the Commissioner shall undertake a program to disseminate information concerning this section both to institutions of higher education which qualify for assistance under this title and to those which do not and shall solicit from those institutions which do not qualify for assistance under this title the names of retired professors and of professors about to retire who evidence interest in participating in the Professors Emeritus Program and disseminate such names and other pertinent background data to those institutions qualifying for assistance under this title.

"'(c) Grants may be awarded under this section for such period of teaching as the Commissioner may determine. The amount of each grant awarded under the provisions of this section for each academic year of teaching or research shall be determined by the Commissioner upon the advice of the Council'."

REQUIREMENT OF DISCLOSURE OF THE PRICE OF SAFETY EQUIPMENT IN THE PROCUREMENT OF MOTOR VEHICLES—AMENDMENT

AMENDMENT NO. 527

Mr. HARRIS. Mr. President, at the request of Senator RIBICOFF, I submit an amendment to his bill, S. 2865, and ask that it be printed at this point in the RECORD, and appropriately referred.

The PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 527) was referred to the Committee on Government Operations, as follows:

AMENDMENT NO. 527

Strike out all after the enacting clause, and insert in lieu thereof the following:

"That section 302 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252) is amended by adding at the end thereof the following new subsection:

"'(f) In any procurement of motor vehicles by any executive agency disclosure of the price of each system or item of equipment incorporated into the vehicle in order to comply with the safety standards set by the Secretary of Transportation pursuant to the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391 et. seq.) shall be required. In accordance with such regulations as the Administrator of General Services shall prescribe, each bid or offer submitted in response to any solicitation for offers shall contain an itemized statement of the amount of such price for each such system or item of safety equipment which is included in the aggregate price tendered for the furnishing of such motor vehicles. All information received by any executive agency (other than the General Services Administration), in the course of any procurement of motor vehicles, concerning prices quoted for each system or item of such safety equipment shall be transmitted promptly to the Administrator under such regulations as he shall prescribe'."

ADDITIONAL COSPONSORS OF BILLS

Mr. BYRD of West Virginia. Mr. President, at the request of the senior Senator from North Carolina [Mr. ERVIN], I ask unanimous consent that, at its next printing, the names of the Senator from Texas [Mr. YARBOROUGH] and the Senator from Pennsylvania [Mr. SCOTT] be added as cosponsors of the bill (S. 2009) to further insure due process in the administration of military justice by prescribing uniform rules of procedures to be followed by the Armed Forces in the case of administrative discharge boards by establishing a Judge Advocate General's Corps in the Navy, by creating single-officer general and special courts-martial, by establishing in each Armed Force a Court of Military Review, and for other purposes.

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

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from Nevada [Mr. CANNON] I ask unanimous consent that, at its next printing, the name of the Senator from Nebraska [Mr. CURTIS] be added as a cosponsor of the bill (S. 2872) to change the day for holding elections for Members of Con-

gress and for appointing electors of President and Vice President.

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

VETERANS' BENEFITS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a number of telegrams I have received relative to the President's message on veterans' benefits be printed in the RECORD.

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

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 5,
Asheville, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina department AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations, and request for legislation.

AMVET POST 160,
Hendersonville, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations, and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 240,
Denton, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 120,
Brevard, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 250,
Farmville, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 4,
Asheville, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 12,
Durham, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 170,
Mount Airy, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 300,
Winston-Salem, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendation and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 42,
Shelby, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 13,
Lexington, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 40,
Nebo, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 110,
Rosman, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits programs, and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 130,
Swannonah, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations and legislative request to expand certain benefits program, and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 230,
Elkin, N.C.

FEBRUARY 6, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations, and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 43,
Roxboro, N.C.

FEBRUARY 7, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: The North Carolina Department of AMVETS wishes to express to you our hearty endorsement of the President's proposed recommendations, and legislative request to expand certain benefits program and to support improvement of the quality of certain services provided for veterans. We urge your study and support of the President's recommendations and request for legislation.

AMVET POST 30,
Candler, N.C.

ALLEGED BRIBERY OF AID EMPLOYEES

Mr. WILLIAMS of Delaware. Mr. President, today I call the attention of the Senate to a contract under our AID program wherein the best interests of the American taxpayers were not adequately protected. When this condition was called to the attention of the officials in Washington along with the serious allegations that the Government employees responsible may have been accepting bribes or kickbacks in the form of cash or payments in goods or services, the administration, rather than taking prompt steps to expose the scandal, merely tried to brush it under the proverbial political rug.

Within the past few weeks at least four high officials in AID have been allowed to resign with the public record indicating that they resigned on a purely voluntary basis with no charges pending. The fact is that all four public officials, while issuing general denials of any implication, resigned rather than answer charges of having accepted improper payments—either in the form of cash, goods, or services—from this contractor, who in turn had been receiving their approval for a contract and subsequent changes wherein he could collect thousands of dollars more than could have been justified.

The contract to which I refer was one negotiated with J. & M. Adriaenssens, N. V. Hoboken, Belgium. This was a contract for the repair and reconditioning of certain excess Government property which was being rebuilt in order that it might be used under our AID program.

This contract of over $2 million was modified several times with the approval of these same officials, at least two of the changes representing substantial price increases allegedly to reflect the increased costs.

The Department's own files, developed as the result of an intra-agency investigation, contain rather pointed evidence that these four employees had accepted from the contractor goods of value in the form of cash or services, and so forth, in return for their approval of a liberalization of the contract.

The Department of Justice is filing a claim against the company for at least $250,000, but what concerns me is the fact that the Government has dallied while some of the records became lost and the officials responsible for this abuse were allowed to resign with the public record showing that their separations from Government service were purely voluntary. As near as I can determine no effort had been made to pursue the case as far as these employees were concerned until a congressional inquiry was made.

I am now advised that within the past few days all of the files of the agency on this contract have been classified as "limited for official use" on the basis that they are being turned over to the Department of Justice for whatever steps may be found advisable.

I agree that these files should be turned over to the Department of Justice, but I am concerned that no such effort was made until a congressional inquiry developed, and even as of this date the public record of the employees involved still indicates that they left the Government service in good standing.

Last week, when I first discussed this case with the AID officials, I was advised that they were turning the complete files over to the Department of Justice and that they could only take under advisement my request for further information in connection with the alleged payoffs.

Yesterday I was advised that the files had already been transmitted to the Department of Justice and that they were now classified as being for "limited official use," thereby prohibiting their release for congressional inspection.

In my opinion this classification is a deliberate method to cover up and protect the agency from having to explain why this explosive investigative report, which was transmitted to Washington several months ago, had been pigeonholed until a congressional inquiry was made.

Under the circumstances I am making this report today and identifying the contract and the company, but I shall withhold the names of the employees involved and wait to see what action is taken by the Department of Justice to handle this case.

I realize that the evidence and the charges against these men are serious and that they are entitled to an opportunity to answer the allegations, but I also point out again that rather than answer the charges when first given the opportunity by the agency, they merely issued a general denial and submitted resignations, which were readily accepted by the agency as though it were a routine development.

Under the circumstances I thought it necessary to make this report to the Senate and to let the agency know that the mere transfer of the files to the Department of Justice does not relieve it of the responsibility to render a full accounting to the Congress and the American taxpayers.

In conclusion I point out that this is not a subject dealing with the security of our country, wherein secrecy could be justified; this is a report dealing with the question of irresponsible handling of public funds by public employees, and the American taxpayers have a right to know the facts.

Mr. President, since I prepared the foregoing statement I have discovered that yesterday the Department leaked a preliminary report of this scandal to the New York Times along with its slanted version of the activities of the employees—the inference being that the resignations were purely voluntary. I wish to make the record clear that these were not voluntary resignations. There were serious charges in the investigative reports concerning these individuals. Some action had better be taken on the charges, or, if necessary, we can outline some of them, along with the names of those persons who have been desperately trying to keep the matter under cover. This whitewash is not going to be accomplished by any leaking of slanted information. The administration is not going to avoid responsibility by transferring the matter to the Department of Justice, and thereby place a cloak of secrecy on the scandal until after the election.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, yesterday I criticized the manner in which a contract under our AID program had been handled, with particular emphasis upon the failure of the Agency to cooperate with Congress in exposing those who were responsible.

In this connection, I ask unanimous consent that a letter dated February 7, 1968, signed by Mr. William S. Gaud, Administrator for the Agency for International Development, be printed at this point in the RECORD.

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

DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, February 7, 1968.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: Your letter of February 1 did not reach the Agency until late in the afternoon of February 5. I first saw it on the morning of the 6th.

When Mr. Haugerud and I saw you in your office on Friday morning January 26, it was our understanding that the files were still in A.I.D. It turns out that we were misinformed. They had been sent to the Department of Justice at 9:45 a.m. that morning—approximately 45 minutes before we arrived at your office.

Here is the story of what happened.

As I believe I told you, I left for Vietnam and Thailand early on the morning of Saturday, January 13. I did not get back to Washington until late in the afternoon of Thursday, January 25.

Mr. Rex Lee, the Assistant Administrator for Administration, has been in charge of this investigation since September. He tells me that on January 15, while I was away, he first directed the General Counsel's office to get the files together and send them to the Department of Justice. He tells me that he re-

peated these instructions on January 19. On January 25 he checked again with the General Counsel's office and found that they had not yet left A.I.D.

Upon my return to Washington late in the afternoon of January 25, I called Deputy Administrator Poats to chat about what had gone on in the office during my absence, and learned from him, among other things, that he had heard that day of Dr. Marcy's telephone call in your behalf to Mr. Haugerud. That call, Mr. Haugerud tells me, was made at about 5:30 p.m. on Wednesday, January 24.

I decided at once that I would try to see you the next morning. Shortly after the opening of business in the morning I asked Mr. Lee whether we still had the files or whether they had gone to the Department of Justice. Relying on what he had been told the day before, Mr. Lee told me we still had them.

Mr. Haugerud and I went up to see you at 10:30 and passed this information on to you in the belief that it was correct. However, it turns out that it was not. Unbeknown to Messrs. Lee, Haugerud and myself, the files had been delivered to the Department of Justice at 9:45 that morning.

I want to be clear about what we sent to the Department of Justice. It consisted of the reports of our investigation up to that date. The investigation is still underway, and may turn up additional material in the future.

I apologize for my mistake and hope this letter will clear up the matter to your satisfaction.

Sincerely yours,

WILLIAM S. GAUD.

Mr. WILLIAMS of Delaware. This letter confirms that the files relating to the alleged irregularities on the part of the employees and the contractor were not classified and sent to the Department of Justice until just 45 minutes before their scheduled conference in my office on January 26.

PRESIDENT PRESENTS MOST COMPREHENSIVE ANTICRIME PROGRAM IN HISTORY

Mr. MANSFIELD. Mr. President, President Johnson's anticrime message offers Congress the most comprehensive anticrime program ever presented to deal effectively with the rising crime rate.

Crime and its causes must be controlled. We know the high cost in human tragedy caused by crime; crime causes almost $4 billion in property loss; takes millions of dollars from productive pursuits and honest citizens; and presents an increasing threat to our Nation's security.

The President's response is to increase our national investment in the war against crime by 28 percent—through a series of imaginative programs. This is an investment—in proven programs and new proposals—which Americans want and need.

To protect us in our homes and stores and on our streets the President has developed a variety of programs—to better pay, equip, and train our law enforcement officers; to improve Federal coordination in criminal enforcement and correction; to prevent professional rioters from moving across State lines to incite civil disturbances; and to curb rampant auto thefts.

To eliminate the sinister effects of organized crime, the President has proposed a multipronged attack; to increase the effectiveness of the Federal strike force program; to strengthen laws on substantial gambling; and to help prosecute apprehended racketeers.

And to deal with the special problems of alcoholism and drug abuse, President Johnson has offered a strong program to assist alcoholic rehabilitation and end the traffic in LSD and narcotics.

These bold programs should help make our citizens secure in their homes and safe on their streets—while helping thousands of offenders achieve more productive lives.

The anticrime message is nothing less than a blueprint for a more livable America. President Johnson has lived up to his high responsibility. We in the Congress must face up to ours.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PROPOSED BUREAU OF NARCOTICS AND DANGEROUS DRUGS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 249)

The PRESIDING OFFICER. The Chair lays before the Senate two messages from the President of the United States, one on Reorganization Plan No. 1, relative to the Bureau of Narcotics, dangerous drugs, and the other on crime.

There being no objection, and the Chair hears none, the messages will be printed in the RECORD without being read and appropriately referred.

The message from the President relating to the first Reorganization Plan of 1968 was referred to the Committee on Government Operations, as follows:

To the Congress of the United States:

In my first Reorganization Plan of 1968, I call for the creation of a new and powerful Bureau of Narcotics and Dangerous Drugs.

With this action, America will serve notice to the pusher and the peddler that their criminal acts must stop.

No matter how well organized they are, we will be better organized. No matter how well they have concealed their activities, we will root them out.

Today, Federal investigation and enforcement of our narcotics laws are fragmented. One major element—the Bureau of Narcotics—is in the Treasury Department and responsible for the control of marihuana and narcotics such as heroin. Another—the Bureau of Drug Abuse Control—is in the Department of Health, Education, and Welfare, and is responsible for the control of dangerous drugs including depressants, stimulants, and hallucinogens such as LSD.

Neither is located in the agency which is primarily concerned with Federal law enforcement—the Department of Justice.

This separation of responsibilities—despite the relentless and dedicated efforts of the agents of each Bureau—has complicated and hindered our response to a national menace.

For example, more than nine out of ten seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau has no jurisdiction over marihuana.

In many instances, we are confronted by well organized, disciplined and resourceful criminals who reap huge profits at the expense of their unfortunate victims.

The response of the Federal Government must be unified. And it must be total.

Today, in my Message on Crime, I recommended strong new laws to control dangerous drugs. I also recommended an increase of more than thirty percent in the number of Federal agents enforcing the narcotic and dangerous drug laws.

I now propose that a single Bureau of Narcotics and Dangerous Drugs be established in the Department of Justice to administer those laws and to bring to the American people the most efficient and effective Federal enforcement machinery we can devise.

Under this Reorganization Plan the Attorney General will have full authority and responsibility for enforcing the Federal laws relating to narcotics and dangerous drugs. The new Bureau of Narcotics and Dangerous Drugs, to be headed by a Director appointed by the Attorney General, will:

—consolidate the authority and preserve the experience and manpower of the Bureau of Narcotics and the Bureau of Drug Abuse Control.

—work with states and local governments in their crackdown on illegal trade in drugs and narcotics, and help to train local agents and investigators.

—maintain worldwide operations, working closely with other nations, to suppress the trade in illicit narcotics and marihuana.

—conduct an extensive campaign of research and a nationwide public education program on drug abuse and its tragic effects.

The Plan I forward today moves in the direction recommended by two distinguished groups:

—the 1949 Hoover Commission.

—the 1963 Presidential Advisory Commission on Narcotic and Drug Abuse.

This Administration and this Congress have the will and the determination to stop the illicit traffic in drugs.

But we need more than the will and the determination. We need a modern and efficient instrument of Government to transform our plans into action. That is what this Reorganization Plan calls for.

The Plan has been prepared in accordance with chapter 9 of title 5 of the United States Code.

I have found, after investigation, that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 901 (a) of title 5 of the United States Code.

I have also found that, by reason of these reorganizations, it is necessary to include in the accompanying plan pro-

visions for the appointment and compensation of the five new positions as specified in section 3 of the plan. The rates of compensation fixed for these new positions are those which I have found to prevail in respect of comparable positions in the Executive Branch of the Government.

Should the reorganization I propose take effect, they will make possible more effective and efficient administration of Federal law enforcement functions. It is not practicable at this time, however, to itemize the reduction in expenditures which may result.

I recommend that the Congress allow this urgently needed and important Reorganization Plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968.*

TO INSURE THE PUBLIC SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 250)

The message from the President relating to crime in the Nation was referred to the Committee on the Judiciary as follows:

To the Congress of the United States:

To meet the challenge of crime to our society, I propose the following program of action for our Nation:

For our Governors and Mayors:

1. The Governors of our States and the Mayors of our Cities should examine their local situations—to make certain that they have the necessary laws in effect, that they are committing sufficient resources to their entire systems of criminal justice, and that they have efficient, well-trained and fully supported police departments and law enforcement agencies.

For the Congress and the Executive Branch of the Federal Government:

2. Prompt passage of the Safe Streets and Crime Control Act which I proposed last year.

3. A major Federal assistance program to provide educational opportunities and more training for the Nation's law enforcement personnel.

4. Appropriation of $100 million for the Safe Streets Act in fiscal 1969, double the amount I proposed last year.

5. Passage of the Juvenile Delinquency Prevention Act.

6. Enactment of an Alcoholism Rehabilitation Act, to help provide more effective treatment—rather than simple detention—of alcoholics.

7. Coordination of the Federal anti-crime effort under the Attorney General.

8. Establishment of a strong and unified United States Corrections Service within the Department of Justice.

9. In the fight against drug abuse,

—Legislation to make the illegal manufacture, sale and distribution of LSD and other dangerous drugs a felony, and possession a misdemeanor.

—A more than 30 percent increase in the number of agents enforcing our narcotics and dangerous drug laws.

—That the National Commission on Reform of Federal Criminal Laws undertake immediately a full-scale review of these laws.

—A step-up in our research, education, manpower, training and rehabilitation efforts.

—Transfer to the Department of Justice the functions of the Bureau of Narcotics from the Treasury, and the Bureau of Drug Abuse Control from the Department of Health, Education, and Welfare.

10. A felony law aimed at those who cross state lines to incite and take part in riots.

11. In the fight against organized crime, top priority for the Justice Department's Strike Forces in cities beset by racketeering.

12. New laws to enhance the Federal attack on big-time gambling.

13. Immunity legislation to compel the giving of testimony concerning activities linked with organized crime.

14. Legislation to permit the Government to appeal a pretrial court order granting a motion to suppress evidence.

15. Passage of effective gun control legislation.

16. Funds for 100 additional Assistant U.S. Attorneys in offices throughout the country, 100 additional FBI agents, and an increase in the number of lawyers in the Criminal Division of the Justice Department.

17. A program to develop better law enforcement communications.

18. An intensified effort to develop more modern weapons and equipment for police.

19. A Bank Protection Act.

20. An Auto Theft Prevention Act.

21. That a model crime prevention program be required in each Model Cities plan.

22. A Right of Privacy Act.

THE COST OF THE FEDERAL EFFORT

Our total Federal anti-crime effort will require more than one-half billion dollars—some $557 million—in appropriations in the coming year. This is an increase of about 28% above this year's total of $435 million, and almost three times the amount appropriated in 1960.

THE COST OF CRIME

For decades our system of criminal justice has been neglected. As a result:

—Local law enforcement is undermanned and underpaid.

—Correctional systems are poorly equipped to rehabilitate prisoners.

—Courts at all levels are clogged; procedures are often archaic.

—Local juvenile offender systems—which must deal with increasing numbers of delinquents—are understaffed and largely ineffective.

For decades the conditions that nourish crime have been gathering force. As a result, every major city harbors an army of the alienated—people who acknowledge no stake in public order and no responsibility to others.

Thousands of Americans are killed or injured each year by criminal acts. Many thousands more are unable to use the streets of their cities without fear, or to feel secure in their homes or shops.

Far too many of our youth are saddled with a criminal record early in life, repeat their violations again and again, and find life-long difficulty in obtaining decent employment and social acceptance.

Property valued at almost $4 billion is lost through crime every year. Millions of dollars are taken from the productive economy by organized racketeers—money that should be in the pockets of the poor, or in the bank accounts of honest businessmen.

Drug abuse presents an insidious and growing threat to our nation's health, particularly the health of young people.

These conditions strike at all citizens, regardless of economic status. Neither affluence nor poverty affords protection against crime and violence.

OUR RESPONSE

In the year just ended, the Federal Government—and some cities and States—made a significant new beginning toward coping with the intolerable costs of crime.

In 1965 I appointed a Commission of the ablest lawyers, judges, and experts in law enforcement to study every aspect of crime in America. This Commission conducted the most comprehensive review and analysis of crime in our country that has ever been undertaken. We have made this report available to thousands of policemen, criminologists, and city and state officials to assist them in their work against crime. We are already beginning to see the healthy effects of the Commission's research and insights.

Today,

—The Federal organized crime drive is at an all-time high.

—The Department of Justice, through its Office of Law Enforcement Assistance, has helped fund hundreds of valuable projects, from police patrol helicopters to computerized criminal information networks.

—Other Federal agencies are contributing their share to this effort—in such fields as alcoholism control, juvenile delinquency, urban law enforcement planning, narcotics and drug control, prisoner rehabilitation programs and police-community relations.

—Half of our States have established State law enforcement planning commissions to help coordinate statewide efforts.

—Federal, State, and local agencies are sharing knowledge, pooling their resources and experimenting with new techniques and organizations.

—A Federal Judicial Center has been established to revitalize and modernize our Federal court system.

This year America must decisively capture the initiative in the battle against crime.

The major effort must be made by our cities and towns. State Governments must provide maximum support.

For our part, we must strengthen our Federal law enforcement effort to deal promptly, firmly and effectively with those who violate Federal criminal laws and we should assist states and cities in their local efforts.

I pledge my part.

I urge the Congress to do its part.

And most important, I urge the Governors and Mayors to do their part.

The Governors and the Mayors, as well as the Congress and the Executive Branch, must this year reaffirm for the American people the basic principle I stated last year: "Public order is the first business of government."

1. *The Responsibility for Local Law Enforcement.*

The Federal Government must never assume the role of the Nation's policeman. True the Federal Government has certain direct law enforcement responsibilities. But these are carefully limited to such matters as treason, espionage, counterfeiting, tax evasion, and certain interstate crimes.

Crime is essentially a local matter. Police operations—if they are to be effective and responsible—must likewise remain basically local. This is the fundamental premise of our constitutional structure and of our heritage of liberty.

The existing pattern of law enforcement makes it clear that local governments must play the primary role in any effective program to combat crime:

—Of the 40,000 law enforcement agencies in the Nation, more than 39,750 are local, while some 200 are State, and the remaining few are Federal.

—Of the 371,000 full-time law enforcement officers in the Nation, 308,000 are local, while only 40,000 are State and 23,000 are Federal.

Under our Constitutional system, the prevention and punishment of crime in the streets is committed to State and local governments. It is essentially the task of mayors and local police, supported by their governors.

Today, I call upon every Mayor and every Governor of our Nation to:

—Examine the local ordinances and state criminal laws to see that they are fair, firm, effective and adapted to the criminal justice problems of the Twentieth Century.

—Review the adequacy of their correctional efforts: not just jails, but detention centers, half-way houses, social services, juvenile delinquency efforts, and well-trained probation and parole officers.

—Examine their judicial systems to make certain there is an adequate number of judges and prosecuting attorneys and that arraignments and trials are promptly held.

—Fully support their local police not only in public statements, but with the funds necessary for adequate salaries, first-rate training and the most modern equipment.

Two years ago—on March 9, 1966—I asked "The Attorney General to work with the Governors of the fifty States to establish statewide committees on law enforcement and criminal justice." Since then 25 States have taken advantage of Federal grants to help establish such statewide commissions: California, Connecticut, Delaware, Florida, Georgia, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, Utah, Washington, West Virginia, Wisconsin.

I urge the remaining States to act this year. And I urge the Mayors of our cities to establish their own local crime commissions.

2. *The Safe Streets and Crime Control Act.*

While we reject Federal domination of law enforcement, we recognize that the Federal Government has an inescapable responsibility to help strengthen local law enforcement efforts.

Today, I renew my urgent request to the Congress for immediate passage of the Safe Streets and Crime Control Act which I proposed last year.

This Act is the cornerstone of the Federal anti-crime effort to assist local law enforcement.

It builds upon the fundamental tenets of the Crime Commission's report:

—That crime prevention is a major national priority.

—That better paid, better trained, better equipped police are urgently needed in almost every community.

—That correctional and other law enforcement agencies must have better information on the causes and control of crime.

—That we need substantially more—and more efficiently used—resources and personnel to provide faster action at all levels.

—That the entire system of criminal justice, at every level of government, must be modernized.

The bill I sent to Congress last year emphasizes flexibility and local responsibility. It provides:

—100% grants for research and demonstration projects.

—90% planning grants to State and local governments.

—60% action grants to implement new programs.

—50% construction grants for new facilities.

3. *Federal Assistance for education and training of law enforcement officials.*

Law enforcement means more than putting on a uniform. It means learning about the Constitution, about our laws, about weaponry, about people. It means keeping up to date as our knowledge grows and our techniques and equipment improve. Many local law enforcement agencies cannot now supply the advanced training our men need.

Because this training and education are so essential, I propose that the Safe Streets Bill as originally recommended be amended to:

—Authorize the Federal Bureau of Investigation to expand its training programs for State and local law enforcement personnel, both in the field and at the FBI National Academy at Quantico.

—Provide more substantial financial assistance to State and local law enforcement agencies to develop their own training programs.

—Establish a specific program of fellowships, student loans and tuition aid for State and local law enforcement officers.

—Create a National Institute of Law Enforcement and Criminal Justice to develop a major Federal research program for the application of the most advanced science and technology to law enforcement.

4. *As a measure of this program's urgency, I call on the Congress to appropriate $100 million for the Safe Streets Act in fiscal 1969—double the amount I proposed last year.*

5. *Youth and Delinquency.*

The great majority of our young people—members of the healthiest, the most intelligent and forthright generation this country has ever known—are devoting their energies and idealism to affirmative and useful endeavors. Millions are personally involved in bringing justice, strength and prosperity to America and to the world. In the Armed Forces, in the Peace Corps, in high schools and universities, in the poverty program and in other productive jobs, the youth of America are making a constructive record that is unequaled by any generation of Americans.

But for thousands of others, the years of youth are spoiled by crime:

—Youngsters under 18 accounted for one-fifth of all non traffic arrests in 1965.

—Those under 24 accounted for half of all those arrested for major crimes of violence—homicide, rape, robbery and assault.

—Three out of four of those arrested for larceny, burglary, and auto theft were under 24.

This problem will not disappear by itself. It will not disappear simply as a consequence of the passage of criminal laws.

No child is born a criminal.

But, we know that children born into certain environments all too often view the policeman—and the civil order he protects—as an enemy, rather than as a protector. Many parents fail to impart to their children that respect for lawful and just authority on which a decent society depends. Thousands of these early, individual failures later become parts of a national tragedy.

In the past few years, we have devoted immense resources to education, job training, urban planning and rehabilitation and civil rights.

But these efforts are not enough. We need a more direct and immediate effort to deal with juvenile delinquency at the local level.

I urge the Congress to pass the Juvenile Delinquency Prevention Act that I proposed last year. This Act would:

—Authorize $25 million in assistance to State and local agencies in the first year to develop new plans, programs, and special facilities to deal with youthful offenders.

—Encourage the development of new community correctional programs which avoid the stigma and isolation that often follow prison experience.

—Help local authorities deal with delinquents effectively in terms of their individual needs, and avoid, whenever possible, separating young offenders from their families and from the society they will rejoin.

—Develop a greater range of alternatives to jail—for example, half-way

houses, youth rehabilitation centers and family-type group homes.

Young Americans are our Nation's most valuable and valued resource. No loss is greater than when a youth—with the world before him—is cast into adulthood as a marked criminal. The health of our Nation requires a determined effort to master the problem of delinquency. But we must never forget that there is—as there should be—a limit to the extent to which public efforts can properly affect private lives. Neither the Executive nor the Congress—nor the policeman nor the youth worker—can substitute for parents. In their hands lie the ultimate responsibility.

6. *Alcoholism.*

Alcoholism is tragically high on the list of our Nation's health problems.

Five million Americans are alcoholics. They bring incalculable grief to millions of families. They cost their families, their employers and society billions of dollars.

While alcoholism is essentially a medical problem, it is also a problem of law enforcement. The local policeman—not the doctor—is usually the first point of contact between society and the public drunk, the intoxicated driver or the down-and-out derelict.

Alcoholics and heavy drinkers overburden our law enforcement and judicial systems:

—There are currently about two million arrests each year for drunkenness—nearly one-third of all arrests.

—Excessive drinking plays a part in nearly half of all fatal traffic accidents.

—Local police and courts spend a disproportionate amount of time and effort on what is essentially a medical problem—time that should better be spent dealing with serious offenses.

—A large percentage of all inmates in short-term correctional institutions are there solely because of public intoxication and related minor offenses.

Yet these crowded institutions generally provide no services or programs to treat them. In virtually all our communities, alcoholics receive less adequate care than other sick people.

The Department of Health, Education, and Welfare is now engaged in a major program dealing with the causes and treatment of alcoholism. I recommend that the Congress strengthen this program with appropriations next year of $13.4 million in fiscal 1969.

To deal with the alcoholic whose behavior brings him into contact with the law, I propose the Alcoholic Rehabilitation Act of 1968. This Act would provide Federal leadership and assistance to States and localities in developing non-jail alternatives for the handling of alcoholics.

THE FEDERAL EFFORT

The Federal Government must have the tools it needs to become a more effective instrument in the war on crime: stronger laws, more personnel, and more resources.

7. *Coordination.*

The first step in an accelerated Federal anti-crime drive is better coordination. Our efforts must not be dissipated. Responsibility must not be fragmented.

At the present time, a large number of Federal agencies play a significant role both in front-line enforcement, and in programs to aid State and local agencies. The resources and experience of many different departments and agencies are needed in this effort. But, there must be a control room for Federal action.

Today I am acting in several ways to provide this coordination, and to mobilize the agencies of Government that participate in the work of fighting crime.

I signed this morning an Executive Order designating the Attorney General to:

—*Coordinate the criminal law enforcement activities of all Federal Departments and agencies,*

—*Coordinate all Federal programs that assist State and local law enforcement and crime prevention activities.*

The Attorney General will establish a special office in the Justice Department to carry out this critical work.

State and local law enforcement agencies will now have a single office in Washington to contact for information concerning all Federal programs which may affect them. These include projects as varied as:

—The Labor Department's training programs for sub-professionals in police and court work.

—Juvenile delinquency and alcoholism prevention efforts of the Department of Health, Education, and Welfare.

—The Department of Housing and Urban Development's planning and other assistance programs that affect law enforcement.

—The police-community relations programs in the Office of Economic Opportunity.

The Attorney General will not operate these programs. He will coordinate them and issue guidelines to ensure that they make the maximum impact in meeting the Nation's public safety needs.

8. *Strengthened and Unified Corrections.*

The apprehension and conviction of a criminal is doomed to ultimate futility if we do not deal effectively with him while he is in the hands of the law.

Our correctional system serves two primary functions. It protects the public through the detention or close supervision of convicted offenders. It also seeks to return them to a productive life through education, training, and other programs.

The number of released offenders who subsequently revert to a life of crime is disturbingly large. The Crime Commission estimated that about one-third of released criminals return to prison within five years.

The task of supervising hardened criminals, and of repairing and strengthening lives is difficult, and often unappreciated. This work requires highly trained personnel and carefully-supervised programs of parole and probation.

Today the Nation's correctional system is undermanned and underequipped. We must make it a strong arm in our total effort to protect the public from crime.

To achieve substantial improvements in this long-neglected area, I ask the Congress to increase the program funds available to the Bureau of Prisons by $3 million.

The Federal Government has developed a system of institutions and services—penitentiaries, reformatories, youth centers, parole and probation—to protect society and to lead violators to more worthwhile lives.

Yet our correctional system is fragmented. The courts supervise parole and probation, while the Executive Branch administers the prisons.

This division of responsibility impedes our efforts to build a strong and effective correctional system. We need a single, unified organization to coordinate the prison personnel who are responsible for the treatment of prisoners and the community personnel who supervise their parole.

I again ask the Congress to unify this system by establishing a United States Corrections Service within the Department of Justice.

9. *Narcotics and Drugs.*

In no area of law enforcement is there a greater need for a concentrated drive than in dealing with the growing problem of narcotics and dangerous drugs.

These powders and pills threaten our Nation's health, vitality, and self-respect.

Heroin addiction is largely an urban problem, focused in slum areas. But hallucinogens, such as marihuana and LSD (Lysergic Acid Diethylamide) have spread to suburban and rural regions, and are taken by far too many American youths. The improper use of dangerous drugs—barbiturates, pep pills, speed, other amphetamines—cuts across all segments of the population.

The present Federal laws dealing with these substances are a crazy quilt of inconsistent approaches and widely disparate criminal sanctions. Responsibility for their administration is found in no single Department of the Federal Government.

The Department of the Treasury, through the Bureau of Narcotics, is responsible for narcotics and marihuana enforcement—because historically jurisdiction in that area was based on the taxing power of the Federal Government. This Bureau has only about 300 agents for the United States and all its foreign operations.

The Department of Health, Education, and Welfare enforces the dangerous drug laws through its Bureau of Drug Abuse Control, which has only about 300 agents.

Penalties for improper use of these substances are inconsistent—and in the dangerous drug field, too weak.

The illegal sale of LSD, a powerful hallucinogen, is only a misdemeanor punishable by a maximum prison term of one year for the first offense. There is no penalty at present for possession of LSD for personal use.

Possession of marihuana, another hal-

lucinogen, is punishable by a minimum term of two years and a maximum of ten for the first offense. Illegal sale is punishable by a minimum of five years.

These inconsistencies have seriously hampered law enforcement—for drug and narcotics peddlers do not observe bureaucratic niceties. More than 90% of seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau is not authorized to make arrests for illegal trafficking in marihuana.

We can no longer deal with this major problem in a haphazard way. We must mobilize now to halt the growing trade in harmful narcotics and drugs.

I propose that the Congress immediately:

—*Enact legislation to make the illegal manufacture, sale or distribution of LSD and other dangerous drugs a felony and the illegal possession of these drugs a misdemeanor.*

—*Provide funds to increase the number of Federal narcotics and dangerous drug agents by more than one-third.*

In addition, I am requesting:

—The National Commission on Reform of the Federal Criminal Laws—an expert and distinguished Commission established by Congress last year—to give its immediate attention to a review of all our narcotics and drug abuse laws, and to recommend a balanced and consistent approach to this problem as soon as possible.

—The Secretary of Health, Education, and Welfare to increase the activities of his Department in the area of rehabilitation of drug addicts, and in alerting young people to the threat addiction poses to their lives.

Finally, and most important, I am today transmitting to the Congress a reorganization plan to transfer the functions of the Bureau of Narcotics and the Bureau of Drug Abuse Control to the Department of Justice.

There, in a new Bureau of Narcotics and Dangerous Drugs, these functions can work together with greater effectiveness and efficiency. This step implements the recommendation of the Hoover Commission of 1949, and of the 1963 Presidential Advisory Commission on Narcotics and Drug Abuse.

The new Bureau of Narcotics and Dangerous Drugs would be in a strong position to:

—Use the experienced manpower of the two existing Bureaus more efficiently by avoiding duplicating and overlapping investigations,

—Economize by consolidating regional offices,

—Provide a single channel of communications with State, local and foreign narcotic control authorities, and

—Improve liaison with the Organized Crime Section of the Department of Justice, and thus strike at an important aspect of organized crime—the illegal drug trade.

10. *Riot Control.*

Last summer many of our cities were shaken by disorders that cost scores of lives and millions of dollars in damage.

All Americans have thought about and discussed the causes of this national tragedy. We know the answers are complex. For this reason, I appointed, last August, a National Advisory Commission on Civil Disorders, and charged its members with three questions:

"What happened?"

"Why did it happen?"

"What can be done to prevent its happening again and again?"

We await their report and recommendations.

But there is no need to wait before protecting society against those who would tear it apart for whatever purpose.

I propose the Federal Anti-Riot Act of 1968.

This new law will make it a felony, punishable by up to 5 years in prison, for any person to incite or organize a riot after having traveled in interstate commerce with the intention to do so.

This is a narrow and carefully drawn bill. It does not impede free speech or peaceful assembly.

It is not a solution to our urban problems. But it does give the Federal Government the power to act against those who might move around the country, inciting and joining in the terror of riots.

This bill does not involve the Federal Government in dealing with disturbances that are locally incited and properly a matter for State and local authorities.

I urge those authorities—the Governors and Mayors of this Nation—to review carefully their State and local anti-riot laws to make certain they provide effective protection for their citizens.

This new law should be coupled with the Federal Firearms Bill. Both seek a common end—to reduce crime and disorder in our cities by restricting the interstate movement of two causes of death and destruction—the criminal agitator and the gun.

11. *Organized Crime.*

Organized crime is big business in America.

Its sinister effect pervades too many corners of America today—through gambling, loan sharking, corruption, extortion, and large movements of narcotics.

The Crime Commission reported:

> Organized crime is a society that seeks to operate outside the control of the American people and their governments. It involves thousands of criminals, working within structures as complex as those of any large corporation, subject to laws more rigidly enforced than those of legitimate governments. Its actions are not impulsive, but rather the result of intricate conspiracies, carried on over many years and aimed at gaining control over whole fields of activity in order to amass huge profits.

These conspiracies have taken over legitimate businesses. They have attempted to invade the councils of our cities.

It is clear that sporadic, isolated, uncoordinated attacks on this disciplined army of the underworld cannot obtain lasting results. Organized crime can be defeated only by organized law enforcement.

Under the direction of the Organized Crime and Racketeering Section of the Department of Justice, a "Strike Force" program has recently been initiated. Experienced investigators and attorneys from several Federal departments and agencies work together in a campaign concentrated on a single, organized criminal syndicate in a particular geographic area.

Strike Force Number One, centered in a large northern city, used skilled investigators from the Bureau of Narcotics, the Customs Bureau, the Secret Service, the Department of Labor, and Internal Revenue Service and the Federal Bureau of Investigation. This Strike Force, in cooperation with Canadian and local officials, was responsible last year for Federal indictments of 25 underworld figures.

Additional strike forces are now being formed. Within the next few months they will be moved, without public notice, into several parts of the Nation where organized crime now flourishes.

I have directed the Attorney General and this Government's law enforcement agencies to give this program the highest priority. Funds are included in my budget to support these additional Strike Forces.

STRONGER CRIMINAL LAWS

12. *Gambling Laws.*

Gambling provides the major source of revenue for organized crime. It is vital that the Government have statutory means to play a leading role in striking at illegal gambling activities.

The Federal wagering tax produces needed revenue for the Federal Government from a source that is highly appropriate as long as illegal gambling flourishes. It is important that this tax, imposed by the Congress, be collected efficiently, and without infringing the constitutional rights of taxpayers.

I recommend that our gambling laws be strengthened this year.

First, we should broaden the law to make it a Federal crime to engage in gambling as a substantial business affecting interstate commerce.

Second, the Federal Wagering statute should be modified to preserve this valuable taxing authority in a form that does not raise constitutional problems.

These legislative proposals will be sent to the Congress shortly. *I urge their prompt consideration.*

13. *Immunity Legislation.*

Last year I requested immunity legislation to compel the giving of testimony concerning activities having strong links with organized crime. This kind of authority has proven its value in the past, but its current scope is limited. *I renew my proposal that immunity legislation be extended to the Racketeering Travel Act, to the Obstruction of Justice statute, to the criminal bankruptcy law, and to matters involving bribery, graft, and conflict of interest.*

14. *Effective Prosecution.*

Today, the prosecution in a Federal criminal case cannot appeal when a District Court grants a pre-trial motion to suppress evidence. In many cases, the suppression of that evidence may effectively terminate the prosecution.

The House of Representatives has enacted legislation authorizing the Govern-

ment to appeal such orders when they believe an appeal is justified.

I ask the Senate to pass this legislation promptly.

15. *Gun Control.*

We cannot control crime without controlling the random and wanton distribution of guns.

There is little need to restate the arguments for taking this action. We must stop what amounts to mail order murder.

Newspapers and radios proclaim each day the tragic toll of death and injury caused by firearms. An estimated 750,000 Americans have died by this means since 1900—far more than have died at the hands of all our enemies in all the wars we have fought.

Once again I urge the Congress to enact the bill I proposed last year to:

—Prohibit interstate mail order sales and shipments of firearms, except between Federal licensees.

—Prohibit over-the-counter sales of handguns to out-of-state purchasers.

—Regulate the sale of firearms to minors.

—Further regulate the importation of firearms into this country.

As I said one year ago:

"This legislation will not curtail ownership of firearms used either for sport or self-protection. But it will place a valuable restraint on random trade in handguns—the use of which has more and more characterized burglaries and other crimes."

We know the facts. Failure to act upon them is irresponsible.

NEW STRENGTH FOR LAW ENFORCEMENT

16. *Additional Federal Anti-Crime Officials.*

Since 1960, the pending criminal caseload in the Federal system has increased by 90%. The total number of grand jury proceedings has grown by 31%. The total number of appeals has grown by 133%. During this period the number of District Court judges increased by 40%.

But the total number of Assistant United States Attorneys—the men throughout the country who bring the people's cases to court—increased by only 16%.

I am requesting the Congress to provide funds to enable us to add 100 additional Assistant U.S. Attorneys in offices around the country.

I am also requesting funds for more than 100 additional agents for the Federal Bureau of Investigation, and for a substantial increase in the number of lawyers for the Criminal Division of the Justice Department.

EFFECTIVE CRIME CONTROL IN AN AGE OF TECHNOLOGY

At its heart, the law enforcement problem has always been—and will remain—a human problem. Wretched living conditions produced high crime rates a century ago in immigrant neighborhoods. Today, slum conditions are producing equally serious crime problems among the new immigrants to our cities.

We have dedicated ourselves to change those conditions—and we shall.

But our responsibilities require us to find more immediate solutions to the rising crime rate, that will help us maintain order while we build better foundations for urban life.

17. *Improved law enforcement communications.*

The Crime Commission Report showed that the ability of the police to make an arrest often depends upon the time within which affected citizens contact them, the speed with which radio messages can be transmitted, and the response time of neighborhood police.

In spite of our advanced technological knowledge and capacities, it often takes many minutes for help to reach a citizen. Further, communications facilities for essential emergency services in many metropolitan areas are over-crowded and out of date.

To implement a four-point program to improve law enforcement communications:

—I am instructing the Attorney General to cooperate with the Federal Communications Commission, local law enforcement authorities, and the telephone companies to develop methods to make the ordinary telephone more effective for summoning police aid in times of emergency. Such a step, recommended by the Crime Commission, was recently endorsed by the largest telephone company in the Nation.

—I have requested the Federal Communications Commission to give the highest priority in the allocation of new radio channels to police and other emergency services in our largest cities.

—I am asking the Presidential Task Force on Communications Policy, established last August, to undertake a study to determine the total public safety radio-communications requirements and present capabilities in selected metropolitan areas.

—I am directing the Attorney General and the Secretary of Defense to develop a prototype, low-cost, lightweight personnel radio, which can be used by patrolmen throughout the Nation.

18. *Modern Weapons and Equipment.*

Revolvers and nightsticks are clearly inadequate for the many different crises faced by the police. New weapons and chemicals—effective but causing no permanent injury—have been and are being developed.

But too little is now known about their potential to preserve order while protecting lives. Too little is known about their limitations.

I am instructing the Director of the Office of Science and Technology, working with the Attorney General and law enforcement officials, to study these new weapons and chemicals and other new techniques in crime control. The results of this study will be made available to enforcement agencies throughout the country.

19. *Bank Protection.*

We must bring modern crime detection and protective equipment into our banks.

Robberies of financial institutions have increased continuously in the past decade.

In 1955 there were 526 robberies committed against financial institutions protected by Federal law. In 1966 there were 1,871 such offenses—an increase of about 250%.

Silent alarms and camera systems now exist that can both deter these crimes and aid in investigation and prosecution. Yet many financial institutions have not yet installed them.

I urge the Congress to enact a Bank Protection Act of 1968, to direct those Federal agencies with responsibilities for banks and savings and loan institutions to issue regulations requiring the installation, maintenance, and operation of appropriate protective systems.

20. *Auto Theft Prevention.*

We must reduce the great number of automobiles that are stolen each year.

Auto theft is the third most frequent, and the second most costly crime in America.

It is a crime that involves the young. Over 60% of all auto thefts are committed by persons under the age of 18. This is often the first step in a life of crime—a first step that might be easily prevented.

A principal device in auto theft is the so-called "master key," which can be used to start a car's ignition. These keys are advertised. They can be ordered by mail.

I propose the Auto Theft Prevention Act of 1968, to prohibit the advertisement, mailing and shipment in interstate commerce of motor vehicle master keys and information and devices from which such keys can be made.

This Act, together with auto safety regulations proposed by the Secretary of Transportation—which would require anti-theft devices to be included in automobiles manufactured after December 31, 1969—should help counter the rising rate of auto thefts. Some of our automobile manufacturers have already announced plans to include such devices in future models.

21. *Model Precincts.*

We must take advantage of our Model Cities program—the most comprehensive urban development program this country has ever undertaken—to promote the goal of effective law enforcement.

The Model Cities program gives us an opportunity to plan ahead for law enforcement in a new environment. Many cities have begun to do so.

I am directing the Secretary of Housing and Urban Development, in cooperation with the Attorney General, to require each of the 63 cities now included within the Model Cities program, as well as any new grantees, to include within its total program a well-designed system for crime prevention and control. These could include such items as:

—Establishment of model precincts.

—Improvement of police-community relations.

—Creation of effective recruitment and training centers.

—New programs for youthful offenders.

The Model Cities program gives us an opportunity to create safe streets in safe neighborhoods through more effective crime prevention and law enforcement systems. We must seize that opportunity.

22. *Right to Privacy.*

We must protect the American people against a new threat to one of our oldest and most precious rights—the right of personal privacy.

The principle that a man's home is his castle is under new attack. For centuries the law of trespass protected a man's lands and his home. But in this age of advanced technology, thick walls and locked doors cannot guard our privacy or safeguard our personal freedom. Today we need a strong law—suited to modern conditions—to protect us from those who would trespass upon our conversations.

Last year I recommended to the Congress the Right of Privacy Act. *I urge the Congress to enact this legislation this year.*

CRIME CONTROL—A TASK FOR ALL AMERICANS

This 22-point program will, if adopted and put fully into practice, make the conditions of life for most law-abiding citizens safer, and thus freer and happier.

But in implementing it we must remain aware of its limitations, as well as its goals:

It is not a substitute for action by local law enforcement officials. The job of law enforcement—the basic responsibility—is for the local police, the local mayor, the city council, in short the people of our towns and cities.

It is not an answer to the frustrations of many young people. But it will help to steer thousands of young offenders to more productive lives.

It is not a solution to the illnesses of alcoholism and drug addiction. But it will enable us to deal with them more effectively.

It is not an answer to the blight of our cities and suburbs. But it will help to make our metropolitan areas more livable.

It does not establish a national police force, but it will help enable the Federal Government to do its part well.

The Nation needs vigorous and substantial programs to meet the challenge of crime on all levels of Government—but most importantly at the local level where it affects us all most immediately and most directly.

There are some who view the crime problem in racial terms. The facts belie this. Crime affects all Americans. It is not a problem of rich against poor or white against Negro, because the hard facts show that crime victimizes most severely and most directly those in poverty and those in minority groups.

No people need or want effective and fair law enforcement more than those who live in our crowded inner cities.

For all Americans we must improve and strengthen our law enforcement system.

Speeches and strong words and good intentions will not solve our Nation's crime problem.

This message will not solve our Nation's crime problem.

Only action will be effective to control crime in the cities and states of our country: action at the local level, action at the state level and action by the Congress of the United States.

Today I pledge the resources of the Federal Government to support the governors and mayors of our Nation in an all-out war against crime.

I urge the Congress to join with me by passing the legislation I have recommended in this message.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 7, 1968.*

ADMINISTRATION CIVIL RIGHTS BILL SHOULD BE ENACTED INTO LAW

Mr. YOUNG of Ohio. Mr. President, the pending civil rights bill is concerned with the rights and privileges of all citizens which have already been granted to all Americans through previous legislation. Indeed, they were pledged to all citizens when the first 10 amendments to the Constitution of the United States were ratified.

In the historic civil rights bills enacted since 1965, we approved laws dealing with racial discrimination in voting, public accommodations, employment, public facilities and education. Unfortunately, local law enforcement officers in some parts of the Nation are unable or unwilling to enforce laws guaranteeing equal rights to all citizens. These laws are meaningless if they are not sustained by full forceful protection from those who would defeat their purpose and effect by means of violence or intimidation.

We have recognized and established these civil rights. Now, we must take the additional necessary step of pledging the Nation's law enforcement machinery to their protection and enforcement. In order to make meaningful the various civil rights laws on the statute books, federal legislation is now appropriate and necessary.

Under the proposed legislation, H.R. 2516, it would be a crime to interfere with a person exercising his right to vote, his right to attend school, eat in a restaurant, serve on a jury, ride a common carrier, use public facilities—in short, enjoying his rights as an American citizen. It would give real protection against both private and governmental wrongdoing to those lawfully enjoying their constitutional and statutory rights.

Mr. President, the great majority of Americans have either welcomed, or peacefully accepted, the fact that Negroes are entitled to full enjoyment of equal rights. Unfortunately, a small minority of hoodlums and bigots have resorted to violence to bar them from exercising their lawful rights. Brutal crimes have been committed not only against Negroes attempting to exercise their liberties but also against white men and women and Negroes who have tried to help their fellow citizens exercise their rights. Too often acts of racial terrorism have gone unpunished. The proposed bill will further enable the Federal Government to protect civil rights workers and members of minority groups. The tragic record of unpunished crimes in some States make passage of this bill imperative. Violence cannot be tolerated either in suppression of rights or in campaigns for their recognition.

This Congress should expand civil rights and protect civil liberties. We should support the Supreme Court of the United States and its decisions as the law of the land. Daily we hear and read arguments for and against segregation, and suggestions to compromise troublesome questions of civil rights. There just cannot be any compromise on civil rights. Either you are for the Supreme Court decisions and will obey the decisions as promulgated or you are resisting law and order. Racial problems are, in reality, moral problems and not political issues. Let us remember at all times, we are the Nation which chiseled on our Statue of Liberty:

> Give me your tired, your poor, your huddled masses yearning to breathe free. The wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me; I lift my lamp beside the golden door.

In fact, early in 1959 I made this precise statement in support of complete civil liberties and civil rights for all Americans without regard to race or color.

I am indeed proud to reaffirm my complete dedication to the principle of full civil rights and civil liberties for all citizens by voting for the civil rights bill now before the Senate and announcing my intention to vote against all proposed amendments whose purpose is to weaken or nullify its high purpose.

In this bill we hope to complete the job so that there will be no doubt and no question as to the ability and the intent of the Federal Government to protect the rights of all citizens regardless of their race. If we wish to give any real meaning to civil rights legislation already passed, the enactment of this bill is essential.

To temporize is to encourage defiance of the law and contempt for the law. We are a nation committed to justice and to Democratic principles; a government of law and not of men. We cannot continue to deny to millions of our citizens what we offer to the world.

Let me pass this bill as a step toward providing democracy in the fullest sense to all the people of this Nation.

U.S. POLICY AND INVOLVEMENT IN VIETNAM

Mr. COOPER. Mr. President, James Reston, in the February 7 New York Times, has written an article which raises important questions about the nature of the U.S. policy and involvement in Vietnam. He asks:

> Here is the dilemma of our military strategy of victory. How do we win by military force without destroying what we are trying to save?

He says:

> Somewhere there must be a line beyond which the killing and suffering, not only on our side but on the side of the Vietnamese, overreach any attainable end.

Is it not time for us to ask whether we are crossing that line, when South Vietnam's major cities, such as Hue and parts of Saigon, are systematically reduced to rubble and dust? Has not the time come for the United States to take the strongest initiatives necessary to achieve a workable peace?

I ask unanimous consent to have the

article written by Mr. Reston printed in the RECORD.

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

THE FLIES THAT CAPTURED THE FLYPAPER

(By James Reston)

WASHINGTON, February 6.—"Attack and counterattack widened across South Vietnam today," The Associated Press reported. "Large sections of Saigon and Hué lay in smoldering ruins, and columns of smoke rose as South Vietnamese divebombers, U.S. helicopter gunships, artillery and tanks blasted away at Communist troops in scattered sections."

This in a teeming city of three million people. "Tens of thousands of terrified civilians streamed from shacks and huts in Saigon with what meager belongings they could carry. Already nearly 200,000 refugees are reported, 58,000 in Saigon and its suburbs, and the total is expected to double or triple when all reports are in. . . ."

THE DILEMMA

Here is the dilemma of our military strategy of victory. How do we win by military force without destroying what we are trying to save? The battle is so fierce and the situation so solemn that the impulse to rally round is very strong, but the mind boggles at the paradox of tearing apart what we have undertaken to defend.

This, of course, has been the moral and strategic problem from the beginning: How to save South Vietnam without wrecking it. The Vietcong have made clear from the start that they would risk anything, destroy anything, and kill anybody, even if they inherited nothing but the wreckage. But what of us?

THE BITTER PROPAGANDA

It is not our country. Somewhere there must be a line beyond which the killing and suffering, not only on our side but on the side of the Vietnamese, overreach any attainable end, but there is still no evidence here that the Johnson Administration sees the futile brutality of these recent days in this light.

In the bitter propaganda of the war, the official line here is that everything happens for the best. The communiques sound more and more like a TV singing commercial: "We're wining, we're winning," they cry, just like the Sunoco Sunny Dollars jingle.

Death has now become the official measure of our success. General Westmoreland sends a message of congratulations to his troops. They have killed more of the enemy in the last week, he says (21,330), than the United States has lost in the entire war (16,000). He warns of a "second wave" of enemy attacks on the cities, but our victory "may measurably shorten the war." The White House press secretary balks at drawing the same conclusion on his own. His name is Christian.

It would be reassuring to feel at this solemn moment that all this human carnage is really bringing us to an end worthy of the means employed, or even that we are getting an honest official appraisal of our predicament, but this city is seething with doubt and even the Administration itself is wracked by suppressed dissent.

Is the President worried about how his State of the Union message will be received? His staff obliges by organizing official cheer leaders in the House of Representatives. Is he concerned about the reaction to recent events in Vietnam and Korea? Secretaries Rusk and McNamara go on "Meet the Press" to calm things down, but not before the Administration approves of the questioners.

Is the President apprehensive about the coming battle at Khesanh? Never mind, he has requested and received a written assurance from the Chairman of the Joint Chiefs of Staff that the Marines and the Army will hold. "I don't want any damned Dienbienphus," he says.

THE CENTRAL QUESTION

War is a corrupting business—always has been—and this one is no exception. But it is important to decontaminate the propaganda. No doubt the allied victories are true. No doubt the enemy casualties are very heavy. No doubt the civilian casualties are alarmingly high, though they are not mentioned. But the destruction goes on. We are the flies that captured the flypaper. We are stuck with our concept of a military victory, and the main question goes unanswered: What is the end that justifies this slaughter? How will we save Vietnam if we destroy it in the battle?

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

INTERFERENCE WITH CIVIL RIGHTS

AMENDMENT NO. 524

Mr. MONDALE. Mr. President, yesterday Senator BROOKE and I offered, with several cosponsors, amendment No. 524, the Fair Housing Act of 1968. That amendment is identical to S. 1358, with one exception. Since there appears to be some possible misunderstanding of the meaning and scope of that one exception, I would like to make clear what is intended and what the language says. I refer to this exception as the so-called Mrs. Murphy provision, section 4(f) of the amendment, and perhaps that designation may be misleading in view of the circumstances surrounding this provision in the House of Representatives in 1966.

Let me say at the outset that amendment No. 524 does not, nor is it intended to exempt from coverage the sale or rental of single-family dwellings. It is intended to and does exempt the rental or leasing of a portion of a single-family dwelling, which means in practical terms the letting of a room or rooms in a person's home. The amendment cannot be construed to exempt all sales or rentals of single-family homes.

It does two things, and two things only:

First. With respect to single-family dwellings, owner occupied, it exempts the rental or lease of a room or rooms within that dwelling.

Second. With respect to two-, three-, or four-family dwellings, where the owner occupies one of the units or quarters, it exempts the sale, rental, or lease of the other units.

This amendment does not permit realtors, real estate agents, or brokers to discriminate on behalf of owner-occupants falling under this exception.

The sole intent of this section is to exempt those who, by the direct personal nature of their activities, have a close personal relationship with their tenants.

I want it clearly understood as well that I do not agree with the need for granting this exemption. But many people both in the Congress and outside the Congress, argue very strongly for this sort of exemption. Some argue on the merits and most, I would say, argue on the basis of a belief that it is politically necessary. Where the loss in coverage represents a very small fraction of the total housing supply—now and in the future—then I think we can give one slice of the loaf in order to save the remainder of the loaf.

Once again, section 4(f) of this amendment does not exempt the sale or rental of an entire single-family dwelling, whether by the owner or an agent. It does exempt the rental or lease of a room or rooms within a single-family dwelling.

With reference to the number of houses and dwellings involved and intended to be exempted under the terms of section 4(f) of the pending amendment. It was estimated in 1966 that this language would exclude some 1,520,000 two-family units and 509,000 three- and four-family units, or a total of about 2,029,000 units out of an estimated 60 million total housing supply. That estimate was made in 1966. It has not been updated. However, our best information is that the percentage of total housing falling within this category would remain at the same percentage, or an estimated 3 percent.

Mr. President, I know of no other conceivable construction that could be made of section 4(f) as it appears in the pending amendment.

I have made my statement at this time to clarify any doubt as to the intention of the sponsors.

THE SPRING CAMPAIGN OF MARTIN LUTHER KING

Mr. BYRD of West Virginia. Mr. President, I call attention to the lead editorial in today's Washington Post. The editorial is entitled "The Spring Campaign."

I read certain excerpts therefrom:

The tactics of the Rev. Dr. Martin Luther King's spring campaign against the Government are under discussion here this week and the ideas being considered pose many problems—for Dr. King, for his followers, for other Americans who sympathize with his goals, and for the officials who must handle the Government's response. The basic plan to "escalate nonviolence to the level of civil disobedience" is a dangerous one if for no other reason than that the line between civil disobedience and violent disobedience, while quite precise, is easy to cross over.

* * * * *

The real purpose of the campaign may well be to re-establish Dr. King as the major spokesman for discontented Negroes.

* * * * *

But if that is to come about, the campaign must have a constructive goal in sight. A campaign aimed solely at what even Dr. King's aides regard as nigh impossible—the passage immediately of some yet unarticulated legislation by Congress—is more likely to conclude with a whimper than with a success.

The tactics being discussed are disruptive and unappealing. The idea of "a thousand persons in need of health and medical care sitting in around Bethesda Naval Hospital so that nobody could get in or out" until the

demonstrators get treated is not likely to win the sympathies of those at the hospital, or elsewhere, for additional medical care for the Nation's poor. Nor is the idea of putting a few hundred people on each of the bridges leading into the city to create massive traffic jams likely to arouse the sympathy of Congress for additional funds to aid the poor.

Mr. President, I call particular attention to the last paragraph:

The response the Government must make to tactics of this kind is very clear. The normal operations of Government must continue. Access to Government offices, for that matter to private offices, and to the city itself must not be impeded.

Mr. President, I commend the reading of this editorial to Senators, and I wish to express my support of the general tenor of the editorial.

I expect to have more to say, and perhaps considerably more to say, at the appropriate time with reference to the spring campaign of Dr. Martin Luther King.

Mr. President, I ask unanimous consent that the editorial to which I have referred be printed at this point in the RECORD.

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

THE SPRING CAMPAIGN

The tactics of the Rev. Mr. Martin Luther King's spring campaign against the Government are under discussion here this week and the ideas being considered pose many problems—for Dr. King, for his followers, for other Americans who sympathize with his goals, and for the officials who must handle the Government's response. The basic plan to "escalate nonviolence to the level of civil disobedience" is a dangerous one if for no other reason than that the line between civil disobedience and violent disobedience, while quite precise, is easy to cross over. Such campaigns have rarely been attempted in this country and could be justified only if the law or situation under attack were so oppressive as to be unendurable and the normal political process so rigged that change was otherwise impossible.

Assuming that Dr. King believes that kind of situation now exists, an assumption we do not support, he and those meeting with him here must bear in mind that civil disobedience is likely to succeed only if many governing conditions are met. It is not likely to achieve anything unless the goals are specific and particular and not general and vague. It is likely to be futile unless the campaign directly affects and touches those who have the power to alter the conditions complained of. It is likely only to provoke resentment and opposition if the inconvenience resulting from it injures those powerless to effect desired changes or innocent of any blame for the complained of conditions.

Viewed against these standards, the news from Dr. King's headquarters in Atlanta has not been reassuring. The call for the campaign has gone out, the specific tactics to be used are under discussion, but the goals of the campaign are still uncertain. That is putting the cart before the horse.

The real purpose of the campaign may well be to re-establish Dr. King as the major spokesman for discontented Negroes—and achieving that purpose, in light of the alternatives, may be as important to the Nation as a whole as it is to Dr. King. But if that is to come about, the campaign must have a constructive goal in sight. A campaign aimed solely at what even Dr. King's aides regard as nigh impossible—the passage immediately of some yet unarticulated legislation by Congress—is more likely to conclude with a whimper than with a success.

The tactics being discussed are disruptive and unappealing. The idea of "a thousand persons in need of health and medical care sitting in around Bethesda Naval Hospital so that nobody could get in or out" until the demonstrators get treated is not likely to win the sympathies of those at the hospital, or elsewhere, for additional medical care for the Nation's poor. Nor is the idea of putting a few hundred people on each of the bridges leading into the city to create massive traffic jams likely to arouse the sympathy of Congress for additional funds to aid the poor.

The response the Government must make to tactics of this kind is very clear. The normal operations of Government must continue. Access to Government offices, for that matter to private offices, and to the city itself must not be impeded.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

WINTER SPORTS—SENATE INQUIRY

Mr. DOMINICK. Mr. President, the storm brewing between the Nation's skiing industry and the Federal Government has reached a point where it warrants the prompt attention of the Senate. Besides the imminent potential of lengthy and costly litigation, the result may well be the striking of a breach in industry-government relations requiring years to heal.

I am speaking, of course, of the controversial new formula proposed by the Forest Service for setting fees to be charged those who use forest lands under permit. Major opposition has arisen in the skiing industry as well as among Forest Service permittees in general.

The initial impact would hit ski area operators, among others. But the thousands upon thousands of skiers will not remain immune from its sting. Mr. Richard Garis, executive secretary of the National Ski Areas Association, was recently quoted as stating the new system would mean increased prices for skiers and would lessen the popularity of the sport.

Last month the National Ski Areas Association unanimously adopted a resolution that it "unalterably opposes" implementation of the proposed formula. Let me emphasize that this association has 250 ski area operators as members, representing 90 percent of the total volume of the American ski industry.

Of the 182 winter sports permittees, 90 percent were recently contacted by the association and none were found who favored the proposed system.

The largest member organization of strictly forest service concession-type permittees, the National Forest Recreation Association, has also resolved formally "that the proposed system not be put into effect until after such a time that a complete study of a much broader segment of the recreation industry, especially that of the winter sports operators, can be undertaken jointly by the Forest Service and representatives of that industry."

There have been no public hearings on the new formula. To my knowledge, none are scheduled.

Yet, all indications are that the Forest Service is steadfastly determined to place the new system in effect by July 1, 1968. Actually, two major operators have already received revised permits containing the elements of the new formula: Vail, Colo., and Heavenly Valley, on the California-Nevada border.

Mr. President, 39 States have national forests. All of these issue special use permits which will be affected by new formulas for calculating rates.

I want to make it clear that the industry acknowledges there are inequities in the existing fee system. If I interpret their statements correctly, they are not opposed to a change. In fact, they have actively sought a joint study by industry and Government to collect such data as may be relevant in establishing a more equitable formula.

There has been no joint study to date for the winter sports operators, although such a procedure was used by the Forest Service during the preparation of a new formula for grazing fees.

Instead, the new winter sports formula is founded upon a 1-year study by two retired Forest Service personnel. Their study has been considered to be so confidential that even the names of the areas surveyed have not been revealed.

Anyone who has been skiing knows how dependent this great winter sport is upon good snow conditions. This is a seasonal industry, faced with highly irregular conditions and variable factors each year.

The industry recognized this when preliminary reports were made in January on two economic surveys now underway. One survey covers 15 major Pacific Northwest ski areas over a 5-year period; the other is a brief survey of 64 permittees over a 3-year period.

Since the Forest Service formula is apparently based on the operating results of a single year and since the names of the areas studied have not been made public, some very legitimate inquiry can be made as to whether the data upon which the system is based is truly representative of the industry.

When this matter was brought to my attention, I prepared a letter to Mr. Edward P. Cliff, Chief of the Forest Service, setting out some of the basic objections to the new system and asking for a delay in its implementation. My letter, dated December 8, 1967, was cosigned by Senators from both sides of the aisle, 13 in number from 10 States.

I think this demonstrates very clearly the widespread concern some of us feel about this new formula.

We received a response from the Forest Service which was very helpful but which left many questions unanswered and raised others. I believe it would be useful if my letter of December 8 and the response from the Forest Service of December 27 were printed in the RECORD at the conclusion of my remarks. I ask unanimous consent that this be done.

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

(See exhibit 1.)

Mr. DOMINICK. I might point out for the RECORD that the reply of the Forest Service makes reference to several enclosures. A set of these is in my office and I will be happy to make them available to any interested Senator.

I have more recently sent a second letter dated January 26, 1968, to the Forest Service in which I was again joined by other Senators in reaffirming our conviction that implementation of the new system should be held in abeyance. This letter emphasizes our principal areas of alarm, and I, therefore, ask unanimous consent that it, too, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. DOMINICK. Since they have a direct bearing on the seriousness of this situation and since they are fairly brief, I ask unanimous consent that the resolution of the National Ski Areas Association, dated January 1968, and the resolution of the National Forest Recreation Association, dated November 1967, be printed in the RECORD following my remarks.

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

(See exhibit 3.)

Mr. DOMINICK. Last week a formal position statement in opposition to the formula was filed with the Forest Service by the National Ski Areas Association. While the Forest Service has indicated it is willing to cooperate by listening to any further comments, I am troubled by the reports that two major ski areas have already received permits with the revised rate structure included. I hope it does not turn out that the cooperation has come after the fact.

Mr. President, it is becoming increasingly clear that the winter sports industry and the Federal Government are approaching an impasse. There is a need for a forum where the parties may air their differing views.

A House subcommittee is in the process of a staff study of the problem, and I feel the Senate as a separate legislative body has a responsibility to look into the matter as well.

I know the industry would welcome it.

I am confident the Forest Service would be receptive to an opportunity to detail its position.

Unless the present course is altered, the outcome may well have a disastrous impact on the American skiing industry and the American skier.

I am, therefore, asking that the appropriate Senate committee begin such inquiry as may be necessary to assist in resolving this matter with all due dispatch.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., December 8, 1967.

Mr. EDWARD P. CLIFF,
Chief of Forest Service,
Department of Agriculture,
Washington, D.C.

DEAR MR. CLIFF: The undersigned Senators are deeply concerned with the proposed Forest Service regulations concerning fees to be charged those who are using forest lands under permit for skiing developments.

According to our information, the proposals are based on the recommendations of a Forest Service survey conducted without representatives of the skiing industry and are to be enacted without public hearings. They would sharply increase fees for the more efficient operation and would in some cases decrease fees for the inefficient or for those who have bought into established businesses at an inflated price. The National Ski Areas Association has been conducting an independent survey, but we understand the results of this will not be fully analyzed and discussed until after the proposed effective date of the new regulations.

Since this industry is one of the fastest growing economic additions to this country, it is our feeling that further evaluation should be given to the new proposals which may well have a disastrous economic impact on the entire industry.

According to the information which we have received, the following objections are particularly pertinent:

(1) The proposed system simply will not charge a fee commensurate with the value of the use, as required by the regulations of the Secretary of Agriculture, but will share in profits developed by efficient management and promotion of the area. For example, we understand that the Crested Butte operation was sold at a bankruptcy sale to the present owners. The result will be an increased fee for this area under the new ownership—for an area which has proven it was not as valuable as people once thought!

(2) The proposed system will discriminate against efficient operators by charging higher fees to those who generate the same amount of business on a smaller investment.

(3) The proposed system will discriminate against operators who have spent years developing their business as opposed to an operator who buys an established business at an inflated price.

(4) The proposed system contemplates allowing a reasonably efficient operator a return of only 15% on his investment before taxes, or 7½% after taxes. This return is about equal to that earned by utilities and well below the return earned by equity funds in either the utility or manufacturing industries, which have much lower risks than the ski industry. The result will be an inability to attract new capital, and the stifling of a growing industry.

(5) The proposed system is so complicated and illogical that the Forest Service has been unable to demonstrate how it can be applied consistently and equitably to areas which are partly on public lands and partly on private lands, which includes most ski areas.

(6) The determinations of gross fixed assets and other elements necessary to the system are so complicated and confusing that costs of administration will increase greatly.

In addition, of course, we understand the Public Land Law Review Commission and the House Committee on Government Operations are studying this field.

In view of all these factors, it is our feeling that the proposals should be suspended at least until the results of the National Ski Area Association's survey have been analyzed and discussed with you in considerable depth.

Respectfully,

PETER H. DOMINICK, NORRIS COTTON, WAYNE MORSE, GEORGE MURPHY, MARK O. HATFIELD, GORDON ALLOTT, THOMAS J. MCINTYRE, HUGH SCOTT, GALE W. MCGEE, WALLACE F. BENNETT, MIKE MANSFIELD, CLIFFORD P. HANSEN, LEN B. JORDAN, ALAN BIBLE, U.S. Senators.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., December 27, 1967.

HON. PETER H. DOMINICK,
U.S. Senate.

DEAR SENATOR DOMINICK: This is in response to a letter of December 8 signed by you and 13 other Senators. In it you express concern over the effect that a new system of establishing fees for the use of National Forest land might have on those with permits to operate National Forest skiing developments.

You report that you have been informed that the system is based on a survey in which the operators to be affected and the public have not had an opportunity to participate; that there will be a sharp increase in fees for the most efficient operators while the fees of the inefficient operators will lower; and that the system will go into effect before the Forest Service has considered what might be a similar survey being made by the National Ski Areas Association. You then itemize six objections which you consider particularly pertinent and finally express the feeling that the new fee system should be suspended until results of the latter survey have been completed and discussed with the Forest Service in considerable depth.

A new system for setting fees for all of those who develop commercial ventures on National Forest land to serve the vacationing public has been developed. A total of nearly 1,800 permittees will be affected in one way or another. Of these, about 11 percent, or less than 200, operate winter-sports areas. It is a system that meets all of the statutory requirements under which the National Forests are administered and one fully consistent with the most recent directive of the President in this area.

A careful analysis of the actual confidential financial records of a selected cross section of National Forest permittees served as the principle basis of the new system. As the system developed and took shape, our thinking on it was shared with permittees in open meetings of their organizations at every opportunity. Then last summer a Review Draft of a description of the system was sent to each permittee who might be affected by it with an invitation that he submit any comments or suggestions that he might have before the system was put into effect. Subsequently, Forest Service officials have met a number of times with permittees in meetings of their organizations and with special delegations and committees to discuss and explain any aspect of the system they wish to consider.

While from the very beginning every aspect of the new system's development has been carried out completely in the open, it is unfortunately true that there is still some confusion and misunderstanding as to both the principles of the system and the eventual effect it will have on the fees that will be paid. Last month in an attempt to answer the questions commonly raised and otherwise clarify the picture, we prepared two special statements. One was a general description on the system; its background, its principles and probable effect on permittee fees. The other was a more specific response to a fairly widely distributed criticism of the system prepared by Mr. Stephen H. Hart, an attorney from Denver, Colorado, who has been retained by nine National Forest permittees to challenge the system. Copies of both of these statements are enclosed as enclosures #1 and #2.

Also enclosed are enclosure #3, a copy of the Review Draft of the description which was distributed to all permittees that might be affected with an invitation for comments and suggestions; and enclosure #4, a copy of an independently published appraisal of the system. The author is Theodore Farwell, a well-known winter-sports consultant.

I am sure that a review of enclosures #1 and #2 will answer your questions and allay your fears. A review of enclosures #3 and #4 will round out your understanding of the entire situation.

Finally, I can tell you that upon the request of the National Ski Areas Association we have agreed to turn over to an independent management consulting firm the data upon which the system was developed for an

independent review and appraisal providing the operators whose confidential financial records were involved will agree to their release. They are currently being polled as to their willingness to do this. In addition, the National Ski Areas Association has been informed that no action will be taken to implement the system until after the association's annual meeting next month, and it has had an opportunity to develop a formal position statement on the system; and Forest Officers will attend this meeting in order to again discuss and explore in depth any aspect of the system it wishes to consider.

It is hoped that this response and the supplemental material enclosed will answer your questions. Of course, if it does not, we will try again in any other way you wish.

Sincerely yours,

M. M. NELSON,
Deputy Chief.

EXHIBIT 2

U.S. SENATE,
Washington, D.C., January 26, 1968.

Mr. M. M. NELSON,
Deputy Chief, Forest Service,
Department of Agriculture,
Washington, D.C.

DEAR MR. NELSON: This will acknowledge receipt of your reply and enclosures, reference #2710, to our letter on the subject of the proposed changes by the Forest Service in fees charged those using National Forest land, particularly skiing developments.

We wish to thank you for having representatives of the Forest Service attend the midwinter meeting of the National Ski Areas Association in Taos, New Mexico, and for delaying implementation of the system until the Association has an opportunity to provide a formal position statement.

We have reviewed the materials which you enclosed, and respectfully, but candidly must state they do not "answer our questions" nor do they "allay our fears." We were unable to find anything in them dealing with points 3 and 4 of our letter. Unfortunately, the materials are not fully responsive to points 1 and 2, and the reply to points 5 and 6 leaves some doubt in our minds. We would be delighted to have the Forest Service again address itself to each of these points.

You imply there is opposition to the system from only a small fraction of the permittees when you state that "about 11 per cent, or less than 200" of the permittees who will be affected operate winter sports areas. Yet the National Forest Recreation Association, referred to by your materials as "the largest member organization of strictly Forest Service concession-type permittees," recently resolved by resolution that "the proposed system not be put into effect until after such time that a complete study of a much broader segment of the recreation industry, especially that of the Winter Sports Operators, can be undertaken jointly by the Forest Service and representatives of that industry." We are sure you are cognizant of the fact that the National Ski Areas Association has approximately 250 ski area operators as members, and these areas account for roughly 90 per cent of the volume of ski area business in the United States. Moreover, we understand that ski operators account for approximately 25 per cent of the gross receipts and 50 per cent of the capital investment of all permittees.

As you know, at its Taos meeting this month, the National Ski Areas Association unanimously adopted a resolution that it "unalterably opposes" the proposed system, and that it seeks a cooperative study between the Forest Service and industry.

While we appreciate the offer of the Forest Service to have an independent management consulting firm examine the Forest Service data, this does not appear to meet the crux of the problem. As we understand it, the issue is not so much the accuracy of the figures but whether the sample is truly representative of the industry and whether operating results for a single year in a highly seasonable business are a valid basis for establishing an entire fee system. The Taos resolution charges the data are inadequate, incomplete, and misleading. The fact that the economic information the Forest Service used "is the best information that the Forest Service has or which it knows to exist" certainly does not mean it is representative, nor does it preclude collection of more meaningful data.

During the preparation of a new structure for grazing fees for National Forests and Taylor Grazing Districts the Forest Service had background studies carried out by the Economic Research Service and several state universities. A joint effort followed wherein the Forest Service, Bureau of Land Management, and industry designed and implemented a comprehensive grazing fee study. We understand some 10,000 representative stockmen were interviewed, and, most notably, that the model for estimating grazing values and fee levels as well as the questionnaires were agreed to in advance by government and industry representatives. It seems only appropriate to ask why such a marked contrast in procedure was used by the Forest Service in the winter sports and grazing fee situations.

We understand the Forest Service study did not consider leasing practices of ski areas operating on private land. In your enclosures, the Forest Service contends that relating commercial leasing practices to designing a system for leasing public land overlooks a significant difference because the commercial lessor is under no compulsion to recognize the public service considerations. However, previous correspondence from your office says that during the course of the data collection on grazing fees some 10,000 permittees were contacted "including ranchers who are not permittees but who lease private grazing lands". Why these lease rates on private lands considered relevant in designing a grazing fee system but not the winter sports fee system?

According to your enclosures, the Forest Service does not know if the Public Land Law Review Commission will be studying user fees for public lands. We are advised by the Commission such a study will be made. But in explaining why you do not want to await the Commission's findings, you point out that a 5-year time lag will take place before the system would affect "some" of the permits because most permits provide for review at 5-year intervals. Isn't it true the Forest Service will have to modify permits from time to time over the 5-year period even if the system is implemented immediately?

We are informed that preliminary reports on two surveys being conducted by industry were presented at the Taos meeting. But we also are informed that Mr. Costley, after acknowledging any further comments would be considered, reiterated the determination of the Forest Service to place the new fee system in effect by July 1, 1968. Indeed, we are shocked to learn that the Forest Service has already sent revised permits containing the proposed fee system to two major operators: Vail, Colorado, and Heavenly Valley, on the California-Nevada border.

For the reasons stated above, we reaffirm and register our concern that the Forest Service hold in abeyance implementation of any new fee structure. We are not convinced there is any compelling rationale for imposing a new system which radically departs from that of the past prior to completion of the other studies underway and the development of a uniform national policy on user fees. We sincerely urge a firm commitment be given by the Forest Service (1) that no further action will be taken to implement a new system at least pending the action of the House Natural Resources and Power Subcommittee, and (2) that the Forest Service will take a fresh look and give thorough evaluation to the proposals set forth in the aforementioned resolutions seeking a joint industry-government study.

Respectfully,

PETER H. DOMINICK, NORRIS COTTON, WAYNE MORSE, GORDON ALLOTT, THOMAS J. MCINTYRE, HUGH SCOTT, MIKE MANSFIELD, CLIFFORD P. HANSEN, LEN B. JORDAN, GEORGE MURPHY, MARK O. HATFIELD, GALE W. MCGEE, WALLACE F. BENNETT, ALAN BIBLE, U.S. Senators.

EXHIBIT 3

RESOLUTION OF THE NATIONAL SKI AREAS ASSOCIATION, JANUARY 11, 1968

Whereas the United States Forest Service has placed the ski industry on notice that it will adopt on or before July 1, 1968, a new progressive graduated fee system for United States Forest Service permittees, and

Whereas the Association and its members have studied at length and in detail and at considerable expense the studies made and materials furnished by representatives of the United States Forest Service in explanation of the proposed system, and

Whereas the Association has polled the views of its members and other permittees regarding the desirability of the proposed system and has found that they are overwhelmingly opposed to it in principle, and

Whereas on January 10, 1968, at a general meeting of the membership, the representatives of the United States Forest Service were given the full opportunity and did present the official United States Forest Service position and justification of the proposed system, and

Whereas, the United States Forest Service representatives reiterated their unwillingness to reveal the source of their information and data upon which the new proposed graduated rate fee system was based, and

Whereas at the meeting, various members expressed their opposition to the proposed system, and

Whereas the representatives of the United State Forest Service nevertheless stated their intention to promulgate the new system on July 1, 1968,

Now therefore be it resolved:

The Associatio.. and its members conclude: that—

1. the data on which the United States Forest Service has based its proposed system are inadequate, incomplete and misleading;

2. the principles on which the proposed method is based represent a radical departure from past administrative practice, custom and usage; and

3. the institution of the proposed system is beyond the authority of the United States Forest Service; and

4. the proposed system in its operation will be arbitrary, capricious and discriminatory and expensive and difficult to administer.

Now be it further resolved:

For all of the foregoing reasons, the Association unalterably opposes the implementation of the proposed system.

Now be it further resolved:

In an effort to resolve the differences which exist between the United States Forest Service and the Association and its members and in view of the inadequacy of the information now available to both the United States Forest Service and the industry we propose that a cooperative study under the management of a national firm of independent certified public accountants be instituted along the lines agreed upon by United States Forest Service and the Association and its members to provide the factual data necessary for Congress, the Public Land Law Review Commission, United States Forest Service and the industry, upon which can be based action by the appropriate authority.

RESOLUTION OF NATIONAL FOREST RECREATION ASSOCIATION, NOVEMBER 1967, ON PROPOSED FOREST SERVICE FEE SCHEDULE

Whereas, the Federal Government has stated that one of their objectives is to encourage private industry to invest substantial funds in facilities on public land for public recreation and,

Whereas, the Graduated Fee System as proposed by the Forestry Service represents a substantial increase in fees to some of our members which would represent a detriment to this objective, and,

Whereas, certain aspects upon which the Graduated Rate Fee System is based appear to be unclear, such as definitions inconsistent with normal accounting and legal terminology with respect to Gross Fixed Assets, Break-even Point, and determination of fair return on investment, and,

Whereas, the determination of Gross Fixed Assets in some instances depart from accepted accounting and tax procedures in not recognizing the total cost of assets acquired in the purchase of a new business and,

Whereas, the determination of Gross Fixed Assets in an older business not being sold does not take into consideration the appreciation of assets resulting from inflation and,

Whereas, the Breakeven Points as used in the Graduated Rate Fee System are substantially lower than facts disclosed by preliminary studies, and,

Whereas, determination of fair return on investment as outlined in the review does not produce a fair return after taking interest and tax expense into consideration, and

Whereas, the need for varying changes in the Graduated Rate Fee Schedule as outlined, already appear to be necessary to meet different conditions of many members, and,

Whereas, the Public Land Law Review Commission is studying the entire subject of public land use and regulations affecting this use, and,

Whereas, there is reasonable doubt that the winter sports industry is comparable to the amusement park industry which the Forest Service used in determination of the Breakeven Point for the winter sports segment, NFRA,

Now therefore, be it resolved that the present deadline of July 1, 1968 not be considered binding and that the proposed system not be put into effect until after such a time that a complete study of a much broader segment of the recreation industry, especially that of the Winter Sports Operators, can be undertaken jointly by the Forest Service and representatives of that industry to modify the proposed system to the effect that it will be mutually acceptable to the Forest Service and the NFRA in order to create a favorable climate to encourage private investment on public land to fulfill the ultimate goals of the Federal Government with respect to pubic land use for recreation.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PRODUCTION OF CRUDE PINE GUM

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 892, S. 2511.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 2511) to maintain and improve the income of producers of crude pine gum, to stabilize production of crude pine gum, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 3, line 7, after the word "practices,", insert "the interests of landlords, tenants, and sharecroppers"; and on page 4, line 6, after the word "year", insert "if the total quantity of crude pine gum marketed by such producer is"; so as to make the bill read:

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 "Crude Pine Gum Act of 1967".

DECLARATION OF PURPOSE

SEC. 2. The Congress recognizes the recent trend of rising costs and static prices which have resulted in progressively lower net return to producers of crude pine gum since 1962. It further recognizes the fact that continuance of this trend would, for practical purposes, eliminate this agricultural segment of the naval stores trade which provides employment for many thousands of laborers not trained or readily trainable for any other line of work. It is hereby declared to be the policy of the Congress to maintain and improve the income of producers of crude pine gum and to stabilize crude pine gum production at approximately recent levels by making compliance payments to such producers to supplement amounts received in the marketplace or through price support, pending application of recently developed cost-cutting production practices, and development and application of research now in progress on improving crude pine gum harvesting practices and on expanding utilization of the products of crude pine gum.

SEC. 3. Title III of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 304 as follows:

"SEC. 304. (a) The Secretary shall establish a national crude pine gum production goal for each of the calendar years 1968, 1969, and 1970. In establishing such goal, the Secretary shall take into consideration production in relation to consumption and exports, the estimated number of laborers employed in crude pine gum production, and such other factors as he determines will carry out the policy of the Congress as declared in the Crude Pine Gum Act of 1967. The Secretary shall also establish a share of the national production goal for each producer who, as owner or lessee or operator of a gum farm, produces and markets crude pine gum. In determining a producer's share for each calendar year, the Secretary shall take into consideration the quantities of crude pine gum marketed by the producer during the three immediately preceding calendar years, the availability of suitable trees and labor, tree resting practices, the interests of landlords, tenants, and sharecroppers and such other factors as he determines will result in a fair and equitable apportionment of the national production goal. Producers who had no production during the three immediately preceding calendar years may receive, in the aggregate, a share of the annual national production goal which shall not exceed 5 per centum thereof, or such greater percentage thereof as the Secretary determines necessary to stabilize production at the level established for such year. The Secretary may provide for the transfer of a producer's share, or of his history of production, in the case of death of the producer; sale, lease, or other disposition of the farm; dissolution of a partnership or corporation; and such other circumstance as warrants such transfer.

"(b) The Secretary, upon such terms and conditions, not inconsistent herewith, as he may deem desirable, may make compliance payments to producers, through the Commodity Credit Corporation, with respect to crude pine gum produced and marketed domestically (including that pledged under Commodity Credit Corporation price support programs) during the calendar years 1968, 1969, and 1970. No compliance payment shall be made under this section to any producer with respect to any quantity of crude pine gum marketed in any year if the total quantity of crude pine gum marketed by such producer is in excess of his share of the national crude pine gum production goal established by the Secretary, and no compliance payment shall be made under this section to any producer in any year in which he knowingly failed to comply with the minimum wage provisions of the Fair Labor Standards Act of 1938, as amended, or in which he failed to follow one or more good forestry conservation practices, as determined by the Secretary.

"(c) Payments made under this section shall be in addition to any price support made available under section 301 of this Act. If price support is made available under section 301 of this Act, it shall be at a level not less than 50 per centum and not more than 90 per centum of the parity price for crude pine gum at the time the level of support is announced by the Secretary. The rate of the compliance payment for each calendar year shall not exceed a rate per standard barrel of crude pine gum which, when added to the level of price support made available under section 301 of this Act, results in an amount higher than 90 per centum of the parity price for crude pine gum at the time the level of support is announced by the Secretary. The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing compliance and price support payments on a fair and equitable basis.

"(d) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section."

Mr. TALMADGE. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc, agreed to, and treated as original text for the purpose of further amendment.

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

The committee amendments were agreed to en bloc.

Mr. TALMADGE. Mr. President, the gum naval stores industry, the jobs of thousands of workers who are limited in other opportunities because of age or lack of education and training, and the livelihood of thousands of gum farmers are at the threshold of extinction if Congress does not act promptly to provide appropriate legislation. It is for this reason that I have introduced the Crude Pine Gum Act of 1967.

This bill authorizes establishment in 1968, 1969, and 1970 of a national goal of needed crude pine gum production which would be allocated to individual producers. It gives the Secretary of Agriculture permissive authority to make compliance payments to producers to

supplement existing permissive price support authority. Payments would be made only to producers who market no more than their share of the national production goal, who comply with the minimum wage provisions of the Fair Labor Standards Amendments of 1966, and who adhere to good forestry conservation practices. It is anticipated that by 1971, research on improved production and harvesting practices and on expanded utilization of the products of crude pine gum will be completed and the results applied or will be in the process of being applied. Under these anticipated circumstances, legislation for a 3-year period appears adequate.

The proposed legislation would amend title III of the Agricultural Act of 1949, as amended, to give the Secretary permissive authority to support prices within a range of 50 to 90 percent of parity. As present, the range of permissive support is between 0 and 90 percent of parity. Any compliance payments made to gum farmers under the proposed legislation could not exceed an amount per unit of gum which when added to the support price for such unit totaled more than 90 percent of parity.

I am convinced that this legislation would serve the national interest as a whole by providing for the survival of a nucleus of gum farmers and crude pine gum production. If gum farming were allowed to decline significantly from current record low levels, the cost of reviving production in an acute shortage situation, including the cost of building new processing plants and obtaining new gum production and collection equipment, would be appreciably higher than regular maintenance of a modest level of output.

Crude pine gum is a cash crop which provided an average gross income of over $17,000,000 to gum farmers during the past 5 crop years ending March 31, 1967, and probably several times that amount to the total income of local rural communities in Georgia, Florida, Alabama, Mississippi, and South Carolina. Although the value of gum production is small in relation to total gross farm income for any of these States as a whole, there are a number of counties where gum production provides a significant part of total gross farm income. For example, in the 12 most important gum-farming counties, cash receipts from gum in the 1966 calendar year were more than a fifth of total cash receipts from farm marketings.

Labor constitutes well over half the cost of producing crude pine gum. In 1967, about 7,000 laborers worked approximately 4,000 man-years in producing crude pine gum. The latest information from the U.S. Forest Service shows that there were 2,752 producers in 1966. Three-fourths of these producers are small. Only 1 percent are large. Thus, the great bulk of gum output is produced on family farms. These laborers and producers and their families number at least 30,000 persons. In addition, 16 central gum-processing plants and 13 gum-buying platforms employ hundreds of persons.

As I mentioned previously, the workers employed in gum farming are not trained nor, because of age and education, readily trainable for any other line of work. Many of the naval-stores-producing counties have a high and growing unemployment rate. Of the 7,000 workers, 62 percent are at least 40 years old and 25 percent are 60 or over. About 72 percent of the laborers have a sixth grade education or less; 42 percent have no more than a third grade education; 2 percent have a high school education; none have advanced beyond high school. Over half of the workers under 30 years of age have less than an eighth grade education.

I am convinced that gum naval stores production is needed and will be needed increasingly in the years ahead. Representatives of competing types of naval stores reportedly expressed identical convictions at a meeting in the U.S. Department of Agriculture last July when naval stores stocks were considerably greater than they are now, and when the outlook was for more production of all types of naval stores than has actually materialized. In the long run, domestic gum naval stores are needed to fill the gap between requirements and production caused in part by declining domestic steam distilled production, as nonrenewable first growth longleaf and slash pine virgin stump supplies dwindle and become increasingly scattered and inaccessible, particularly in the Western Gulf States. Also responsible for the increasing excess of requirements over production are lower gum naval stores output overseas and a gradual long-term rise in world naval stores consumption. In these circumstances the need for continued domestic gum naval stores production is particularly acute because the supply potential from gum production is much greater than from other types of naval stores.

Gum rosin and turpentine are the two primary processed derivatives of crude pine gum. Both of these products are important chemical raw materials which are used in the manufacture of a great number of essential end products, some of which are crucial in time of national emergency. Examples of such uses are in the production of synthetic and natural rubber, hot melt adhesives, shell casings, insecticides, synthetic camphor for medicines, celluloid, and smokeless powder, et cetera. As demonstrated during World War II, and following the outbreak of hostilities in Korea, requirements for rosin and turpentine greatly exceed production in times of national emergency.

The importance of gum naval stores is further emphasized by the fact that the different types of naval stores are not interchangeable for all uses. For example, steam distilled wood turpentine is not interchangeable with gum and sulphate wood turpentine for such important industrial uses as resins for pressure-sensitive tapes and as an aromatic and flavoring agent. Similarly, the different type of rosin vary in numerous respects, including color stability, resistance to crystallization, melting point, and viscosities, all of which influence the quality of end use products.

Virtual discontinuance of gum naval stores production which would almost inevitably follow if this legislation is not passed, would substantially reduce our exports of rosin and place us on an import basis for turpentine. Since gum naval stores are exported for dollars in significant amounts, our balance of international payments would suffer. It is estimated that exports of gum naval stores were valued at about $7,000,000 during 1967.

Gross income of gum farmers from crude pine gum has declined over 50 percent since 1962. The average market price per barrel of crude pine gum has been fairly stable at about $30 in the last 5 years. However, wage rates and cost of production materials have risen during this period without a corresponding increase in the productivity of labor. For example, hourly farm wages—without room or board—in Georgia have increased 42 percent between 1962 and 1967. Consequently, net income per producer and per barrel of gum has been declining.

Several research programs are underway to modernize the gum naval stores industry and improve its competitive position during the effective period of this legislation. The Southeastern Forest Experiment Station of the Forest Service at Olustee, Fla., has several projects in various stages of completion, including gum flow stimulants, a more efficient gum collection system, and mechanization of operations involved in "chipping" and "dipping," aimed at developing equipment and techniques to lower man-day requirements for producing gum or to increase the quality of the gum produced. The Naval Stores Laboratory of the Agricultural Research Service, Olustee, Fla., is engaged in several projects intended to expand rosin markets. The area development commissions in south Georgia are cooperating in conducting a study of the problems and potentials of gum naval stores. This study is being made under the sponsorship of the Economic Development Administration, U.S. Department of Commerce. Participating in this broad, in-depth analysis is the Georgia State Planning Bureau, Industrial Development Division, Georgia School of Technology, and the American Turpentine Farmers Association Cooperative, Valdosta, Ga.

As compared with comparable support under the present program, this proposed legislation has obvious advantages.

First, it provides controls to assure adequate but not excessive production. In this connection, price support stocks of gum rosin have been reduced in the past 2 years. In fact, since January 1, 1967, gum rosin loan collateral has been reduced by about 135,000 drums or 17 percent to 695,000 drums. The legislation would permit further gradual reduction of these price support stocks in an orderly manner and this should be beneficial to producers of all types of naval stores. Increased price support rate for crude pine gum under current legislative authority, if achieved through an increased loan rate for gum rosin, might result in higher prices for competitive sources of naval stores and thereby encourage production of all types of naval stores.

Second, Commodity Credit Corporation net expenditures and costs, would be appreciably lower. In fact, notwithstanding the compliance payment feature of the legislation, the U.S. Department of Agriculture in recommending enactment of the bill estimates that receipts will substantially exceed expenditures in fiscal year 1969 under the proposed legislation and that such net receipts will exceed net receipts in the current 1968 fiscal year.

Third, there would be no further deterioration of the competitive position of gum naval stores in the marketplace.

Some opposition to the legislation has been voiced by competitive sources of naval stores for fear that support payments will create adverse competition. This fear, however, is not valid. The U.S. Department of Agriculture, in comparing the proposed legislation with a program confined entirely to a direct incentive payment, cited among other advantages of the proposed legislation that it would "avoid adverse market effects for other types of domestic naval stores."

The Crude Pine Gum Act of 1967 clearly provides substantial increased benefits to gum farmers and laborers and, therefore, to their rural communities per dollar of net expenditure as compared with programs authorized under existing legislative authority.

Mr. President, I ask unanimous consent that a short explanation of the bill, together with a statement of the need for the legislation, from the report accompanying the bill, be inserted in the RECORD at this point.

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

SHORT EXPLANATION

This bill, with the committee amendments, provides for the establishment of production goals for producers of crude pine gum for 1968, 1969, and 1970, and compliance payments to producers complying with such goals. Compliance payments, together with other price support, could not exceed 90 percent of parity.

NEED FOR LEGISLATION

Due to rising costs of labor and materials, income of pine gum producers has been declining since 1962. The commodity is a needed one; and it is expected that new production methods and uses now being developed will enable it to be produced on a profitable basis within several years. In the meantime the industry needs some assistance in order to remain in operation and provide a livelihood for over 2,000 producers and about 7,000 laborers engaged in gum production as well as additional numbers employed in related industries. The need is further discussed in the attached report of the Department of Agriculture recommending enactment of the bill.

The amount of gum rosin pledged to Commodity Credit Corporation to secure price support loans currently approximates 705,000 drums. Under the bill it should be the Secretary's objective to reduce Commodity Credit Corporation stocks (including stocks pledged to secure price support loans) to reasonable levels within the period covered by the bill and such reductions should be made in an orderly manner. The secretary should announce annually the amount proposed to be sold from Commodity Credit Corporation stocks during the following year, and such amount should be such as to reduce the Corporation's stocks by not more than 150,000 drums of gum rosin during such year.

Mr. MORTON. Mr. President, I rise in opposition to the bill. I am sufficiently pragmatic to know that my opposition is not going to prevail, but I wish to make a statement of my reasons for my opposition to the bill, which will be in conference.

The Senate Agriculture Committee reported a slightly amended Senate bill 2511 last month. We feel the report accompanying the bill is somewhat misleading. It indicates that the hearings on this bill by a subcommittee produced testimony that was generally in favor of this legislation. The fact is that it was a 2-hour hearing with the greatest amount of testimony presented by opponents of this legislation. The Department of Agriculture, who had requested this hearing, did not even have ready for the hearing the Department's report and was not able to supply to the subcommittee detailed information and facts which would normally be obtained in the course of hearings of this type.

This report was later submitted for the record. The Department recommended enactment of the legislation justifying it on their belief that the legislation was needed to give producers of crude pine gum further Federal assistance to keep them in business until they could be on a more profitable basis. By doing this, the Department stated it would protect the jobs of laborers engaged in gum production who otherwise would become unemployable due to their lack of skills and education for other unskilled tasks. Nearly 90 percent of gum farmers and over 80 percent of gum laborers are located in the State of Georgia.

Opponents of this legislation take exception with the views of the Department of Agriculture for the following reasons and request that this legislation be given a great deal of scrutiny as to its need and as to exactly who would benefit by it:

First. Even without Senate bill 2511, we do not believe the gum industry will reduce production to a level where unemployment will become a problem. We are convinced that the gum industry will continue to operate at a level possibly somewhat lower than that of the 1967 crop year under the present act, but that there will not be a wholesale dropoff in gum production, with a resulting unemployment problem. As pointed out at the hearing, one of the problems of the gum producers today is that they are unable to get sufficient labor to work crops. Before accepting the statements made by the Department of Agriculture and the American Turpentine Farmers Association as to possible unemployment as a result of a drastic dropoff in gum production, they should be required to furnish a factual projection of the estimated drop in gum production under the present program and the resulting labor surplus. We do not believe they will be able to substantiate the allegation that the entire industry will close down in a short period.

Second. We would like to again emphasize our objection to the method of payment to the gum producers as provided by bill 2511. With the Secretary of Agriculture having the right to set parity payments at a lower percentage of parity and then making up the difference to 90 percent of parity with compliance payments, a fictitious low price is set on the rosin going into the CCC loan. The actual cost of producing gum—that of compliance plus parity payments—is not then known and recognized in the price of the crude gum produced. If gum rosin or turpentine is needed, why is it necessary to use this method of payment to the producers to hide the actual cost of the products? The answer is simple—the USDA must use this payment method for it recognizes that crude gum products cannot be produced in cost competition with the products from the pine stump and from pulp mills.

Third. In this connection, one of the most objectionable features of S. 2511 is that no production controls are imposed as a condition to the receipt of "compliance" payments. Enactment of the bill would thus further aggravate the already untenable situation of excessive crude pine gum inventories.

Fourth. The CCC gum rosin stocks as of October 1, 1967, were 720,300 drums and it has been pointed out that this stock has served to depress the price of the entire naval stores industry, most of all the gum industry which is unable to compete costwise with the other two branches of the naval stores industry. The program of the Department of Agriculture, where it first allowed the stocks to build up to an unreasonable size from 1960 to 1966 before taking drastic sales action which resulted in depressed prices to the industry, shows a definite lack of understanding and planning by this Government branch. The Department of Agriculture's handling of this program is directly responsible for the problems that exist today with the gum producers.

Fifth. The hearing also brought out that crude tall oil and turpentine and wood naval stores—neither of which receives Government assistance—can supply the U.S. requirements, as well as a substantial part of foreign requirements, for naval stores products for the next 15 years, and that crude tall oil and turpentine production will continue to increase in supply in the United States—long before all the stumps are used—to a volume necessary to furnish projected growth requirements for increased use of rosin and turpentine. We predict that the low-cost pulpmill byproducts will speed the phasing out of the wood naval stores industry before all the stumps have been used, due to the low cost of producing rosin and turpentine from pulpmill byproducts.

Sixth. Statements made at the hearing that "there is not one single use for gum rosin or gum turpentine that cannot be furnished by wood or tall oil naval stores products" was not challenged by the proponents of this bill. This further emphasizes our position that we do not need a crude gum industry from a technical requirement viewpoint.

In conclusion, the following facts are evident:

First. There is no need for crude gum

production in the United States today or in the foreseeable future.

Second. Crude gum products produced in foreign countries with cheap labor will always be produced and sold at prices lower than any American-produced gum products.

Third. U.S. crude gum products cannot compete with low cost products from wood or pulpmill byproducts.

Fourth. The possibility of the U.S. gum industry phasing out completely in the short time indicated by the proponents of this bill will not occur. There will not be the release of labor they predict, and no major labor maladjustment will occur. The present support program, properly administered, will allow the true gum farmer to continue his production.

Fifth. The poor economical position of the gum farmer today is a direct result of improper administration of the CCC gum program by the Department of Agriculture. The surplus stocks of CCC gum rosin, plus the Department of Agriculture's fire-sale program in foreign markets, has lowered the price of rosin worldwise to the point that the producer is in trouble. The Department of Agriculture could improve the gum producers' earnings if they would institute a program which would take off the market the huge inventory of CCC gum rosin stocks, and announce a controlled selling program of these stocks which would allow an orderly reduction of the stocks since the world market could not count on the entire stock as available inventory.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

Mr. TALMADGE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. BYRD of West Virginia. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE PIONEER SPIRIT IS NOT YET DEAD

Mr. MANSFIELD. Mr. President, in this modern age of the 1960's we seldom hear of the long, hard, cold winters which have plagued many portions of this country throughout history. This has been partially due to many improvements in living conditions, equipment, and the like.

Several days ago I received a copy of a letter written to a friend indicating that Mother Nature still inflicts many hardships on our farmers and ranchers. This letter from Anna Leah Dolena, who owns a ranch south of Great Falls, Mont., is a most graphic description of the snow, cold, and a rancher's life in this part of my State.

I ask unanimous consent to have the basic text of the letter printed in the RECORD.

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

JANUARY 26, 1968.

OUR DEAREST MR. WILLIAMS: I was quite concerned when I didn't hear from you during the holidays, but when Margie called me she assured me you and family were all well. So I was relieved.

The holidays out here didn't really go off in a relaxed manner due to our inclement weather. I had Christmas Eve dinner with Vina and family. Then we opened our gifts early so I could get home before dark. Marina cooked the Christmas dinner but no one could make it except me (Billy got me in the 4-wheel drive truck). So it was quiet. I managed to get Vina's girls tho for their vacation. When I took them home Jan. 31, it was a blizzard, but when I got to town it stopped. So when Fred asked me to have dinner and see a show I accepted. By the time the show was over, however, it had started snowing again so I scurried on home instead of having a midnight drink. There was only a single track up our coulee and it was drifting in but with chains on and in 2nd gear I plowed home. I never got out again for almost 2 weeks as the snow and drifting just kept on. The drifts got so high I couldn't see the corral fence and only half the barn was visible. I slid down a 5 ft. drift for a couple weeks to get into the barn. Then the drifts buried the lane fence coming into the corrals and the cattle began walking over the fence. Of course I didn't want that for they'd wreck the haystacks—luckily they were some of my older cows and I dug a gate out and coaxed them back in. Then I dug the fence out but I finally had to drive steel posts in the snow drifts and string more wire. One day it chinooked and the cattle went out to try to graze but by evening another blizzard hit and somehow the 40 head split up—one bunch came home and the others were stranded without feed or water in another coulee. Billy couldn't get hay to them with his 4-wheel drive for the drifts were so deep. He had his own problems with his 80 head as they too were trapped by drifts—what fun! So I shouldered my old coal scoop and climbed around the hills till I found an area (the narrowest) to shovel a trail for my cows. I was at it half a day. Finally I had a path about 40 ft. long and 3 ft. deep (and that wasn't down to the ground, the cows were still belly deep) but they seemed to realize what I wanted them to do and they came bucking, rolling and jumping thru. Then the creek drifted over so they couldn't drink but I shoveled and chopped ice till I had an area about 2 yds. square but even at that it was deep so the cattle looked like camels kneeling and drinking. And I wasn't so bad off when it came to snow—those dear people closer to the mountains couldn't even get hay and cattle together, some even ran out of hay and the snow plows went ahead with the stock trucks right behind them so they could truck their cattle out. Fred still had over 150 head on the sheep ranch over the hill, he had a terrible time getting them out and up to Augusta.

Finally the snow plows couldn't even break the snow drifts any more as it kept drifting in as soon as they'd plow it out. Billy and almost everyone with cattle to feed had to buy "sno-mobiles", then they'd make a flat sled to pull hay bales on—about 7 bales at a time—at least one can get to the stacks. I went with Billy a couple times. Wow! One never opens a gate just slide over the fences where it's drifted, leap off those high snow drifts. I almost ran out of oil so Billy and I "flew" to Stockett on the "Skee Horse" with my little 5 gal. cans rattling behind on the sled. I can see how younger people can have a lot of fun, too, but they were the only thing that saved the "day." Dear Sagebaums were "in" for 3 weeks, their oil was scraping the bottom. Otto was fattening some calves in his corral and the snow filled the corral full so he had to turn them out. Now during this past week we had a chinook so he used his tractor and scoop to haul tons of wet snow from around his corrals and barn. Lillian said he got the calves back in and tonight it's −15 again, blowing, snowing and drifting. It will soon be time for calving to start (around the end of Feb. and March). Billy has had a couple already (illegitimate, however, from the neighbor's dairy bull) one little one died, just too much stress.

My dogs bark all night for the coyotes come so close to the buildings. I'm not afraid of them but it really makes one feel the loneliness when they howl. It makes one feel the country isn't so settled yet. If it wasn't for all the misery the storm caused and the back-breaking work, I must admit I enjoyed the whole scene—the wild, deep rippled drifts, no fences in sight and the drifting snow looked like water sifting down the hills. Then after a day of chinooking the drifts took on a shimmering appearance in the icy moonlight that was beyond description. I'm sure you remember what I'm trying to describe. I know Mom used to enjoy all the changing scenes of Nature and I'm sure it was her influence that makes me aware of the world around me.

Everything has been going along real well. No one feeling sick, altho a couple times I felt tired and feverish, but that was just from too much effort put forth all at once. So I take it a little easier.

ANNA LEAH.

PRESIDENT JOHNSON'S RECOMMENDATIONS TO CONTROL THREAT OF RADIATION FROM HOUSEHOLD ITEMS IS COMMENDED

Mr. RANDOLPH. Mr. President, the consumer protection message of the President of the United States to Congress yesterday was timely and significant.

I commend President Johnson for the forthrightness of his discussion and for the cogency of his recommendations. Those parts having relationship to hazardous radiation might need to be reemphasized because this is an aspect of consumer dangers and consumer protection that escapes the attention of too many individuals who are unknowingly being exposed to radiation from household items, especially in this period when the use of electronic products is increasing in the homes.

This increase in electronic utilization is a substantial part of the rapidly accelerating demand for electric energy, the demand and production of which will probably grow by more than 200 percent in the next 12 years. Per capita use is expected to increase more than 50 percent.

The exact measurement of the radiation to which citizens generally are exposed by the family of household electronic items is undetermined. But there

is considerable professional opinion that the real danger lies in the exposure of people to lower levels of radiation.

But because there are imponderables and fear of danger, there is a need for significant research in radiation. There must be more precise knowledge on the subject so that meaningful and achievable standards can be set for the protection of our citizens.

The Surgeon General of the United States already has made a convincing argument. He said that inasmuch as we cannot erase completely the sources of environmental hazards—sources which in most instances confer social benefits on society—we must control such hazards to a point where benefits clearly outweigh the perils to citizens' health.

Mr. President, I believe Congress should act at a hopefully early date on President Johnson's request that legislation be considered carefully and enacted to provide for control of radiation from electronic products.

FLOOD CONTROL FOR TUG VALLEY

Mr. BYRD of West Virginia. Mr. President, last week a number of citizens of the Tug Valley area of West Virginia came to Washington to meet with their representatives and Senators concerning a problem of flood control in the Tug Valley.

Their problem is a longstanding and genuine one.

It is caused by inadequate flood control protection in a severely flood-prone valley.

The problem is of concern to every resident of the Tug Valley. The floods which have occurred there in the past few years have, fortunately, not taken a toll in lives. But property damage has been great.

A floodwall was constructed in Williamson, W. Va., by the U.S. Army Corps of Engineers. It was barely completed in 1963 when a tremendous flood swept down from the hills and waters were lapping at the edges, and in some cases, over the edges, of the wall.

Further, the floodwall only provides protection for the downtown section of Williamson and does not protect persons who live in other parts of the town or in the nearby town of Matewan.

A number of flood protection dams have been proposed by the Corps of Engineers. One, the Panther Creek Dam, has been authorized by Congress, but funds have never been allowed so planning and construction can begin. Every other proposal which has been made has foundered on the Corps' strict adherence to a favorable cost-benefit ratio requirement.

In a very fine statement at the conference last week, Mr. William F. "Dutch" Tolbert—editor of the Williamson Daily News, who has been associated with that newspaper for more than 40 years—told the Corps' representatives that perhaps it was time to start considering other factors.

Mr. Tolbert said:

There is a human factor involved in this. There is a human factor which you cannot measure in dollars and cents and in your so-called hard and fast rules on criteria.

I do not know whether it is in your province to regard these factors or not, but these factors are the concern of every citizen in our valley, and I will guarantee to you that those citizens are not "hippies." They are true Americans, paying their taxes, and striving to make America strong and beautiful.

This year, this month, we have had an unusually large accumulation of snow. Every night when our people go to bed, their prayers are directed that the snow will disappear gradually and will not be carried off with a heavy rainfall. We know that if such an occurrence does take place the results will be disastrous for the entire valley.

Mr. President, I believe Mr. Tolbert's statement eloquently sums up the problem which the Tug Valley faces.

I think there is no question that the Corps' should reevaluate its position regarding the Lower Knox Creek Dam, for if this flood control dam can be built, the people of Williamson and the Tug Valley will begin to have the protection they so rightfully deserve.

Because Mr. Tolbert's statement so clearly sums up the reasons why the Corps should reevaluate its position on the Lower Knox Creek Dam, I ask unanimous consent that it be printed in the RECORD.

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

FLOOD CONTROL OF TUG VALLEY

(By William F. Tolbert)

I have been associated with the Williamson Daily News since 1927. Since 1953, I have served as Editor, and I believe that I have been in position to recognize problems as they exist.

Prior to 1957, most of our concern with the Tug River was in the problem of navigation. One time we came to Washington and secured feasibility for canalization of Tug River. That feasibility didn't last very long, however, and some of our people believe that it was rescinded when the "Fat Cats" got into the act.

Be that as it may, prior to 1957, flooding came periodically and while inflicting damages, it was of no catastrophic consequences. There was damage inflicted from time to time in the business section of Williamson. Back-water flooding was the main problem for Williamson when the river rose beyond 27 feet. At this point, water came through the sewer lines and flooded major areas of our industrial and business life.

In 1957, however, the flood of record at that time hit in our vicinity. Water came over the river bank and flooded the entire business section and created a real problem of devastation. Severe losses were suffered by firms that were heretofore regarded as outside areas of flood damage. We immediately launched upon an effort then, with the assistance of our Delegation in Congress, for some measure of flood protection. We made repeated missions to Washington, visits to Huntington and trips to Cincinnati. We came up with minimum protection for the city of Williamson which they would describe as the only project which could be justified under the rules of the Army Corps of Engineers' procedural methods. We had to whittle down here, whittle down there, but by sacrifice and perseverance we did accomplish some measure of flood protection for the immediate business district of the city of Williamson.

We were no more than resting behind the flood wall, laboring under the opinion, as the Engineers had assured us, that such flooding occurs only once in every hundred years, when lo and behold, we woke up one morning and Tug was rising. That afternoon word came that the Engineers were about ready to come and pull the pumps. They didn't want to lose their pumps to the flood waters of the Tug. Our mayor and several citizens diligently worked, preventing these pumps from being pulled by pleading with the individuals who came there to do that job. They sandbagged the Wall, which was not entirely completed by that time. In certain areas of the Wall, the water lapped over; mind you, that was after a period of six years, not one hundred years. The devastation of the main business section was averted and several of our larger business establishments escaped major damage. The damage beyond the realm of the City itself was tremendous and mind you, a man with a $15,000 home or a $5,000 abode of living, to him a loss of $5,000 is far more disastrous than a loss of $100,000 is to a large Corporation.

I know that the Corps of Engineers only considers the guidelines that have been imposed upon them by other Echelons of Government. We are well aware what goes on; we are well aware of the procedures. I've been coming to Washington so often that I feel I am a part of Washington. This is my second home. We are laboring under one mission—to improve our Tug Valley Area. We have done everything within our means to lift ourselves up by our bootstraps. We provided the necessary funds and assistance to build the Flood Wall around the city of Williamson. We provided the necessary matching funds to erect a new Court House. We Provided a Sanitation system for the City of Williamson at no small expense. We repeatedly vote excess levies for our schools. We have voted Bond Issues for a new High School at Williamson, Matewan and other areas. We have voted bond issue for a Branch College building. We do not desire handouts, we only want support, we only want assistance that we feel is due us. Our citizens read the newspapers, listen to radios and watch television. We are not entirely a bunch of Mountaineer Hillbillies. We are not Ignoramuses. We can read and write. We know they are spending millions of dollars to build dams in some far away place in Africa. How can you justify these to the people in Williamson when officials of our government continue to be blind to the paramount need of the Tug Valley—flood protection.

You speak of the N & W Railroad. We are appreciative of every effort they have made. They have asked us from time to time what would Williamson be—what would Southern West Virginia be without the N & W Railroad? But my friends, what would the N & W be without the Southern Part of West Virginia?

In 1957 we were laboring for a flood wall. Top echelon of the N & W Railroad came to my office and said, "You just tell us how much you need for feasibility and we will give it to you in the flood damage." In 1963, our attack had changed from Floodwall to Valley-wide protection. They would not report one dollar of damage in the 1963 flood to their Williamson installation. Yet they took trains out and put them on the bridges to keep the bridges from washing out. The same waters flooded their facilities. The water poured through the tunnel in West Williamson, halting movement of all mainline traffic, including the valuable "meat trains" and other key manifest freights. Far greater damage was caused by the 1963 flooding than by that of 1957, but not one dollar was reported to us because we were working for the Lower Knox Creek Dam. I'm surprised that our good friend Mr. Lewis is not on this conference. He has a penchant for reading our newspaper and learning about our plans for having delegations visit Washington. He just happens to be in Washington at the time our delegation arrives.

I am not critical of you gentlemen in your efforts. I know, as I've said before, you are limited in what you can do. At the same time, you hold the key to the solution of our critical flood problems. Something must

be done in changing the criteria if that is necessary. In April, we were here discussing these same problems. We went away with hope. We were told what would be done. As far as we're concerned, we know that those hopes and promises have not materialized. We have made repeated trips to Washington, gone to Cincinnati, gone to Huntington on numerous missions. The expenses of these trips is immaterial if some results can be obtained.

The interest of the entire population of the Tug Valley is centered largely on flood protection. A man with his life savings invested in his home certainly cannot understand why the neighboring valley of the Levisa Fork or the neighboring valley of the Guyan have been saved—spared of the distress, of the nervousness, of the anxiety every time it rains of any considerable degree.

This year, this month, we have had an unusually large accumulation of snow. Every night when our people go to bed, their prayers are directed that the snow will disappear gradually and will not be carried off with a heavy rainfall throughout our valley. We know that if such an occurrence does take place that the Engineers would not have time to pull out the pumps from our pumping station. The Engineers wouldn't have time and our citizens wouldn't have time to save a few paltry household furnishings, damaged many times because of the necessity to move it out of the home.

Gentlemen, there is a human factor involved in this. There is a human factor involved which you cannot measure in dollars and cents in your so-called hard and fast rules on criteria. I don't know whether it is in your province to regard these factors or not, but those factors, gentlemen, are the concern of every citizen in our valley, and I will guarantee to you that those citizens are not "hippies." They are true Americans, paying their taxes and striving to make America strong and beautiful. I thank you.

VIETNAM: THE AMERICAN DILEMMA

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an editorial published in yesterday's Wall Street Journal on the American dilemma in Vietnam, and a dispatch from one of the Wall Street Journal's Asian correspondents, Robert Keatley, on the same subject.

The editorial and article emphasize the complexity of our involvement in Vietnam. They underscore the difficulty of applying, in the words of Mr. Keatley, "American resources, manpower, and organizational abilities effectively" to a situation that is almost totally alien to the conventional positional warfare to which the American Military Establishment has been accustomed during this century. I do not make mine every statement in these articles, but they are worthy of thoughtful consideration.

The events of recent days in Vietnam and their possible recurrence on a more dramatic and disappointing scale should not cause us to abandon our commitment in that embattled land. Our commitment there and the basic outlines of our policy of upholding that commitment are correct. But it would be well for those responsible for formulating and carrying out that policy to ponder the significance of the events of recent days as well as related events. It would be well to ask whether, again in Mr. Keatley's words, "something is seriously wrong" with the ways and means by which we are implementing our basic policy in Vietnam and Southeast Asia.

I reiterate my support of our basic course of action in Vietnam. I also reiterate my support of our Government's efforts to bring this war to an early and honorable conclusion. But my support is neither blind nor uncritical, and I believe that wisdom and prudence demand regular and searching reappraisal of our methods and programs to implement that course of action.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Pennsylvania?

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

VIETNAM: THE AMERICAN DILEMMA

The savage Communist attacks on Saigon and the provincial capitals underscore what has always been a fundamental question about the American involvement: The quality of the determination of the South Vietnamese government and people. In turn, the question poses a warning for the U.S.

It may be true, as Secretaries Rusk and McNamara were maintaining Sunday on "Meet the Press" that the enemy failed to win a military victory or take any city, although fighting was still going on in Saigon yesterday and the Reds held large sections of Hue. True also that, in this type of war, neither the South Vietnamese nor the U.S. forces can wholly protect the cities and the populace from terrorist assaults.

Granted, further, that the politically conscious elements of the population are at least vocally anti-Communist. The peasantry may be largely apathetic or understandably eager for peace at almost any price, but the government officials, the political parties and the religious sects sound firm in refusing to submit to Hanoi's domination.

None of this, however, exorcises the grim doubts about the viability and will of South Vietnam as a nation we are trying to help. Something, our Mr. Keatley writes elsewhere on this page today, must be awfully wrong.

The fact that the Communists were able to infiltrate on such a scale and do so much damage is strong ground for suspecting that they had the covert support of some nominally anti-Communist South Vietnamese, perhaps even within the government. No one knows that the Vietcong-North Vietnamese objective actually was to capture cities or overthrow the government; the aim may have been that which has been accomplished—a terrible demoralization, showing up, for all the South Vietnamese (and the U.S.) to see, the frailty of the government and its military forces.

Mr. Rusk and Mr. McNamara, while claiming the Communists had failed militarily, had to concede that they had inflicted severe psychological blows. In the thoughtful words of Max Frankel of the New York Times, increasingly the name of the game out there is who can protect whom from whom. The South Vietnamese government, with all the vast aid of the U.S., has revealed its inability to provide security for large masses of people in countryside and city.

The U.S., of course, has all along been haunted by the specter of the South Vietnamese nation dissolving, as it were, before its eyes. For our part, we have said from the beginning that the outcome of the U.S. effort would be in doubt unless the government and people were fully committed. It may be a cliche, but in the long run the U.S. cannot effectively give military aid to another country unless that country is determined to help itself stay out of the Communist grip.

Now we suppose the Saigon government will manage to stay in power, or if it goes there will be another, as there have been so many. But if it doesn't really have the support of most of the people or the ability to save them from nation-wide terror and murder, how good is it? What, indeed, is the U.S. trying to save?

This same South Vietnamese government, moreover, is showing something of an anti-American bias. It will not take the steps our authorities consider essential: Make a full war effort, get the South Vietnamese army in fighting shape, crack down on the unspeakable corruption and inexcusable misallocation of U.S. aid. And it tells Washington in no uncertain terms that the Saigon regime is running the show, including the search for peace; it doesn't want bilateral U.S.-Hanoi negotiating.

The temptation therefore may grow for the U.S., out of frustration with the Saigon generals and the slow progress of the war, to take over the nation, keeping a facade government but in fact finally waging the war the way our military leaders believe it should be waged.

Any idea of that sort of escalation, it seems to us, is a counsel of desperation. It would probably mean fighting, for a while, the South Vietnamese military as well as the Communists. More important, it would undermine our case for being there. We are mired down badly enough as it is; let's not make it worse.

One can strive to be optimistic, hoping that the attacks of the past week are the enemy's last big drive before agreeing to peace talks. One can still figure that the dangers of pulling out—in terms of Communist aggression throughout Southeast Asia and maybe beyond—are greater than the dangers of staying in.

Yet it is hard to escape the conclusion that the Communist onslaught has gravely deepened the American dilemma. It raises in the starkest form not only the question of weakness in Saigon but of whether the U.S. effort is reaching a point of diminishing returns.

DIAGNOSING THE "LAST GASP" IN SAIGON

(By Robert Keatley)

HONG KONG.—The State Department desk officer was briefing a young reporter bound for his first Asian assignment.

"General Nguyen Khanh is the greatest asset we have in South Vietnam," he explained in confident tones. "He is getting out to meet the people—building up a solid political base like no other South Vietnamese leader has ever done."

That was four years ago and like many others, former Premier Khanh is long gone from Saigon. He was last spotted as "roving ambassador" with a marked preference for sunny southern Europe. The briefing officer now holds a senior diplomatic post in Southeast Asia and presumably would not like to be reminded of his former political analysis.

But it seems pertinent to remember this erroneous observation now that Vietcong snipers are still shooting up Saigon and some 35 major South Vietnamese towns have been invaded during the Communists' major push of their long guerrilla war. For once again it seems that American understanding has been faulty at best, that the U.S. has misjudged both the enemy's intentions and its ally's ability to retaliate.

TEMPTING TARGETS FOR ENEMY

U.S. information "did not indicate we were going to have any such widespread attacks," a senior American general conceded in Saigon over the weekend. And the Army's intelligence chief now says the Communists have 65,000 more troops in reserve and can repeat, perhaps surpass, last week's attacks any time they choose. Their long-range Russian rockets haven't yet been used against such tempting targets as Saigon's international airport. The

long-awaited onslaught at the key Marine base at Khe Sanh was apparently beginning at this writing.

All this contrasts sharply with the assorted victory statements issued in recent times from Saigon and Washington. Ho Chi Minh himself has called the Vietcong offensive an answer to President Johnson's claim some weeks ago that things were looking up in South Vietnam.

The impact of all this on the South Vietnamese populace is impossible to assess at present. It is difficult to agree with some optimistic Americans who have cited the attacks as a last gasp before the Communists settle down to negotiate an amicable end to the war. And those who stress that the Vietnamese people didn't rise up in support of the Vietcong seldom add that neither did they supply information that would have tipped off the allied side. Some Vietnam veterans believe the attacks—even though the Vietcong will almost surely be driven out of every city—will reinforce Hanoi's belief that it can win both military and political victories without peace talks and someday gain undisputed possession of all Vietnam.

More importantly, the offensive seems certain to undermine whatever credibility the Saigon government has in outlying cities and countryside. The Vietcong have planted the fear that they may repeat the onslaught any time, and whether they really have that capability is irrelevant. The attacks also tend to damage the prestige of the Americans as protectors, another major Communist goal.

This indicates the problem the U.S. confronts throughout Asia as it tries to defeat or control Communist movements: The world's strongest economy and military power often can neither figure out what the other side is plannng nor bring its massive wealth of firepower to bear effectually once the action has started. For example, bombing the Saigon suburbs may have been absolutely essential to defeat the Vietcong units, but the toll of civilian dead or homeless is a high price to pay in what remains also a political war. And to date the Americans haven't learned how to use their vastly superior military force to destroy Vietcong battalions before they can launch major attacks of their own.

The problem isn't only in Vietnam. The U.S. has 43,000 men based in Thailand; though most are concerned with the air war over North Vietnam, several thousand have construction, logistics or advisory assignments to help the Thais solve their own insurgency problems. But despite this input of men and material, the estimated number of anti-government guerrillas in Thailand's poor northeast region is now 1,700, up from 1,200 a year ago, and Communist bands have started fresh troubles elsewhere. Some observers fear the old Vietnam mistakes will be repeated.

In Korea, the American effectiveness record isn't especially bright either. Some 50,000 U.S. troops are based there to supplement a large South Korean military establishment. But North Korean agents penetrate the American-guarded sector of the demilitarized zone with relative ease partly because Army forces there have been short-changed due to Vietnam commitments. And when belligerent North Koreans seized the spy ship Pueblo recently, the U.S. Air Force reportedly was organized to drop nuclear bombs but not to provide conventional air cover, even though North Korea had been complaining for weeks about alleged American spy boats in coastal waters.

This makes America's Asian experiences these days too often frustrating. What its soldiers and politicians attempt is frequently irrelevant to the other side's intentions and capabilities.

The reasons are complex and confusing. They stem largely from the basic fact that current U.S. confrontations in Asia are only slightly related to conventional warfare. Though great minds have long pondered this rather simplistic notion, they haven't yet devised ways to apply American resources, manpower and organizing abilities efficiently. And there are no easy answers.

At the operational level one result is that bureaucracies fall back on ways and cliches they know best. For example, at the South Korean headquarters of the U.S. Army Second Division, which has the unenviable task of guarding the Korean DMZ sector, signboards proclaim "Second Division—Second to None" or somewhat enigmatically "Zero Defects" which apparently means the Army either considers itself perfect or at least wants to be.

"They live in their little compounds and read their own propaganda and eventually they begin to believe that stuff," says a military man from another country. "Meantime North Koreans are up there on the DMZ making monkeys of them and they don't know what to do about it."

Likewise, anyone who visits Vietnam will probably hear U.S. military advisors talk about their Vietnamese counterpart—those officers they are supposed to assist—as "great little fighters, speak real good English and we've become great friends." Too often the advisors ignore the fact that they are being played for suckers by their wise counterparts, who have seen Americans come and go for years and know well how to handle them. By appearing pleasant and cooperative, South Vietnamese officers can usually run things their own way, which may include padding payrolls, shaking down province governments and playing army politics for more lucrative posts.

Of course many U.S. Army men understand fully what is happening, but they don't know what to do about it. For one thing, causing trouble isn't welcomed at higher offices, and many advisors want to get their year ended and leave Vietnam with untarnished fitness reports. But how to make American advice more effective when it is pertinent continues to elude the establishment.

In Thailand, some fear American advice may yet plunge the Thais into the same sort of difficulties that have helped bog things down in Vietnam. At least in its early stages insurgency is a matter of economic development as much as military suppression—by attacking rural problems it is possible to eliminate grievances before agents can turn disenchanted peasants into guerrillas.

RURAL DISCONTENT

But some sources claim American Army men there are persuading Thai generals (who don't need much encouragement to expand their power and budgets) to take over development programs as an adjunct to their anti-Communist military operations. And because Thai peasants, like those in Vietnam, sometimes consider soldiers organized bands of rapists and thieves, this could increase, not decrease, rural discontent.

The problem isn't restricted to military missions. Not long ago a stout U.S. aid bureaucrat armed with five months experience in Vietnam was claiming that new attitudes now prevail in provincial civil services. "Those government workers are getting out of their province capitals and visiting peasants at last," he said with glib assurance. "We're making some real progress." But stories from the countryside seldom support such optimism. Local corruption, incompetence and indifference continue.

Deputy Ambassador Robert Komer, pacification's superchief, sometimes bases his continual cheerfulness on American "weight and mass," meaning that American numbers and resources must inevitably achieve the desired results despite much waste and inefficiency. He may be right, but some others think this reflects a poverty of effective ideas.

One easy answer, at least in South Vietnam, is to have the U.S. take over and simply issue orders. But none know better than the South Vietnamese that this is both politically and practically impossible for international and domestic reasons. Saigon officeholders realize that the U.S. has long since spent its leverage and is deeply committed; U.S. advice can be ignored whenever it is inconvenient or unprofitable, and Americans will neither colonize nor abandon the country, for their own reasons.

FINDING DIFFERENT APPROACHES

The problem is finding what to do differently so that America's vast resources can bring some desired results.

Attempts are made continually. American military tactics, training and equipment have been revised drastically, yet enemy battalions aren't found or destroyed. Pacification officials have rewritten their plans countless times, with indifferent results so far. Diplomats have tried continually to bring order and responsibility to Saigon's self-serving political processes, but the changes seem mostly superficial. Some of these problems have parallels in other Asian lands where the U.S. has major commitments.

So the persistence of frustration doesn't mean vast numbers of official Americans aren't working hard and imaginatively. American soldiers on duty from Korea to Vietnam fight valiantly, facing discomfort, pain and death in ways the American who gripes about Vietnam from his comfortable home can only dimly understand, even if he tries.

An old saw has the allies winning bigger and bigger battles closer and closer to Saigon The sight of American troops mowing down enemy soldiers in the streets of the capital may indeed inflict heavy losses and decimate some key battalions, but it is hard to view this scene as anything but a long-range setback for U.S. aspirations in South Vietnam.

It seems once more that if present approaches are the best the United States can devise in Asia, something is still seriously wrong.

CIVIL DISORDER

Mr. LONG of Missouri. Mr. President, crime and civil disorder are among the greatest challenges facing the United States. I was pleased that the President recognized this issue by stating in the state of the Union address:

We, at every level of the Government—State, local, Federal—know that the American people have had enough of rising crime and lawlessness in this country.

It is important and vital to the nation that action be taken to assist our cities and States in their war on crime. Effective legislation is necessary, and I shall do whatever necessary to work for its enactment.

At the same time, however, in periods of rising crime, there is a tendency to go to any lengths to bring lawbreakers to justice. The danger in this trend was outlined in a recent front page editorial of the Canton Press-News of Canton, Mo.

This editorial also reported a change in approach to the problem of penology which has been recommended by a study group of the American Bar Association. The recommendation, one of several, suggested that the rehabilitation of lawbreakers be emphasized over the three traditional alternatives of retribution, deterrence, and restraint.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial

was ordered to be printed in the RECORD, as follows:

[From the Canton (Mo.) Press-News, Feb. 1, 1968]

JUST ONE WORD OF CAUTION

Judge Bruce Normile's "Conference of Law Enforcement", held last week in Monticello, was most worthwhile. Better cooperation between agencies, better control of lawlessness and actions to be taken to enforce the law were stressed. We heartily endorse the findings of the conference.

Most people are fed up with lawlessness. They want something done. In the name of freedom many things are happening. A noisy minority scoffs at basic American ideals of honesty, integrity, morality and patriotism. From public platforms we hear strange alien urgings to defy or ignore the laws which they choose to ignore and to obey only laws with which they agree. It's about time something was done about this. Teenage crime is increasing, and Judge Normile reported that more and more juveniles are appearing in his court. If we are to continue to have a nation, the laws of the nation must be obeyed.

But there should be one word of caution. In our desire to bring law breakers to justice we must not forget the long-established custom of our courts to consider people innocent until proven guilty. There have been cases where individuals have been convicted by newspapers before they ever came to trial. Others have been convicted by petty gossip before they have had their day in court.

So, while we must put a stop to the growing lawlessness, we should not allow our zealousness in law enforcement to become overzealousness.

In spite of weaknesses in our law enforcement and court procedures, a much more enlightened approach is now being taken by most judges. An American Bar Association study group recently made a number of recommendations. Among other things they recommended were in part, "In case of first-offenders more harm than good can be caused by institutionalization, for it will result in little more than education of the offender in more sophisticated methods of engaging in criminal conduct. There is a much greater chance in most cases of avoiding a subsequent offense by helping the offender adjust to society than by removing him from it."

We believe laws should be enforced quickly, firmly and fairly, but, at the same time, with a degree of humility, compassion and sound judgement.

THE INCREASING TENDENCY FOR PEOPLE TO DESPAIR

Mr. McGEE. Mr. President, we have seen in the past few weeks in particular an increasing tendency for people to despair, to believe the worst, to peddle unfounded stories and to emphasize the negative with regard to the situation in Vietnam and the seizure by North Korea of the U.S.S. *Pueblo*. There have been many statements, many reports, which seem to play into the hands of the enemy. There have been many unnecessary questions asked—unnecessary because the answer was evident.

Garnett Horner, writing in the Evening Star, of Tuesday, February 6, 1968, observed that President Johnson must have trouble keeping his temper when he hears Americans of some standing, or reads newspaper stories and editorials, suggesting that the U.S. side suffered a defeat in the recent raids of South Vietnamese cities. He must feel especially frustrated, Horner went on, when he reads analyses which emphasize that the Secretary of State and Secretary of Defense are uncertain whether the *Pueblo* intruded into North Korean waters.

Some strange twists, indeed, have been given to recent events. The loss of 20,000 and more enemy troops, compared with casualties of 400 dead for the allied side in Vietnam in recent days can be interpreted by some as defeat for our side. A statement that we are reasonably sure the *Pueblo* was in international waters, though we obviously cannot be absolutely certain until we see the ship's log and talk to its officers, can be interpreted as uncertainty, rather than reasonable certainty. Orr Kelly, writing in the same edition of the Evening Star, analyzed one of the frequently asked questions—that arising out of the *Pueblo* incident. He wrote:

Even people who should know better find it hard to understand why we did not have instantly available whatever forces were required to protect the *Pueblo* from seizure and, once she had been seized, to seize her right back again.

But Kelly gives the answer, pointing out that the *Pueblo* incident does, in fact, illustrate our ability to react quickly—as we did with the U.S.S. *Enterprise*. As for the question of protection, Kelly points out our intentional decision was to have the *Pueblo* travel alone, unprotected, precisely to avoid provocations and complications.

It is essentially the same kind of decision a person makes when he decides whether the chances of rain are great enough to outweigh the inconvenience of carrying an umbrella.

Mr. President, these two articles, taken together, not only give some answers to the critics we have been hearing from in recent days, but they illustrate, in the press, the need for American news media and those whose views make the news to weigh their words and pay heed to the national interest.

I ask unanimous consent that the articles be printed in the RECORD.

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

[From the Washington Evening Star, Feb. 6, 1968]

TRYING TIMES FOR JOHNSON

(By Garnett D. Horner)

Life is trying for President Johnson these days.

He has no reason to complain about having to deal with such crises as the massive Communist offensive in Vietnam and the North Korean seizure of the USS Pueblo. That's part of his job.

But it can only be frustrating for him to see his job complicated by fellow countrymen who, from his point of view, might be giving comfort to the enemy—innocently, in most cases—by promoting the Communist propaganda line. He must feel something like a man trying to swim upstream in choppy waters with lead weights around his legs and arms.

Knowing that one of the Communist objectives in their coordinated attacks on South Vietnamese cities and the U.S. Embassy in Saigon was a psychological and propaganda victory, Johnson must have trouble keeping his temper when he hears Americans of some standing, or reads newspaper stories and editorials, suggesting that the U.S. side suffered a defeat in the raids.

STRESS ON UNCERTAINTY

He might ask: "Isn't it a defeat for the enemy when they lose on the order of 20,000 men to our 400? What would it be if it was the other way around? What if the American Embassy was in their hands?"

When critics emphasize that Secretary of Defense Robert S. McNamara and Secretary of State Dean Rusk are uncertain whether the Pueblo intruded into North Korean territorial waters, the President must feel especially frustrated.

Of course, that is legitimate news and Johnson would not blame anyone for reporting it. The galling part is to emphasize the uncertainty while subordinating the fact that McNamara said he is sure from clear evidence that the Pueblo was in international waters when seized, there is no indication it strayed too close to North Korea during preceeding days of radio silence, and he doesn't believe it did.

It is as if someone asked the President if one of his trusted aides ever robbed a bank, and he said the aide never had while he knew him, he didn't believe he ever had, but of course he couldn't be absolutely positive what the aide did before he knew him until he checked all the records—and a headline reported "President Uncertain Whether Aide Robbed Bank."

FALSE HOPES FED

Adding to the President's troubles is the prominence given unverified reports that the North Koreans have agreed to release the Pueblo's crew in exchange for an admission that the Pueblo violated territorial waters, and an apology—when there is no agreement. He might well feel that his effort to guard against raising false or premature hopes is endangered.

To see a television news program playing up reports that South Korea might pull some or all of her nearly 50,000 troops out of South Vietnam to meet the threat of renewed North Korean aggression, in the absence of fresh U.S. support, must sorely tempt the President to blow his stack.

His intelligence reports indicate that a prime objective of North Korean and other Communist leaders is to divide the allies in South Vietnam and divert the South Korean troops there homeward.

While he could not rule out forever the possibility of South Korea withdrawing some of its forces from South Vietnam without risking new credibility gap charges, he feels sure such a move is not likely and knows it is not under active consideration now. So reports to the contrary could only escalate his frustration.

Unquestionably it is particularly irksome to a man of Johnson's "can-do" disposition to be able to do little or nothing about statements and reports that seem to play into the hands of the enemy.

But he recognizes that free speech and a free press are mainstays of the American system. About all he can do is hope that people quoted in the news, and the news media themselves, will always keep in mind the national interest and their responsibility to it.

WHY "PUEBLO" DIDN'T TAKE "UMBRELLA"

(By Orr Kelly)

What's happened to the world's most powerful nation, letting a little pipsqueak country like North Korea push it around?

What about flexible response? people ask. Can't we even protect one ship?

Somehow, a lot of Americans seem to have gotten the idea that we are not only the most powerful nation the world has ever known, which is true, but also all-powerful Omnipotent.

Even people who should know better find

it hard to understand why we did not have instantly available whatever forces were required to protect the Pueblo from seizure and, once she had been seized, to seize her right back again.

But anyone who stops to think for a moment should realize that even the most powerful nation in the world cannot be expected to be able to exert whatever force may be required to meet any situation anywhere in the world and to do it instantly.

The reason is obvious if you simply add up the force that would have been required to protect the Pueblo from any possible harm.

To protect her from boarding by a party from a patrol boat, she would need the protection of a destroyer—say, 260 men.

But what about the threat from a submarine? Add three more destroyers—another 780 men.

What about a possible air attack? Add an aircraft carrier—at least another 2,700 men.

Even an armada like that—five warships, perhaps 80 planes and some 3,740 men—still couldn't afford absolute protection to the Pueblo from all conceivable threats.

As the collision the other day between a U.S. destroyer and a Soviet ship in the Sea of Japan demonstrated, the very fact that a number of ships are gathered together can itself lead to new and unexpected complications. In any military move, someone has to make a judgment, weighing the importance of the mission against the risks and the costs of reducig the risks. It is essentially the same kind of decision a person makes when he decides whether the chances of rain are great enough to outweigh the inconvenience of carrying an umbrella.

In the case of intelligence-gathering ships like the Pueblo, the United States and the Soviet Union have been operating without any great difficulty since at least as long ago as 1953. The chance that the Pueblo would get into trouble seemed, from all past experience, extremely remote.

Once it occurred, the Pueblo incident might seem on the surface to reveal the powerlessness of the United States under certain circumstances. But it has also demonstrated the ability of the United States to keep its commitment to protect the independence of South Korea.

On the ground in South Korea at the time of the incident were more than 50,000 U.S. soldiers in two divisions. With the South Korean army, there is virtually no question that they could at least hold off any attack from the North until help could arrive, if they could not, in fact, repel an attack.

Within hours of the incident, the United States had moved the carrier Enterprise into the Sea of Japan. By itself, this move probably tipped the air superiority balance in favor of the United States and South Korea. Additional land-based planes began to arrive a short time later.

Defense officials were deeply disturbed by published reports that they would have no choice but to use nuclear weapons to deal with a new outbreak of hostilities in Korea. Clearly, their ability to react to trouble there now is vastly greater than it was in 1950—and the use of nuclear weapons was avoided then under more difficult circumstances.

It may very well be, as some argue, that the United States has made more commitments than it can fulfill. Certainly, this would be true if we were forced to try to meet all our commitments at once. It is also true that we have not yet reached our goal of a truly flexible response to all possible contingencies—a goal that will probably always remain elusive.

But the Pueblo crisis has certainly not demonstrated that, because of the war in Vietnam, we are not able to react quickly to meet other emergencies. The speed of our reaction, even though it was not instantaneous, tends much more to prove just the opposite.

PPBS: PROMISE AND PROBLEMS

Mr. MONDALE. Mr. President, on February 6, 1967, I introduced the Full Opportunity and Social Accounting Act. That legislation was developed from a concern that we know too little about and frequently respond far too late to a wide variety of social problems plaguing our Nation. S. 843 would attempt to improve our social knowledge and heighten our ability to respond intelligently and rationally to unmet social needs before they confront us starkly in riots and other social disorders.

The Full Opportunity Act would declare full social opportunity a national goal, and would establish a Council of Social Advisers to the President, an annual social report, and a joint congressional committee to review that report. These mechanisms, I believe, would assure early movement toward achieving the goal of full social opportunity for all our citizens.

From time to time during the past year, I have called the attention of the Senate to discussions of sophisticated efforts now underway in the executive branch which are designed to lend greater rationality to the process by which our limited national resources are allocated to competing social needs. I have, in particular, sought to highlight the activities of the Social Indicators' panel in the Department of Health, Education, and Welfare and that group's attempt to operationalize the programing-planning-budgeting system adopted by President Johnson in 1965.

Recently, William Gorham, Assistant Secretary for Planning and Evaluation in HEW, discussed this effort in some detail. I found Secretary Gorham's remarks on this occasion most illuminating both with respect to the promise such efforts hold for providing decisionmakers with better and more appropriate data upon which to make policy judgments, and with respect to the limitations which characterize that effort. I believe Mr. Gorham's remarks on this occasion focus attention on the need for improving our social knowledge if we are to meet the challenges now confronting our society. I also believe Mr. Gorham's remarks underscore the necessity of establishing at an early date an agency which can act as a governmentwide coordinator of existing social knowledge and a stimulus to the production of additional social information as needed.

Mr. President, I ask unanimous consent that Secretary Gorham's lecture, entitled "Sharpening the Knife That Cuts the Public Pie—II," be printed in the RECORD.

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

SHARPENING THE KNIFE THAT CUTS THE PUBLIC PIE—II

(By William Gorham, Assistant Secretary for Planning and Evaluation, HEW Forum, Lecture No. 2, December 20, 1967)

I have a very rich acquaintance. Like the rest of us, he has problems. But unlike the rest of us, he doesn't have great difficulty in deciding how to spend his money. He buys pretty much what his heart desires, when he desires it, and if it's for sale. And when he finishes buying, he always has lots of money left over. Most other people in the world want very much more than they can buy and they must make hard, sometimes tortured, choices—choices between food and drink, drink and theater, theater and books, books and education, education and homes, home and furniture. Also, choices between now and later, spending and saving—finally, choices between themselves and their spouses, they and their children, one child and another child, and so forth.

I won't have to persuade you, especially not this month, that governments are like most of us. They have limited resources relative to their collective appetite for public goods and services. And like most of us, governments must make difficult choices about how to allocate collective resources. To make the choices every government has machinery or institutions. Periodically our Government has tried to improve that machinery.

It is in that optimistic tradition that a little over two years ago President Johnson became persuaded that the Federal Government could do a better job in developing the Executive budget and legislative program. He mandated and directed the civilian agencies to develop a planning-programming-budgeting system (PPBS) along the lines of the one instituted in the Defense Department under Robert McNamara. Secretary Gardner invited me to join him in making the best of that mandate. Today I would like to tell you of my story of PPBS in HEW.

It's a moving target so unless you're an historian I wouldn't take notes. The principal features of the system are: a long-term (five year) Plan and a method of linking the Plan to the annual budget and legislative program. Now neither of these features was born two or even seven years ago. Planning is not new, and legislation and budgeting get older every year. What's new is putting them all together and forging links between them which make each relevant to the others. In other words, it's the "S" in PPBS which is new and different.

Also different is the analytical spirit of the thing which finds its way into the choices made in the Plan. *Its* features are (1) open, explicit, and deliberate attention to the ends or objectives of Government action; and (2) systematic comparison (analysis) of the costs and benefits of alternative ways to these ends.

Let me underline the purpose of PPB. PPB is for making better budgets and making better legislative programs. The premise of PPB is that annual budgets and legislation will be better if they are made in the context of a carefully conceived, though tentative, plan.

If it succeeds it will be perceptible only over the long haul. It's worth spending a minute to amplify this important point. In theory, a shift in program priorities could be translated into a drastic alteration in the budget and, if necessary, in the laws of the land. In fact, the laws of the land normally change slowly and each year's budget looks a great deal like the last year's—except a little larger.

There are several reasons for this stability. First, most of the principal actors have been in the play for several seasons and an amalgam of their priorities is already reflected in the legislation and in the budgets. In a country with as strong an anti-government bias as the United States, most major Federal programs come into existence only after a hard fight on the part of the proponents of a particular program to muster support from many different interests. For example, a generation of bitter debate preceded passage of a substantial program of Federal aid to elementary and secondary education in 1965. It probably passed the Congress only because it attracted the support of three different constituencies—those whose concern was for the poor, those who saw the Act as a first step toward wider Federal aid to education, and those who wanted to establish a precedent for

Federal aid to church schools. Such delicate alliances stand behind a number of major laws. Hence it is not surprising that once the fight has been won for a particular program, the Executive Branch is reluctant to try to change the program substantially or to substitute a new one and risk losing the support of some of the parties to the original hard-won compromise.

Second, once a program is in operation, it tends to attract the vocal constituency of beneficiaries. Attempts to reduce or eliminate a program bring loud cries of anguish. In the 1967 budget proposals, the present Administration called for reduction in impacted area aid—the program which provides financial assistance to local school districts serving a large number of children of Federal employees. Not a single congressman could be found to introduce the Administration's bill. This was true in spite of the fact that many congressmen admitted the "rationality" of the Administration's recommendation, privately.

Because it is so difficult to cut the "base," opportunities for major new programs or for substantially reshuffling of funds are not great unless the over-all budget increases substantially.

It's fair to ask at this point, if there's so little room for change, why bother? Why go through an elaborate and difficult process of assessing priorities and evaluating programs if the likely outcome is a pale legislative program and a budget which looks very much like last year's?

It will seem worth the bother only from the perspective of the long view. That view reveals opportunity and promise. First, there are vintage years, years when the opportunity for progress is extraordinary. For example, during an 8-month period in 1965, the Administration proposed, and the Congress adopted, at least 30 major pieces of legislation establishing new programs or significantly expanding existing programs for this Department. That frenetic period touched every major segment of the population: the young, with education acts and juvenile delinquency program; the old, with Medicare and the Older Americans Act; the unemployed and the under-employed, with expanding vocational training and retraining programs; the poor, with health and welfare and anti-poverty programs as well as with the education programs; and the general population, with air and water pollution control and health research.

Nineteen sixty-five was unusual by any previous or subsequent standard. However, it is not beyond reason to expect that when the Viet Nam war comes to an end, very considerable resources will become available, perhaps suddenly, for domestic programs.

A second reason why it's worth trying to improve the basis for our legislative and budget decisions is what John Maynard Keynes described as the miracle of compound interest. For example, an 8-year Administration which exercises discretion over the increments of a budget growing by as little as 5 percent each year will have shaped about ⅓ of Federal expenditures by the end of its second term. Eight percent yields ½.

Finally, beyond adding new programs or cutting back existing ones, there are other avenues for expressing priorities. It is often possible to re-orient and re-direct existing efforts. For example, the recent riots in major cities have led to an Administration-wide re-examination of existing programs to determine the extent to which more resources can be focused in the central cities.

In short, I think PPB is going to make a difference, but don't hold your breath.

Let me turn now to how this year's Five-Year Plan was developed, then to the plan format (the program structure), and finally to the prospects of improving the choices embodied in the plan.

DEVELOPING A PLAN IN 1967

The procedure involved several steps. First, very early in the calendar year a list of significant issues which would have to be addressed in formulating a Fiscal Year 1969 budget and legislative program was developed and discussed widely in the Department and with the Bureau of the Budget. We decided which of these issues seemed a promising object of analysis, and initiated studies of many of them.

The second step was the development of a set of tentative Departmental objectives for 1973. The Secretary asked each of the operating agencies to formulate their objectives for 1973 in program and financial terms. The sky was not the limit: each agency was given two ceilings for 1973—a "low" which implied continued budget stringency and a "high" which implied somewhat greater availability of funds. He asked each of them to answer the question: How would you allocate these sums in 1973 among existing programs or new programs which could be developed between now and then?

Because there were funding ceilings, difficult choices had to be made among many competing objectives and within single objectives among alternative programs. The 1973 allocations which the agencies sent back to the Secretary reflected considerable thought and effort.

The agency 1973 allocation proposals together with the results of the studies begun last winter were reviewed by the Secretary and his staff and a tentative set of Departmental objectives for 1973 was formulated. These Departmental objectives, reflecting the Secretary's judgment about priorities for 1973, were delivered to the operating agencies with an initial FY 1969 budget ceiling to serve as guidance for formulating their first FY 1969 budget submissions and FY 1969–73 program and financial plan.

With minor editing these submissions became the Department's first Five-Year Plan. The Secretary sent them to the Bureau of the Budget together with memoranda (one for each major program area—health, education, income maintenance and social services) describing the basis of the choices made. These program memoranda provide a comprehensive statement of what the Department is proposing to do and why. They also tell why some courses of action are not recommended.

Subsequent to that submission (in early October) more stringent 1969 ceilings were imposed. Insofar as possible these subsequent changes have been made consistent with the priorities and choices of the Plan.

The Five-Year Plan is tentative, always subject to change, and indeed, probably always changing in some details or in some major ways. As new needs are perceived, as new information or analysis becomes available, as ideas mature and develop, as the political prospects of good old ideas improve—the Plan will change. The next change will occur when the President's budget and legislative program are firm. At this time the early years 67–69 will be revised. The later years 1970 to, now, 1974 will be redone in the spring when the whole cycle will be repeated.

I'd like to turn now to the development of the Plan itself. I will first discuss the framework for planning (the program structure), and then the prospects for improving the choices within the Plan.

THE PROGRAM STRUCTURE

Responsibility for programs affecting the same broad goal is lodged with several different agencies. Health programs in particular are administered all over the Department: in the Public Health Service, in Social Rehabilitation Service, the Office of Education, the Food and Drug Administration, and the Social Security Administration. While this dispersion of responsibility is not necessarily bad for administration it requires tidying up for planning.

The structure of the Plan, the program structure, as we call it, violates organizational lines because our organizations violate functional lines. The Plan is organized by the broad objectives of the Department—health, education, income maintenance and social services. Taken together, these categories are sufficiently broad to encompass (at least) all of the existing programs of HEW.

Within each major category, there are subcategories and within those, sub-sub categories, all arranged in a reasonable hierarchy of objectives on down to the specific operating programs of the Department. This structure forms the basic building blocks of the Department's Plan. But they aren't the only dimensions of the Plan. Another, which we found very useful this year, is "target population," the group in the Nation the program is designed to reach. All existing or prospective programs are coded by who benefits from them: the aged, children, the poor, poor school-age children, the urban physically handicapped, and so forth. There are other dimensions of less significance.

We have found that the use of several dimensions makes it easier to understand the relationships of programs to each other and to over-all purposes or objectives. They also tend to prevent the functional or objective categories from becoming a hindrance to the development of programs which tend to cross them.

At the operating program level a "crosswalk" is provided which permits the translation of a program plan into appropriation categories. This capability makes it possible to draw the specific budget implications of the Five-Year Plan.

A last and very important point about the formal structure: we are attempting to develop for each operating program an information system which will provide "outputs," that is, quantitative statements of what the programs are accomplishing. For example, for Adult Basic Education we would like to know the number of adults made literate as a result of the funds devoted to that program. Good output measures are available for only a handful of programs. Extending and improving our understanding of the effects of our programs is the most challenging item on the PPB agends in coming years.

PLANNING IS MAKING CHOICES

Now we turn to the essence of planning and budgeting which is making choices among programs. The Plan is nothing more than a bundle of choices—choices among programs and funding levels among the major areas of health, education, income maintenance and social services and a much larger number of individual choices within each of these major areas. For example, choices among individual disease control programs, cancer versus tuberculosis; preschool versus elementary versus secondary and compensatory education; choices among the alternative roads of providing income transfers to low-income families; public assistance versus negative income tax versus social security, and so forth.

In my judgment we can't hope that systematic analysis will ever provide a great deal of assistance in making choices across major program areas. The big problem is incommensurability of these broadly different programs. We don't have and are unlikely to find a common denominator. We therefore don't know how to compare the value even for the same group of people of being healthier versus being wealthier or being better educated.

On the other hand, the big decisions—decisions about whether to put more into health or education or welfare *can* be made more comprehensible by identifying for the decisionmakers the outputs or the results of spending money in each of these areas.

It seems to me the value of knowing the trading terms is very great. Decisionmakers who know how many college graduates are being traded for how many families being lifted out of poverty or how many cervical cancer cases averted for alternative expenditure of funds, are in a much better position to make informed choices.

Now information on the specific impact of the HEW programs is going to be difficult to obtain. For one thing, in many programs it isn't possible to *define* an output, much less measure it. A great deal of research which aims generally at increasing understanding of physical, biochemical and psychological phenomenon is one such area. Another obstacle stems from the fact that HEW funds typically supplement those of other providers of the services in question. Any change in the Federal share may occasion an increase or decrease in the share of the other providers of the service—the States, municipalities, or the private sector. An increase in a Federal program can result in marginal impact greater or less than the direct effects of that increase. For example, a limited Federal program to detect and treat cervical cancer may persuade many physicians and clinics to recommend that their patients receive annual examinations at their own expense, and voluntary organizations may cooperate by financing substantial screening programs of their own. (Indeed, many programs are designed with precisely this sort or outcome in mind.) Conversely (and much more difficult to trace), a new Federal program may allow States or local communities to defer increases in spending that they would otherwise have undertaken. (And, who knows, the funds released might be turned to other, and more pressing, needs of that community.) These are not all the problems, but they should be sufficient to convince you that developing reliable output information will be more difficult than shaking apples from a tree.

At this point of the PPB's development, it provides an orderly framework of incomplete information. It requires inputs *and* outputs and it has therefore set in motion a chain of events that we hope and expect will lead to better information. When the boxes are filled, the system will help those who must make choices across programs by providing a clearer view of the implications of adding resources to each.

CHOICES WITHIN PROGRAM AREAS

Within the large categories, the contribution of quantitative analysis can be much greater. Objectives can be specified more easily (like saving life, reducing poverty, increasing earning power, raising academic achievement). Analysis of alternative programs that move toward these objectives is possible. When the objective is quite narrow, analysis can be very helpful in choosing among alternative approaches. For example, within a broader health goal, a more limited objective might be to decrease infant mortality. Infant mortality is measurable and routinely reported and there is little conceptual difficulty in evaluating alternative programs in terms of their relative effectiveness in reducing the rate of infant deaths. The preferred program or programs would be those which reduced infant mortality to some specified level by some given time for minimum cost; or the program which for some fixed level of resources minimized infant mortality.

One of the Department's first analyses last year sought the most effective program for reducing the very high infant mortality rates in low-income areas. While estimating the cost and effectiveness of alternative programs was a little more art than science, the estimates were quite good enough to provide a much improved basis for program choice.

The analytical task gets harder and the results less conclusive as the objective becomes more comprehensive. In another analyses conducted last year, a number of HEW programs aimed at increasing self-sufficiency among physically and "educationally" handicapped persons were studied and compared.

The programs analyzed were:

1. *Vocational Rehabilitation*—grants to States to assist them in setting up programs designed to rehabilitate handicapped individuals.

2. *Adult Basic Education*—a program for individuals over eighteen whose inability to read and write the English language constitutes an impairment of their ability to get and retain a job commensurate with their real ability.

3. *Work Experience and Training Program*—a program of work experience and training designed for persons who are unable to support themselves or their families.

4. *Vocational Education*—grants to States to support vocational high school and post-high school programs to prepare students for employment and to motivate students to stay in school who might otherwise drop out of academic or general curricula.

All of these programs have multiple objectives, but their principal objective is increasing the capacity of the individuals involved to support themselves. The programs were compared on the basis of their relative effectiveness in meeting this common objective. Estimates were made of the benefit to be expected from the program measured by the increase in the expected future earnings of the participants.

In the end, with baling wire and tape for each of the programs, a benefit/cost ratio was calculated (which was nothing more than the discounted future earnings over the cost of the program). The benefit/cost ratio for the programs ranged from barely over 1/1 to over 12/1, which is to say that for certain of these programs, future monetary benefits equaled costs, while for others, future monetary benefits could be expected which were twelve times the cost of the program.

An analysis such as this—of relative efficiency—is not the end of the road. For almost all HEW programs choices made exclusively on such a basis would be crazy. For one thing, different programs frequently benefit different people or even different groups. The question of *who* benefits is absolutely central to a decision-maker concerned with social programs. Unless alternative programs generally affect the same individuals, "efficiency" considerations must be tempered or sometimes overshadowed by distributional implications. Let me illustrate this from the analysis just described. The vocational rehabilitation program is directed to people with palpable physical and mental handicaps; the work-experience and training program is directed to another group—those who are unable to make it because of social and educational handicaps. If one were to be guided exclusively by efficiency criteria (benefit/cost ratios), the more "productive" vocational rehabilitation (VR) program would grow, while the work-experience program would shrink.[1] The socially handicapped would not get to first base while the physically handicapped were, so to speak, scoring run after run.

A related difficulty is encountered in comparing programs that affect different generations. If future benefits are discounted, programs which have benefits that do not emerge for many years, such as most children's programs, will tend to look unattractive relative to programs with more immediate pay-offs. At this time, we do not have an adequate basis for comparing programs aimed at different generations.

A final difficulty worth commenting on: all of the programs considered in the study have objectives which go beyond increasing income earning capacity. The Adult Basic Education program, for example, in providing literacy training, enables the graduates to be more effective parents, voters, and in general, more effective members of society. While these other objectives may not have been paramount in the eyes of the legislators who enacted the program and annually provide it with funds—there may be more important outcomes of the programs than they had in mind. Can they be ignored? In any case, there are frequently multiple objectives and criteria for their measurement (if they are measurable) are different and non-addable. There is nothing to do about this except to recognize it and illuminate as well as possible the multiple benefits (and costs) of programs. These aren't the only pitfalls. Taken altogether they say "use with caution."

Thoughtful studies will help to illuminate a large number of the choices that must be made in planning and budgeting. Analyses of alternatives will be most helpful within broad areas of social action rather than among them. The reliance that can be placed on quantitative studies tends to be directly related to the narrowness and the uniqueness of the objective: the narrower the objective, the more relevant the analysis; the grander the objective, the less helpful.

Certainly one major function of such studies will be to raise the level of the dialogue between proponents of different solutions to the problems we confront. They will practically never be sufficient unto themselves to provide an unvarnished basis of choice.

CONCLUDING OBSERVATIONS

To sum, PPBS is designed to improve the efficiency with which public resources devoted to public purposes are used. It's young and really too early to report on confidently, but it's promising. It is a framework for planning—a way of organizing information and analysis systematically so that the consequences of particular choices can be seen as clearly as possible. Its emergent features are:

1. Open, explicit, and deliberate attention to the ends of governmental action;

2. A comprehensive display of information about the functioning of actual government programs so that it is possible to see easily what portion of Federal resources is being allocated to particular purposes, what is being accomplished by the programs, and how much they cost;

3. Systematic comparisons of the costs and, when possible, the benefits of the alternative ways to attain the ends of government action; and

4. Explicit guidance to budget formulation and legislative development based upon a long-term plan.

These four activities are interrelated and build on each other.

In the end, if PPB succeeds, it will not displace traditional political processes, but help them function more effectively. It can do this by, first, focusing the attention of the political leaders of the country on the choices before them; second, by clarifying the implications of alternative courses of action; third, by improving the quality of the debate among those with diverse views about this or that end or this or that program; and, finally, by further ventilating the basis of the choices made among ends and among programs.

[1] Eventually of course, as the VR program increased its relative advantage would decrease and disappear and it would be efficient to add to the work-experience and training program.

THE ENEMY'S MASSIVE GAMBLE IN VIETNAM

Mr. McGEE. Mr. President, the hand-wringing in which many are indulging

now because of the enemy's massive assault—we might call it a massive gamble—in Vietnam is not warranted when we consider the price our adversary paid without achieving any lasting goals. It was a fearful cost that produced no general uprising among the people of South Vietnam. It produced no full-scale Vietcong control over any large portion of Vietnam. What it did do was cost the enemy some 20,000 troops, many of them the Vietcong's elite—the sappers and the flower of its infantry. It was a gamble for an extraordinary victory which Americans, South Vietnamese, and other Allied troops denied to the North Vietnamese and the Vietcong.

Mr. President, in last night's Evening Star, Crosby S. Noyes set the record straight on this, just as Joseph Alsop did in this morning's Washington Post. Both writers deserve attention for their sharp analysis of the situation.

I ask unanimous consent that their articles be printed in the RECORD.

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

[From the Evening Star, Feb. 6, 1968]

HANOI MISCALCULATES ON OUTCOME OF SHOWDOWN

(By Crosby S. Noyes)

As the war in Vietnam moves into what promises to be its climactic phase, cries of alarm and dismay are to be expected. Our determined pessimists automatically assume the recent desperate fighting in Saigon and throughout the country to be the prelude to imminent defeat.

From the opening attack on the American embassy compound in Saigon, the most gloomy assessments have been heard. The attack, it has been said, proved that no part of Vietnam is immune from enemy attack. The ability of the Viet Cong to mount simultaneous assaults throughout the country showed that we had underestimated the strength and capability of the guerrillas.

The result, it was said, would be yet another blow to the prestige and morale of the allies. Gen William Westmoreland, some suggested, had been outfoxed in committing so many forces to meet the threat in the north. So far as many critics were concerned, the attack on the cities was the final proof that the war in Vietnam was unwinnable by military means.

All of which betrays a profound ignorance of the nature of the war. Even at this late date, many Americans insist on judging the military situation in Vietnam in terms of classic warfare in which front lines and secure rear areas are taken for granted.

No one, from Westmoreland on down, has ever pretended that any city in Vietnam was secure from attack. None of the cities, in fact, is defended in the sense of trying to prevent the free movement of people and traffic in and out. There is not a city in Vietnam—or, for that matter, anywhere in the world—where several thousand well-armed and determined men could not cause unshirted chaos if they were willing to pay the price.

The important question in this case is why the Viet Cong and their North Vietnamese comrades should have decided to pay the price at this particular time. Whether their carefully coordinated hell-raising has resulted in a stunning success or a bloody disaster must be measured in terms of what they hoped to achieve. And though the answers are not yet entirely clear, the signs at this stage are by no means unfavorable.

What the Communists were out to achieve, according to their own plans revealed in many captured documents, was "an extraordinary victory in a relatively short period of time."

The all-out assault by guerrilla forces on the cities and villages is interpreted by our military experts as a preliminary phase of a full-scale attack with main-force units south of the demilitarized zone. The entire operation was aimed at putting the Communists in a position of maximum strength—and their opponents in a condition of maximum demoralization—as a prelude to negotiations later in the year.

To achieve this, Hanoi gave the signal to its guerrilla forces, as Westmoreland put it, to "go for broke."

Secret guerrilla organizations that had been held in reserve in the major cities for many years were surfaced and thrown into the battle. In an effort to bring about the "general uprising" which Communist theorists have always foreseen as the final stage of their wars of "national liberation," a large part of the carefully constructed military apparatus of the Viet Cong was committed throughout the country.

A desperate gamble on this scale can only be justified by solid results. The idea, so widely held in this country, that the whole performance was staged for its psychological effect seems utterly absurd. At the very least, the Communists must have believed that they could seize and hold a number of provincial capitals and generally paralyze the country for a considerable time.

Their failure to accomplish this and the staggering losses suffered in the attempt certainly do not add up to any "extraordinary victory" for the Viet Cong. And even the psychological victory which many seem eager to concede to the Communists is extremely doubtful.

From the point of view of the Viet Cong, no one gets much of a psychological lift from committing suicide. From the point of view of Vietnamese civilians caught in the murderous crossfire, the meaning of the war has taken on a new and frightful reality. And American public opinion, despite the reaction of professional handwringers, shows no sign of caving in under this attack.

Many people feel a convulsive final showdown is better than the prospect of a slow, grinding war of attrition. The events in Vietnam over the past week point in this direction and point also to a disastrous miscalculation of the outcome by the Communists in Hanoi.

[From the Washington Post, Feb. 7, 1968]

BROODING ON VIET SETBACK IGNORES FEARFUL COST TO ENEMY

(By Joseph Alsop)

In any war, when one side hazards a high proportion of long-hoarded, near-irreplaceable resources, and suffers fearful losses as the main reward, the result must be accounted a serious defeat.

That rather basic rule of warfare needs to be recalled at present, simply because so many normally sensible people appear to have forgotten it. They have forgotten it, in turn, because they have formed the habit of focusing exclusively on our own problems in Vietnam, which are very painful indeed, without paying any attention to the enemy's problems, which are much more painful.

Yet the only way to make a balanced assessment of the enormously important recent developments in Vietnam is, rather obviously, to look at both sides of the balance sheet. And enough solid facts are at last in hand to permit a tentative assessment.

Since the damage done in the cities has received all the emphasis to date, it is best to begin the assessment with the other side of the coin. What, then, was the aim of this ambitiously planned attack on South Vietnam's cities and towns? What did it cost? And what did it achieve?

As to its aim, the captured documents and prisoner interrogations leave little room for doubt that a "general uprising" was confidently counted upon, at any rate in a considerable area or areas of South Vietnam. In all cases, the enemy troop units were sent into the towns and cities with no plans whatever to cover the contingency of severe setbacks.

In at least one province, Chaudoc, the units engaged were simply told that they were to celebrate the new year with the townspeople, who were waiting to welcome them. The need to fight was a rude surprise.

In almost all cases, again, the enemy units sent into the towns and cities had only a few days of supplies. And in some cases, they had almost no supplies at all, being promised instead that they would get all they needed from VC sympathizers in the urban populations.

In a considerable measure, of course, morale problems necessitated this deception of the VC troop units. Gen. Vo Nguyen Giap can hardly have hoped for a countrywide "general uprising."

Instead, Giap's aim seems to have been to establish full VC control in one or more large areas—the Delta and parts of I Corps being the most likely candidates. If that had happened, the turmoil in the rest of the country would have fatally hampered any roll-back effort. It was not a foolish aim, but it was not attained.

To attain this aim, meanwhile, a cost was incurred that is still hard to calculate exactly. It was certainly an enormous cost, however. Except in the most northerly provinces, very few North Vietnamese troops were used. The great bulk of the attacking troops were true VC in the old sense—local units composed of southerners, that will lose most of their effectiveness if they are later reconstituted with northern replacements.

Because of the sharp drop-off in recruiting in the South, manpower of local origin is the VC's most precious single resource. This resource was expended with a lavish hand, as can be seen from the current estimate that enemy losses in dead and prisoners of war will reach 20,000 men.

Worse still were the losses in men of highest quality and strongest motivation. The sapper units, used for blowing bridges, mortaring airfields and the like, have always been a special elite within the VC. The great majority of the sapper units have now been expended to the last man. And again, although dragooned young boys were used as infantry fillers, the spearhead outfits in the ordinary infantry were necessarily composed of the flower of the VC.

To these rather dire sacrifices, one must add two other items to complete the account. The VC used and lost just about all members of the underground network which has always been their principal hidden asset in the towns. And they also surfaced and expended their clandestinely acquired assets in the South Vietnamese army, which proved to be very trifling indeed.

Such then were the aim and the cost. As to what the VC achieved, that is pretty obvious. Pacification has been sharply set back. Great destruction has been wrought in some cities. Confidence has been shaken.

Much now depends, therefore, on three things: Whether the South Vietnamese government moves successfully to restore services and confidence; whether the remaining urban pockets of VC resistance are quickly liquidated and whether a second wave of urban attacks is successfully thrown back, if it materializes as some fear.

Reasonable success on these three vital fronts is now predicted. If that is the outcome, the final balance sheet will be most unfavorable to Gen. Giap. But that leaves the question why on earth Gen. Giap ordered this vast and costly general assault on the cities and towns.

CONSERVATION AND RESTORATION OF NATURAL RESOURCES

Mr. LAUSCHE. Mr. President, the Cleveland, Ohio, Plain Dealer, long a stanch and progressive leader in the cause of conservation and restoration of our natural resources, devoted its entire editorial page on Sunday, January 28, 1968, to urging a greater public push in the battle against water and air pollution. The page contains five excellent and thought-provoking editorials. I commend the Plain Dealer for its forthright stand.

I ask unanimous consent that the editorials be printed in the RECORD.

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

GREATER PUBLIC PUSH IS NEEDED IN POLLUTION FIGHT

The nation has walked long enough down the anti-pollution road. It's time to start running.

Despite millions poured into air and water pollution abatement since America woke up to the dangers of environmental poisoning in the 1950s, the quality of our air and water has not improved.

The millions were well-spent, keeping deterioration of the environment from becoming infinitely worse.

But new sources of pollution arising from a fast-growing population and soaring industrial activity have kept the nation on a treadmill.

There are hopeful signs that the nation is ready for the run:

Public pressure has produced federal water pollution control legislation which is forcing the states to establish water quality criteria. The next battle will be in enforcement. Will it be effective enough to see that the goals are achieved?

New federal legislation on air pollution control finally recognizes that protection of our air is a national responsibility.

There are signs that the Ohio government is beginning to meet its responsibilities in air and water management.

The legislature last year strengthened water pollution controls and put the state for the first time into air pollution control. It also moved to upgrade solid waste disposal practices with the likelihood that the days of open burning and open dumping of garbage and trash are numbered.

The Ohio Water Pollution Control Board, in response to public prodding, appears to be getting tougher in its enforcement program. But it has a long way to go.

Under a bond program proposed by Gov. James A. Rhodes the state, for the first time, will help municipalities build and expand sewage treatment plants. State willingness to assist in financing will result in increased federal participation, which will be of great benefit to the cities.

An Ohio Water Development Authority proposed by the governor is an imaginative program that would help solve the perplexing problem of treating industrial wastes.

The Ohio Water Commission, an arm of the Department of Natural Resources, has developed for northwest Ohio what may be the best long range plan for water use that has been formulated anywhere in the nation.

The key to success of any of these programs is public support and public pressure.

The universal desire for clean water and air, unspoiled open spaces, green parks and some beauty in physical surroundings, and the universal repugnance toward unsightly dumps, noise, ravaged hillsides and billboard clutters must be voiced clearly, forcefully and often.

Public clamor moves legislators to enact laws and appropriate funds needed to implement them. It gives administrators the fortitude for enforcement in the face of strong counter-pressures for delays.

In response to strong demand, political action can achieve the application of the technology that already exists, but has not been used, to solve a good many of our pollution problems.

It is, of course, costly to build sewage systems and to install air scrubbers in factories. And, faced with the prospect of costly outlays, it is relatively simple, as a New Jersey air pollution official put it, "to engage in excessive procrastination."

The nation, however, can no longer afford to procrastinate. Deterioration of our environment has become one of our most pressing domestic problems and is adversely affecting the physical and mental health of its citizens. If it goes unchecked, it could threaten man's very existence.

A task force on environmental health problems appointed by retiring Secretary John W. Gardner of the Department of Health, Education, and Welfare reached two important conclusions early in its study.

The first was that the contamination which man creates can be corrected if technological genius is brought to bear on the problems.

The second was that action cannot wait until technology solves all the problems. Action must be taken now, on the knowledge now available, while better answers are being sought.

We would reiterate a third conclusion: To get that action, the public will have to demand it.

ENVIRONMENT: MAN IS KEY TO BALANCE

Human ecology is a term heard increasingly in discussions of conservation. It is the study of the interaction of man and his environment.

Disturbance of one aspect of the environment can have a deleterious effect on another—to man's ultimate sorrow.

Leveling a forest or overgrazing grassland can lead to floods or duststorms. Draining and "developing" an estuary can ruin aquatic breeding grounds and lose a fishery. Spraying DDT to control mosquitoes can kill a town's cats and bring on an invasion of typhus-carrying rodents.

There are 18 federal agencies alone—and numerous state and city agencies—dealing with one or another environmental problem—erosion of soil, air and water pollution, insecticides, protection of fish and wildlife.

There is no one body to take an overall look at what is happening to our environment and to give guidance on what should be done to correct or forestall imbalances.

The nation needs such a body—a Council of Ecological Advisers as proposed by an HEW environmental task force, or a Council of Environmental Quality as proposed in a Senate bill sponsored by Sens. Henry M. Jackson, D-Wash., and Thomas Kuchel, R-Calif.

The purpose of either would be to advise the President and Congress of the state of the environment, the changes taking place and the consequences of these changes.

A council composed of men knowledgeable in the disciplines of biology, conservation, economics, physics, psychology, engineering and the like would be able to formulate broad policies to guide the nation.

If it could not reach consensus on what everyone would find a "good" environment, it could at least agree on environmental conditions that would be "bad" and this would provide the basis for intelligent selections of alternatives for protection of our resources.

A council could achieve greater coordination and cooperation between agencies charged with environmental protection and increase the wisdom with which natural resources are managed.

Creation of a council must get the immediate and serious attention of Congress because of the rapid changes taking place in environmental conditions.

Some of the changes threaten to go far beyond the poisoning of water and air with unnatural chemicals.

The American Association for the Advancement of Science was warned in December that the tremendous increase in fuel consumption in this century is pouring carbon dioxide and other gasses into the environment faster than soil and oceans can assimilate them. At the same time, grassland and trees, which supply oxygen to the atmosphere, are being removed for paving (in the United States, at the rate of one million acres a year), threatening a decrease in the oxygen content of the air. There is evidence that the oxygen content already may be declining in our largest cities.

This is an ecological problem of the greatest magnitude, one that needs searching inquiry and an answer that could transcend ecology and enter the realm of social and religious attitudes. The answer could be that not so much the environment, but man, himself—the other end of the ecological balance—must be controlled in numbers if he is to continue to exist.

THE PROBLEM OF SEWAGE: REGIONAL POWER NEEDED

Treatment of organic and industrial wastes is poorly done in the Cleveland area. The murky, stained waters of the Cuyahoga River the high bacteria counts in this and other rivers and in Lake Erie measure the failures.

There are many reasons for the inefficiency—treatment plants of inadequate capacity, absence of sewers in some areas and leaching into water courses of effluent from septic tanks, gaps in jurisdiction, poor control by the county of plants under its authority, combined storm and sanitary sewers.

To its credit, Cleveland is spending millions to upgrade its sewage treatment plants and a marked improvement in water quality should result.

But the single step that offers the best hope of overall improvement in waste treatment efficiency would be to put sewage collection, treatment and financing on a regional basis.

There are many excellent arguments for establishing a regional clean water authority:

It could work toward coordinated and central treatment of wastes, which is a much better system than haphazard treatment by numerous small plants. River water in some highly populated, highly industrialized valleys in Europe is cleaned and reused over and over but the rivers remain reasonably free of impurities. Central treatment makes it possible—that and close organization of water users throughout the watershed.

A regional authority could plan, build and operate systems crossing many political jurisdictions, any one of which might now block progress by refusing to go along with a project.

It would make financing problems much easier to solve, and financing is one of the great hurdles that must be leaped before real progress is made in water cleanup. Cleveland now processes sewage from many suburbs, which is a step in the right direction. But this entails difficult negotiations between government units on service charges. Coming capital improvements, such as suburban trunk interceptor sewers now under design, will make equitable financing increasingly more difficult to achieve, unless it is done by a regional authority with powers to tax, to issue bonds, to build and to operate sewers and treatment plants.

A regional authority would be better able to attract and hold the skilled personnel needed to operate the complex biological and

hydraulic system that a modern treatment plant has become.

A single authority would eliminate present gaps in jurisdiction or responsibility that allow sloppy operation and maintenance of some treatment plants. Such a gap permitted one package plant in Middleburg Heights to become inoperative for a period last summer, and raw sewage poured into a tributary of the Rocky River, already grossly polluted from Berea downstream.

One authority would improve enforcement of state antipollution regulations. A combined storm and sanitary sewer in the Flats has a storm sewer outfall in Cuyahoga Heights. It runs constantly although it should overflow only in periods of rain. Out of it flows a multihued effluent—now bright yellow, now red—which pours into the Cuyahoga River. Obviously there is something wrong. An overflow structure deep down in the sewer may have become corroded and inoperative. Who should check it and order repairs? Obviously, some industrial wastes are bypassing treatment and going directly to the river. What are they? Where do they come from? Who should find out? A regional authority could provide the answers.

Ideally, a regional authority would be of a size to control waste treatment throughout the watersheds draining the metropolitan district.

But, practically speaking, an authority with such a reach would be difficult to attain.

It would be a major triumph of government if a regional authority covering only Cuyahoga County could be achieved.

IN THE AIR: LOCAL CONTROL BEST HOPE

Federal and state governments are moving into air pollution control, but the best chance you have of improving the quality of the air you breathe is to improve the performance of control programs at the local level.

That is because both federal and state programs are structured to rely heavily on local governments for the support it will take to make control programs effective.

This is the picture:

The feds are there in the background, researching air pollution, advising cities on how to establish effective controls, and now, since legislation enacted last year, putting the heat on state governments to establish air quality standards and enforcement programs with the threat that if the states do not, the feds will.

Ohio has set up an air pollution board, also in legislation enacted last year. It will prescribe air quality standards in regions around the state and the first region it should look into is the Cleveland metropolitan area, which has the worst pollution problem. Then it will decide how much smoke, dust and polluting gasses an industry may be allowed to throw into the air so that the air quality standards can be achieved.

In all probability, the state will arrive at its determination of air quality standards by conducting hearings in the regions to find out what the conditions are and what the public wants them to be.

Industry will be represented at the hearings, because it has a big stake in the outcome. The higher the standards, the more it will have to spend on control equipment.

Who will speak for the public? There isn't much expertise around about air pollution, but what there is is concentrated in governmental pollution control organizations.

In the Cleveland area, that means the Division of Air Pollution Control in the Cleveland Department of Health and Welfare.

Is it ready for the challenge? We think it is not.

Only this division is equipped to find out with some precision the quality of air in Cleveland, and it has failed shamefully to do so.

Cleveland received a federal grant of $104,760 in 1965 for a three-year study of air quality. It was to set up 30 stations around the city to measure the gross soot and dust which falls from the air, the fine particles of smoke and fumes which hang suspended, and the invisible pollutants such as sulfur dioxide gas, nitrogen oxides, aldehydes, hydrogen sulfide and ozone.

It has measured dustfall and at some stations the finer particles called particulates.

But Cleveland is just getting into gas measurements and not at 30 stations, but at six, and not every other day, but only twice a week.

With the health of the public at stake, the division cannot let the excuse of inability to find personnel stand in the way.

Beyond its duty to measure pollutants, the division has the major responsibility for enforcement. There is an obvious need for improvement here. The Cleveland metropolitan area is ranked by the National Center for Air Pollution Control as the fifth worst in the nation in air pollution problems.

It is high time for a review of Cleveland's performance in air pollution control and of its standards, which can be higher than whatever are adopted for the state and nation.

IN THE WATER: OHIO COULD BE LEADER

Ohio's soft enforcement policy in water pollution control has left too large a gap between actual and desired water quality, but the state has shown imagination in two areas of water management and use.

The first is in planning for future water development. The Ohio Department of Natural Resources and its water planning arm, the Ohio Water Commission, with the help of engineering consultants, have developed for northwestern Ohio a thorough, far seeing plan of action aimed at providing water of the quality and quantity that will be needed in the years ahead.

The plan specifies the number and location of the reservoirs that will be required to catch and hold precious rainwater. It foresees use of Lake Erie water to supplement flow of sluggish flatland streams and suggests when and where pipelines should be constructed. It envisions tapping underground water supplies to supplement surface water. It outlines a timetable of improvements to municipal sewage treatment plants, upgrading treatment from primary to secondary stages and finally to a third stage.

The plan considers all uses of water throughout the watershed—drinking supplies, industrial, agricultural and recreational. It considers need for flood control and improvement of stream quality by releasing stored water or adding oxygen with aeration devices.

The impoundments it suggests are multipurpose. A reservoir now under design, for example, will supply water to a town and also a waterfowl breeding marsh. And it will be built to encourage fish life by providing stepped ledges and rockpiles on which they may lay eggs.

What is more, the plan considers not just the needs but practical ways in which the needs can be met. Legislation approved last year gives the Natural Resources Department power to build the impoundments, to drill the wells and to work out financing arrangements with the water users.

Similar plans will be developed in other Ohio areas. Northeastern Ohio is expected to be the next target.

Ohio's second imaginative program is Gov. James A. Rhodes' proposed Ohio Water Development Authority. This is a governmental tool for getting done efficiently and equitably a job that needs to be done—the treatment of industrial wastes.

The authority would finance, build and operate facilities for groups of industrial firms, and perhaps even municipalities, and would recoup the costs through charges to users.

Both this proposal, which should be approved by the legislature, and the long-range plans of the Ohio Water Commission have received acclaim from the Federal Water Pollution Control Administration, the federal agency most concerned with water cleanup.

Their implementation could give Ohio national leadership in the drive for improved water quality.

LABELING OF FOOD FOR SPECIAL DIETARY USES

Mr. LONG of Missouri. Mr. President, on June 18, 1966, the Food and Drug Administration issued proposed changes in the regulations relating to the labeling of food for special dietary uses, which includes vitamins and other dietary supplements.

Regarding the latter, the new regulations would require, among other things, that the label on each bottle or container contain the following statement:

> Vitamins and minerals are supplied in abundant amounts by the food we eat. The Food and Nutrition Board of the National Research Council recommends that dietary needs be satisfied by food. Except for persons with special medical needs, there is no scientific basis for recommending routine use of dietary supplements.

A number of other restrictive labeling requirements relating to content and dosage were included in the proposed regulations.

Numerous scientists, dietary manufacturers, and other interested parties protested. The number of protests ran into the thousands and were so strong that the FDA felt it necessary to stay the effective date of the regulations until public hearings were held. It is now February 1968, and the public hearings on the regulations have still not begun and, for that matter, have not even been scheduled.

Mr. President, I remind the FDA's lawyers that the Food, Drug, and Cosmetic Act clearly states:

> As soon as practicable after such request for a public hearing, the Secretary, after due notice, shall hold such a public hearing for the purpose of receiving evidence relevant and material to the issues raised by such objections (21 USC 371(e)(3)).

In response to repeated requests for hearings, the FDA merely makes promises. In December 1966, the FDA promised that a hearing date would be announced "early in 1967". In a letter dated June 9, 1967, to the general counsel of the National Association of Food Supplement Manufacturers and Distributors, Dr. Goddard stated:

> It is our current plan to schedule the prehearing conferences just as soon as we can after the first week in September.

No such action has been taken.

The FDA, however, has not been idle since it first promulgated its proposed regulations in June 1966. With the avowed purpose of "protecting" the American public, the FDA has carried on a vicious nationwide campaign which is solely intended to discredit the vitamin and food supplement industry. By using

the familiar "trial by publicity," the FDA is attempting to condition the public in favor of the proposed dietary regulations.

Meanwhile, thousands of citizens who earn their living in the food supplement industry have been under the death sentence of the proposed regulations for more than a year and a half. More importantly, the American consumer continues to be uncertain as to whether or not his freedom of choice in nutritional matters is to be denied them by the arbitrary fiat of the FDA.

I have many objections to the substance of the proposed regulations, which I should like to comment on at a later date. However, at the present time, I am more concerned about the procedural aspects of the FDA's handling of the regulations and its failure to schedule hearings as required by statute. The law, as well as ordinary justice and fairness, require that the truth be made known through public hearings where all interested parties have an opportunity to state their views.

It is time for the FDA to fish or cut bait; time either to hold hearings or to withdraw the proposed regulations.

CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE SUPPORTS RATIFICATION OF HUMAN RIGHTS CONVENTIONS

Mr. PROXMIRE. Mr. President, once again I express my disappointment over the inactivity of the Senate with regard to the human rights conventions.

The Committee on Foreign Relations has had before it for a considerable time the Conventions on Forced Labor, Political Rights of Women, Freedom of Association, and Genocide, the last two since 1949.

All these are certainly in consonance with our own constitutional law and public policies. They are likewise based upon the letter and spirit of the United Nations Charter and formed upon principles of international law.

I invite the attention of the Senate to the testimony of William V. O'Brien, president of the Catholic Association for International Peace, submitted to the Dodd subcommittee last year.

He said:

> Men and governments all over the world are becoming increasingly aware of the dignity and rights of the individual human being. The Church has repeatedly called upon the faithful and upon all men of good will to redouble their efforts on behalf of the millions who do not live in a condition worthy of their human dignity.

He also indicated that the Second Vatican Council lays stress on reverence for man:

> Everyone must consider his every neighbor without exception as another self, taking into account first of all his life and the means necessary to living it with dignity, so as not to imitate the rich man who had no concern for the poor man Lazarus.

Mr. O'Brien made the point that modern social teaching of the church has also emphasized the need to strengthen international law. I agree wholeheartedly with Mr. O'Brien that the ratification of these conventions will contribute to reaching that goal.

THE FLIES THAT CAPTURED THE FLYPAPER

Mr. HATFIELD. Mr. President, the RECORD carries a heavy load of words each day for its readers to view, and I hesitate, therefore, to add to its burden. But the highly astute and forthright columnist for the New York Times, Mr. James Reston, has given us a column today, entitled "Washington: The Flies That Captured the Flypaper," which I hope will be read by every Senator.

No doubt Mr. Reston's words have been cited time and time and time again by many Senators, but few of his pieces, in my judgment, excel his remarks today about the tragic aspects of our policy in Vietnam. We are indeed "the flies that captured the flypaper."

I commend this column to every one's attention and ask unanimous consent that it be printed in the RECORD.

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

THE FLIES THAT CAPTURED THE FLYPAPER

(By James Reston)

WASHINGTON, February 6—"Attack and counterattack widened across South Vietnam today," The Associated Press reported. "Large sections of Saigon and Hué lay in smoldering ruins, and columns of smoke rose as South Vietnamese divebombers, U.S. helicopter gunships, artillery and tanks blasted away at Communist troops in scattered sections."

This in a teeming city of three million people. "Tens of thousands of terrified civilians streamed from shacks and huts in Saigon with what meager belongings they could carry. Already nearly 200,000 refugees are reported, 58,000 in Saigon and its suburbs, and the total is expected to double or triple when all reports are in. . . ."

THE DILEMMA

Here is the dilemma of our military strategy of victory. How do we win by military force without destroying what we are trying to save? The battle is so fierce and the situation so solemn that the impulse to rally round is very strong, but the mind boggles at the paradox of tearing apart what we have undertaken to defend.

This, of course, has been the moral and strategic problem from the beginning: How to save South Vietnam without wrecking it. The Vietcong have made clear from the start that they would risk anything, destroy anything, and kill anybody, even if they inherited nothing but the wreckage. But what of us?

THE BITTER PROPAGANDA

It is not our country. Somewhere there must be a line beyond which the killing and suffering, not only on our side but on the side of the Vietnamese, overreach any attainable end, but there is still no evidence here that the Johnson Administration sees the futile brutality of these recent days in this light.

In the bitter propaganda of the war, the official line here is that everything happens for the best. The communiqués sound more and more like a TV singing commercial: "We're winning, we're winning," they cry, just like the Sunoco Sunny Dollars jingle.

Death has now become the official measure of our success. General Westmoreland sends a message of congratulations to his troops. They have killed more of the enemy in the last week, he says (21,330), than the United States has lost in the entire war (16,000). He warns of a "second wave" of enemy attacks on the cities, but our victory "may measurably shorten the war." The White House press secretary balks at drawing the same conclusion on his own. His name is Christian.

It would be reassuring to feel at this solemn moment that all this human carnage is really bringing us to an end worthy of the means employed, or even that we are getting an honest official appraisal of our predicament, but this city is seething with doubt and even the Administration itself is wracked by suppressed dissent.

Is the President worried about how his State of the Union message will be received? His staff obliges by organizing official cheer leaders in the House of Representatives. Is he concerned about the reaction to recent events in Vietnam and Korea? Secretaries Rusk and McNamara go on "Meet the Press" to calm things down, but not before the Administration approves of the questioners.

Is the President apprehensive about the coming battle at Khesanh? Never mind, he has requsted and received a written assurance from the Chairman of the Joint Chiefs of Staff that the Marines and the Army will hold. "I don't want any damned Dienbienphus," he says.

THE CENTRAL QUESTION

War is a corrupting business—always has been—and this one is no exception. But it is important to decontaminate the propaganda. No doubt the allied victories are true. No doubt the enemy casualties are very heavy. No doubt the civilian casualties are alarmingly high, though they are not mentioned.

But the destruction goes on. We are the flies that captured the flypaper. We are stuck with our concept of a military victory, and the main question goes unanswered: What is the end that justifies this slaughter? How will we save Vietnam if we destroy it in the battle?

NO TIME FOR DESPAIR IN VIETNAM

Mr. McGEE. Mr. President, we have just gone through the hardest week that we have yet experienced in the war in Vietnam. It has been a hard week because American casualties were very high, 571 dead since January 30, according to my latest information.

It has been a hard week also because of the much heavier casualties borne by the armed forces of the Republic of Vietnam, 1,149 of whom have died since January 30.

There are, as yet, no reliable figures of Vietnamese civilian casualties during the past week. But we know that the figures will be very high and we know that the destruction in the cities in Vietnam has been very heavy. Indeed, one of the most tragic statistics of the past week is that the cruel Communist assault on the cities of Vietnam has left 170,000 men, women, and children homeless.

Apart from this grievous cost in human tragedy, it has also been a hard week in terms of our hopes for Vietnam. There is no doubt that the enemy has mounted an attack which was broader in scope, more ferocious in execution, more ambitious in concept and more secure in implementation than we had thought him capable of.

It may be that the enemy was able to mount so large an operation only by a convulsive effort, only by the expenditure of human and material resources, difficult and perhaps impossible in some cases, to replace. That is by no means

certain, however, and prudence requires that we draw a grimmer conclusion. Prudence requires that we conclude that the Communist enemy is better organized, more widely dispersed with a better supply system, and with a better security system than we had thought heretofore. It may be, Mr. President, that he has shot most of his arrows from his quiver. I hope that that is the case. But we cannot assume it to be the case in view of the effectiveness of last week's assault.

It has, therefore, been a very hard week, indeed. And I do not wish to diminish the grimness of the news of Vietnam in any way.

There is, however, another side to the developments of the past week and it would be foolish of us to overlook that other side as to try to take a pollyanish attitude.

The Communists have sustained very heavy casualties. The latest figures indicate that 21,000 of the Communist assault troops have been killed and 5,000 captured. Beyond any doubt many more have been wounded. Whatever the Communists have accomplished from their own point of view by their activities of the past week—and it is not clear what, if anything, they have accomplished of lasting value to them—they paid an extremely heavy price. It is altogether possible that to the Communist councils sitting today in Hanoi, the news from South Vietnam is even more sobering than it is to us. It seems to me reasonable to assume that their losses exceeded anything they expected. Indeed, it is difficult to believe that the Communist leadership could have willingly decided to submit their troops to the slaughter they have experienced in the past week. The tidings here are heavy, but they are surely not light in Hanoi.

It seems to me, Mr. President, that we need to bear this in mind. This is not a time for despair on our part nor is it a time to seek for scapegoats. It is a time for steadiness. Both sides have sustained a shock. I think it is fair to say that both sides have sustained a severe shock. But all the returns are not in. It is too early to determine what the effect of the past week will be upon the conflict in Vietnam. That effect will be determined by the response to the events of the past week by the savagely beset people of South Vietnam—by the response of the South Vietnamese Government to the most serious challenge it has faced since its election—by the response of the U.S. team in Vietnam and of the American public here at home.

It is by no means unheard of in history—indeed it is not even unusual—that tragedies such that South Vietnam has undergone this past week serve to solidify and rejuvenate rather than to sap and weaken the will of a people. I am certain that our people in Vietnam are now working closely with Vietnamese officials to repair the damage and learn the lessons and to make a greater effort. It is a fact, Mr. President, that the Army and the Republic of Vietnam—the ARVN—did not collapse under the cruel and almost unique test to which it was put. It is a fact that one of the bright spots of last week's sad tale is that the ARVN responded everywhere to the Communist assault with bravery and in many places with outstanding gallantry and effectiveness. It is also a fact that the administrative apparatus of the Government of Vietnam did not shatter under the Communist assault, but continued to function under the hardest of circumstances and is already massively at work on the job of restoring normal life to the cities of Vietnam. It was undoubtedly the Communist purpose to break the integrity of the ARVN as a national military institution. It was undoubtedly the purpose of the Communists to shatter the administration of the government. They have succeeded in neither purpose and they have paid a very heavy price for the effort.

There is in this no cause for rejoicing but there is equally no cause for despair. The ultimate victor in last week's battles, and in those still to come, will not be determined by what happened last week. The victor will be whichever side bears the shock with the greater fortitude. For us, and for our Vietnamese allies, I think it is a good time to borrow a leaf from the book of a great wartime leader at a time when he and his people were sorely beset. At the height of the Nazi bombing assault on London and the other British cities, Winston Churchill got to the root of the matter when he told Adolph Hitler on behalf of the British people, "you do your worst—and we will do our best."

CONSUMER PROTECTION LEGISLATION—ADDRESS BY SENATOR MAGNUSON

Mr. JACKSON. Mr. President, yesterday morning, my friend and colleague, the senior Senator from the State of Washington, delivered a most interesting and meaningful message to the American Advertising Federation on the subject of consumer protection legislation.

I commend Senator MAGNUSON on his effective leadership in this very important field—that of providing needed protection to the American consumer. We are all consumers. We may not all be businessmen, laborers, or farmers, but we are all consumers.

It is obvious from this address that Senator MAGNUSON has an unusually clear understanding of the many problems which confront the American consumer and American business. I agree that the question which should be asked is not: "The consumer—too much or too little legislation?" but "How can we better work together to make certain that consumer legislation will do the job for which it is intended without injuring or unduly burdening business?"

I believe that the steps which are being taken by the Senate Commerce Committee will be in the best interest of the consumers of the Nation and in the best interest of legitimate businesses. The businesses of our country support this kind of legislation and offer their cooperation, as Senator MAGNUSON observes, and this legislation will benefit industry as well as the consumers.

Because he has contributed important insights and has articulated quite well some of the problems inherent in this area, I commend Senator MAGNUSON's address and ask unanimous consent that it be inserted in the RECORD at this point.

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

THE CONSUMER: TOO MUCH OR TOO LITTLE LEGISLATION

Someone—it might have been Will Rogers—once defined a successful politician as "the fellow who's a genius at solving problems that don't exist."

And if I know my many old friends here as I think I do, when it comes to our growing pre-occupation with consumer legislation, I suspect that they feel just a little bit that way about me, if not the whole 89th and 90th Congresses.

But you've generously given me 10 minutes to convince you that the problem doesn't lie with me.

While it's still early morning and the rest of Washington is asleep, let me ask you for a minute to shuck off your roles as eminent leaders of a most eminent profession, and to think of yourselves as just plain consumers.

Is there anyone here who hasn't come home from the office one night, weary from scratching out an honest dollar, only to discover that a sweet talking salesman got his foot in the door, and your wife couldn't think of any other way of getting rid of him than signing that innocent sheaf of papers he carried around with him, which, upon close examination, commits you to facsimile reprint of the entire "Hardy Boys" series, or an encyclopedia of Chinese water tortures.

And how many of you have not been driven to teeth-gnashing by the failure of your friendly auto dealer, after the ten trips to the shop, to discover the source of the leak which soaks your trousers each morning after a heavy rainfall on the way to work.

And how about the discovery when your new home appliance broke down that the guarantee covered only the parts that don't move and that to get it repaired, you have to mail it at your cost to the fatcory in Osaka, Japan; that labor is extra, and according to the small print, you abused the product when you removed it from its carton, at which point the warranty expired.

Isn't your wife concerned about the possibility of excess radiation from that new color TV? Haven't you got an elderly aunt or uncle who is still paying four or five times its value, for the siding on their old homestead, while the Bible-spouting salesman who hooked them has gone on to greener pastures?

Do you know anyone who is not unhappy with the escalating path of automobile insurance rates? Don't you have a friend or relative whose auto insurance policy was yanked out from under him because of a small accident in which the other party was clearly at fault?

Is there a man or woman in this room who does not feel uneasy as his son or daughter watches one after another cigarette commercial portraying cigarettes as an indispensable part of the Good Life?

There are real problems. Some of them are petty nuisances. Others threaten the ability of our society to deal justly with its citizens and even the very health of our people.

Margaret Dana, a wonderful woman whom many of you know, writes a forceful, but balanced weekly consumers column that reaches many millions of consumers throughout America. Margaret Dana is not a politician. She makes no promises to her readers, but offers them a sympathetic and enlightened ear. Last week, she came to see me, to lay on my desk the problems brought to her by her readers. Over a few weeks period, she had received *11,000* letters from ordinary people, *11,000* seeking help against an incredible variety of consumer problems.

"These people write to me," says Margaret, "because they feel they have nowhere else to turn."

Of course, not all consumer problems merit legislative solutions. Many of you, while acknowledging the existence of marketing defects, question whether the legislative cure may be more lethal than the disease. There is, of course, a natural tendency to seek a law for every ill. "If anything ail a man," says Thoreau, ". . . he forthwith sets about reforming—the world."

Most of the problems giving rise to proposals for new legislation are not new; they have existed for many years and we have tended to accept them as necessary, if unfortunate, by-products of a vigorous competitive system. Why this rash of consumer legislation now?—at a time when our productive and distributive machinery is providing more people with greater material goods than at any time in the history of civilization.

It is ironic, but the fact is that the better conditions get, the more people demand. As Eric Hofer points out, the starving man is not the revolutionary; it's "the taste of better things which excites people to revolt." "The discontent is likely to be highest—when conditions have so improved that an ideal state seems almost within reach." So the current public frustration which fires the demands for legislative solutions is a product of the very prosperity of our economy itself.

But there are other reasons for legislative demands. As Congress probes these issues, there is a growing awareness that market forces, the purifying fires of competition do not invariably serve the public interest. There is no profit in safety, or in air and water pollution control for the individual entrepreneur. And where the profit motive is lacking, competition cannot be counted upon to provide solutions for these problems.

Moreover, the evolution of production and marketing techniques has introduced great product complexity at the very time that the personal relationship of trust and confidence between buyer and seller has all but evaporated. The products we buy are beyond our individual competence to evaluate, to understand, to repair; while the giant enterprises which manufacture and distribute these products appear cold and remote.

And yet our lives are characterized by a growing dependency upon the products of these organizations. One significant piece of consumer legislation before the Commerce Committee is the power reliability bill. This legislation represents an effort to assure adequate planning to avoid the re-occurrence of such cascading power failures as those which blacked out the Northeast and other segments of the country. Today, the power systems of the United States are more reliable than any systems in the world; yet there is legislation before us. At least part of the reason is that we have never before been so totally dependent upon the reliability of power, both because our individual lives are ordered by machines which use power, and because vast regions of the country are interdependent so that a power failure affects not just one community, but potentially the whole nation.

In my experience, most of the enlightened representatives of the business communities of this country have come to recognize both that serious problems exist in the production and marketing of goods, and equally important, that these problems may well be national in scope and that the national government has the duty to be involved in seeking solutions.

And so I'm convinced that the question you proposed: "The consumer—too much or too little legislation?", is the wrong question. I would rather you asked yourselves and us "How can we better work together to make certain that consumer legislation will do the job for which it is intended without injuring or unduly burdening business?"

We ought to concentrate on avoiding the angry and unprofitable name-calling that characterized the legislative history of the Packaging and Labeling Act.

On both sides the strategies proved unprofitable. Communications broke down. The act is in many ways a sorry and confusing product, denounced as toothless by some and heralded by others as containing almost unlimited powers to regulate "value comparisons" in the marketplace.

The Commerce Committee held 8 long days (is that the political equivalent of giant half-quarts) of unenlightening, tedious hearings on the packaging bill. Industry witnesses were offended because the hearings were sparsely attended by members of the Committee, yet those who came heard witness after witness repeat the same litany: There are no problems in the labeling or packaging of consumer goods; the consumer is a brilliant sovereign and needs no help from an intermeddling government in reducing confusion in the marketplace.

I remember how delighted we were to receive a brief statement, for the record a unique statement—from one major food processor, but not because the statement supported the bill. On the contrary, the statement contained one of the most persuasive briefs against some of the provisions of the bill. But the testimony acknowledged that a *problem* existed, that a consumer might *want* to compare the price per unit for the products competing for her attention, and suggested that perhaps a method could be devised to supply the consumer in the supermarket with a simple means for calculating price per unit. The Committee explored this possibility at some length with the Bureau of Standards and finally abandoned it reluctantly as impracticable. But at least it represented an effort on both sides to come to grips with the problem, to recognize that the Committee might just be honestly interested in solutions which did not unduly burden the manufacturers.

When the auto safety bill was before us, the automobile industry, unlike the grocery manufacturers, finally came to the bargaining table, but not before it had suffered a needless series of public relations disasters. Yet as late as they came to the table, the end result was a far more creditable piece of legislative craftsmanship than the packaging bill. Perhaps more importantly, when the automobile makers focused on those safeguards which were essential to their industry, and *made* their case for those safeguards, Congress responded fairly. But it was only by meeting with the Committee and freely engaging in the give and take of discussion that this objective was served.

I think you will agree that 1967 was a *quieter* year, but it was not a less significant one. Our Committee produced three major pieces of consumer legislation. The authorization to create a National Commission on Product Safety, the Flammable Fabrics Act Amendments, and the Natural Gas Pipeline Safety bill. Yet the quality of industry involvement in these pieces of legislation was markedly different from the earlier legislation, to the benefit not only of the affected industries but, I am convinced, to the public interest as well.

The Product Safety Commission was actively supported by the affected industries. And when the appliance makers did express concern that the Commission in investigating the existence of design and construction hazards and formulating a program of remedial action should not be in the position of blacklisting specific products or disclosing trade secrets, these safeguards were readily incorporated in the authorizing legislation.

The original Flammable Fabrics Act, passed in 1953, provided no flexibility to reflect experience in enforcing it or technological improvement in flame retardancy. Its scope was so severely circumscribed that while bridal veils were subject to its force, infant receiving blankets were not. After passage of the Act, the voluntary industry committee which had devised the standards incorporated in the Act did not meet once in 10 years to consider upgrading them.

The initial response of the textile industry to the proposed Flammable Fabrics Act proposals was, to paraphrase one industry spokesman, "Blood will flow in the halls of Congress, before we submit to this tyranny."

But once the textile industry recognized the seriousness of the legislative effort, they came to the Committee at an early stage in the proceedings and asked for the opportunity to discuss the terms of a reasonable bill with which they could live. There was hard bargaining on both sides conducted in an atmosphere without rancor and a compromise was reached which was so agreeable to all parties involved that it was accepted by the Committee unanimously, with no amendments. Yet it represents a significant milestone in consumer protection legislation.

Again, the Committee gave its unanimous approval to a gas pipeline safety bill which was the product of the same style of hard, good faith negotiation, a bill which in the judgment of those involved represents no compromise of the public's right to be protected from inadequately safe pipelines, yet affords the pipeline industry substantial protection against arbitrary, uninformed government fiat.

In short, I think we are arriving at an appreciation of each other's problems. There are those in industry who recognize that the complexity of the marketplace makes it imperative that government intervene where necessary on behalf of the individual consumer. There is growing awareness that competition does not necessarily produce safer cars or flame retardant drapes or shockless appliances.

And on the government's side there is a growing appreciation of the dangers of what I call "legislative overkill"—the burdening of an industry with the heavy hand of bureaucracy without demonstrated need or justification.

The governmental responses to most consumer issues has not yet hardened. There is still time to clarify the nature of the problems, and to explore alternative solutions. There is time yet to avoid legislative overkill.

But it *is* too late to convince Washington that these issues are false images produced by political LSD—or that Washington has **no** business meddling in your business.

If we can share these few, basic premises, then Congress, and in particular the Consumer Subcommittee can honestly serve, not as a battleground, but as a common meetingplace for government, business and the consumer.

TRIBUTE TO SENATOR CARLSON

Mr. TOWER. Mr. President, on Tuesday, January 23, my esteemed colleague from Kansas, FRANK CARLSON, observed his 75th birthday. I wish to take this opportunity to extend to him my belated greetings on that most happy occasion. Moreover, I wish to commend him at the same time for the 40 years of service that he has given to not only his home State of Kansas, but also to the Nation as a whole.

When I first came here nearly 7 years ago, Senator CARLSON would always lend a thoughtful ear whenever I needed any advice. Through the years, we have worked together and my admiration for FRANK CARLSON has grown all the time. His untiring efforts on behalf of his

country should not and will not go unnoticed. I certainly regret that he has decided to retire at the end of this session, for he has always been an inspiration to all of us serving with him. I wish him well in the years to come, and I hope that he returns to visit with us many times. He has served his country well.

PUBLIC DEMANDS GUN LAW

Mr. DODD. Mr. President, as the second session of the 90th Congress began, the organized opposition to sensible Federal gun control laws opened a new and concerted campaign to confuse both the public and Congress on the need for effective, enforceable firearms laws.

It not only seems incongruous but it is incongruous that responsible people and organizations, and lobbies who presumably represent responsible business and industry, oppose a workable law that would effectively disarm the criminal.

In the same breath, these very same groups are demanding something be done about the high rate of street crime, murder, and riots.

The tentacles of this organized opposition, financed by wealthy lobbies, are evident everywhere. Newspapers, the media, and the people from the smallest city to the largest, are bombarded with literature based almost entirely on distortions of the seriousness of the firearms problem and what the administration is trying to do about it.

Difficult as it is to believe, the opposition is now in a headlong campaign to discredit legislation that was more than 6 years in the making and that would effectively cut down on the traffic in firearms which show up each year in our crime statistics.

Mass mailings of bulletins are being repeatedly sent out containing gross misstatements of fact, and mountains of erroneous fancy in a calculated effort to confuse the issue and prevent the adoption of the administration's proposed firearms law, S. 1, amendment 90.

In place of S. 1, amendment 90, the gun lobbies would substitute a lesser measure, one with little chance of being effective and which does not consider the firearms problem in its entirety.

It is encouraging to report, Mr. President, that the campaign has not been entirely effective. On the contrary, the press of America has not been fooled, and I daresay neither have the people.

The bulk of the press, upwards of 90 percent, have supported a strong gun control law. The newspapers, magazines and broadcast media, large and small, are close to the people and close to the problems of crime and are demanding adoption of a strong, effective, workable, enforceable Federal gun control law.

I believe we should listen to them.

Mr. President, for the benefit of Senators, I ask unanimous consent to have printed in the RECORD another representative collection of editorial opinion in support of the proposition that strong Federal gun control laws are needed and needed right now. The public wants them.

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

[From the Wall Street Journal, Feb. 1, 1968]

WHY ALL THE FUSS?

When President Johnson, in his State of the Union Message, called for a gun control law, he presumably was braced for an outcry from the pro-gun group. The line of the opposition is, of course, that the Constitution gives everyone the "right" to keep and bear arms.

One answer to that argument is that the Constitution, in the same sentence, stresses the need for a "well-regulated" militia. It's doubtful that our forefathers, had they been confronted by widespread interstate mail-order traffic in firearms, would have been offended by reasonable rules.

In states where gun-purchase permits are required, moreover, the stress is on control, not prohibition. This point was emphasized recently by the appellate division of New Jersey's superior court, in a decision upholding the state's 1966 law to control sales of rifles and shotguns.

The law restrains only criminals, alcoholics, drug addicts, subversives and persons with physical ailments that made them poor gun risks. As the court said, "No law-abiding citizen, free from the statute's qualifications, has been or will be precluded from purchasing, keeping or bearing arms." In the law's first 15 months, the state disapproved less than 2% of the applications for permits.

If the laws are thus sensibly drawn and enforced, in fact, most citizens are likely to conclude that the opposition doth protest too much.

[From the Redding (Calif.) Record-Searchlight, Oct. 16, 1967]

ANTIMISSILE SLINGSHOTS?

The sort of nonsense that is used to argue against any kind of meaningful gun control legislation is typified by a recent editorial in The American Rifleman magazine. It suggests that the real reason Israel was able to win a war against vastly superior manpower in such short time has been overlooked. The reason: "civilian marksmanship."

Starting with David's triumph over Goliath because of his unerring aim with a slingshot, says the editorial, Palestine has had a tradition of target practice that continues today with a government-run program of rifle instruction for youngsters. Since it paid off in such a quick victory over the Arabs, the editorial suggests the U.S. needs a similar program.

That point of view might be more compelling if this country were more likely to be invaded by Arabs than it seems at the moment. Against the more likely threat of a Chinese or Russian nuclear missile attack, rifles—no matter how expertly aimed—would be about as effective as slingshots.

[From the Tuscaloosa (Ala.) News, Jan. 20, 1968]

A RESPONSIBILITY WE ALL MUST SHARE

Judging from the applause of those hearing President Johnson's State of the Union message in the capitol Wednesday night, the appeal for action to halt violence and crime hit the most responsive chord.

The President said, and rightly so, that maintenance of law and order is predominantly a local challenge. There is no question that the first line of defense against violence and lawlessness rests with local and state officials.

The President's proposals to check another summer of fiery lawlessness in the nation's cities did not offer any new solutions or hopes for early action on the root of the problem.

He did ask for quick House action on the Senate-passed "safe streets" bill, a curb on the mail-order firearms business, a business-government job training effort, expanded public housing and funds to assist state and local law enforcement agencies in equipping and training personnel.

It remains to be seen whether members of the House and Senate translate their favorable response to this portion of the State of the Union message into meaningful and constructive legislation.

Assistance, in whatever form Congress may provide in this session, cannot be brought to the local level in either funds or other forms of aid in time for use in the event this summer follows the pattern of a year ago.

That places extra emphasis on state and local officials to head off or avert mass disorders with their own resources in the coming months.

It would be a tragic mistake for the public at large to assign total responsibility for riot prevention to law enforcement officials. They bear the brunt of the responsibility for upholding the law and of combatting law violations.

But getting to the root of the problems which spawn mass disorder is a responsibility that rests squarely on the shoulders of every citizen.

[From the Auburn (N.Y.) Citizen-Advertiser, Jan. 19, 1968]

GUN RESTRICTIONS

(By George R. Metcalf)

State Sen. Theodore D. Day, of Interlaken, writes in his latest legislative report of "hearing a great deal about" the need for regulating the use and ownership of firearms.

"Starting with the tragic assassination of President Kennedy," he goes on to say, "there has been agitation to accomplish this. So far, I have not seen or heard of any practical good result that would be accomplished by such a move.

"The criminal who wants a gun can always get one. The honest sporting citizens who have guns would be punished and harassed with additional costs and red tape."

Without attempting to be facetious, it seems to me this argument could be used to end all licensing. For if criminals can "always" get a gun, regardless of the law, and "honest sporting citizens" are law abiding, who needs a law?

I believe the problem which Sen. Day raises is far too serious to warrant such hands off treatment.

The United States is passing through a period of domestic turmoil, unmatched in its history except for the Civil War. Not only is the incidence of crime on the increase but there is every reason to believe that riots will erupt across the nation in a score of cities, once the hot weather begins again.

To continue the current situation under which guns are readily available to anyone is to douse oil on the flames. This is precisely why President Johnson in his State of the Union Message said he was urging Congress "to stop the trade in mail order murder this year by adopting a proper gun control law."

I hope our federal legislators follow the President's advise for the first step in curbing violence is to remove or control the weapons that make crime, riots and disorder possible.

Whether or not the Congress accedes to Mr. Johnson's request, the Legislature of New York still has a responsibility to the people within its boundaries which it cannot dodge by tossing the "hot potato" to Washington.

What makes the control of firearms a "hot potato" is the belief among a substantial number of citizens that possession of a rifle, pistol or shotgun is necessary for one's self-protection.

This stems in part from the ancient belief that a man's home is his "castle," that he has a right to protect it against any invader.

It also, oddly enough, is a result of a paranoiac fear that the enemies of the country are behind the effort to control firearms. Secret agents of the communistic conspiracy, for example, are pictured as standing in the wings waiting to swoop down at the first evidence of U.S. Citizens disarming.

Despite these arguments against the con-

trol and regulation of firearms, the one fact we are faced with is that violence has become a part of the American way of life. No other country on the globe compares with the U.S. in the number of murders that are committed annually; London is a bucolic patch of houses in contrast to angry New York.

Of course, there are many factors that contribute to the nation's violence besides the vast number of guns in circulation—The horrible slum-ghetto neighborhoods in all of our large urban centers, the gun-toting, tough-talking characters that flash on TV screens daily to the delight of the young fry and the seeming impossibility of this nation to keep out of war.

The total mood is one of violence that cries out for correction. But, like so many problems, its correction or solution depends upon the willingness of Americans to change their pattern of living.

Obviously, the police must help to curb crime and violence. Yet, their part is often more a matter of trying to shut the doors after the horses are gone than avoiding violence before it begins.

The people themselves, if they want to live in a nation of peace and security, must accept some deterrent to their freedom which includes curbing free and easy use of firearms.

[From the Christian Science Monitor, Feb. 1, 1968]

AGAIN, CRIME AND THE COURT

The Supreme Court has again aroused criticism with its twin decisions on firearms and gambling. One forbids prosecution of a person for failing to register such federally-stressed weapons as sawed-off shotguns, machine guns and silencer-equipped weapons. The other invalidates a federal law which required gamblers to register annually with the Internal Revenue Service and pay taxes on their wagerings.

Both decisions were 7–1, with only Chief Justice Warren dissenting.

On the one hand, it is quite evident that the decisions close down certain ways and means of apprehending criminals. They hamper, to a degree, that war against mounting crime which the entire nation is watching. The decisions revive the charge that the Supreme Court is favoring the criminal—by weighing in heavily on individual rights—rather than aiding law enforcement—by stressing the government's police-power rights.

Yet here is the Constitution's Fifth Amendment, which specifically prohibits self-incrimination: a person shall not, it declares, "be compelled in any criminal case to be a witness against himself."

If a gambler has to fill out a form stating that he is a gambler, he is being a witness against himself. If a person acquired a weapon without going through proper registration formalities (certain lethal weapons are required to be registered after the attempted assassination of President Roosevelt in 1933), he would incriminate himself by a later attempt to register, said Justice Harlan.

These decisions, it must be stressed, do not halt the drive to regulate guns or control gambling. Justice Harlan points out that the Court has not said the government lacks constitutional power to tax gamblers or regulate possession of firearms. But as dissenter Warren predicts, the rulings will open the door to "a new wave of attacks" on other federal registration statutes, such as those requiring persons to register if dealing in narcotics and marijuana or possessing liquor stills.

There can still be raids against stills and drug-possession, but federal agents won't be aided by tip-offs self-supplied by the registration requirements.

What can be done? Certainly now is the time for Congress to get behind and pass the administration's gun control law, currently stalled in the Senate Judiciary Committee. The Supreme Court could not object to a registration requirement for ordinary legally-possessed firearms.

It is also the time for courts, Congress and the public to give more attention and powerful support to the "constitution-proof" drive on crime which is now gathering momentum—utilizing every modern device that technological aid supplies.

[From the Philadelphia (Pa.) Bulletin, Jan. 31, 1968]

NO MORE FREE BULLETS

One of the homefront casualties of the President's budget cuts is the $800,000 expended yearly for rifle ammunition for civilian marksmanship training.

Only $52,000 has been left in the budget and this is for office staffing.

Since the increased pressure for control and registry of firearms, the annual appropriation for the National Rifle Association and the Army supervisors of the marksmanship program has been under attack in Congress and on several other fronts.

It seems incomprehensible to most non-marksmen that the government would subsidize the use of firearms, on one hand, while trying to curb their use. This, and general domestic economy, probably dictated the cutting approach to the appropriation.

In the debate over gun ownership, the NRA argued that the right of carrying firearms under legal conditions is guaranteed under the Constitution. But the premise that illegal and deadly use is so often made of firearms and that the greater good of the public must also be heeded, also drew strong backing.

Congress has been dilatory in the passage of antiweapon legislation. With the appropriation for ammunition wiped out of federal spending, it is possible that the NRA and other proponents of the right to bear arms will fight to have the cuts restored.

If they do, it will open the battle again and the sponsors of restrictive legislation may get their point across to the legislators for stronger gun controls. There are, seemingly, better ways to spend federal taxes than by subsidizing what amounts to a civilian hobby.

[From the Rapid City (S. Dak.) Journal, Sept. 27, 1967]

NRA MISDIRECTED

HURON DAILY PLAINSMAN.—In a public plea for anti-crime legislation, President Johnson has again asked the Congress to pass a long-stalled gun-control bill.

The measure is the third gun-control bill proposed by Mr. Johnson and, like its predecessors, it has remained in House and Senate subcommittees with little prospect of passage.

We do not believe a gun-control law would put an end to "armed terror" in the nation as the President has implied. But it would help law enforcement officers to keep dangerous weapons out of the hands of those undesirable characters who use them against society.

The National Rifle Association and other segments of "the gun lobby" have so far successfully blocked all attempts to pass any kind of guncontrol legislation. If they would exert the same effort in the positive direction of securing a law that would protect their rights as sportsmen and at the same time control the purchase and ownership of lethal weapons by criminal elements, they would be doing themselves and society a service.

[From the Asheville (N.C.) Times, Jan. 27, 1968]

A GUN LAW—FINALLY?

Members of the 90th Congress are just back from a Christmas recess at home. Against previous performance, it's to be hoped that what they heard there will finally move them to enactment of gun control legislation.

Unless all the polls are wrong, the folks back home are mad as hornets about crime in the streets, and the mail order sale of weapons is an undeniable factor in that crime. Popular opinion seems to be on the side of gun control.

For years, though, Congress has sidled up to a gun control law and then backed off. The gun lobby, headed by the American Rifle Association, has always been too potent.

This could be the year, though. It's an election year and people are angry.

[From the San Bernardino (Calif.) Sun, Sept. 8, 1967]

GUN CONTROL SUPPORT GROWS

The strong gun lobby, always able in the past to sway Congress to its thinking, finally is meeting some stiff opposition.

Congressmen report that the riots of the past few months, plus urgings such as that of H. Rap Brown to Detroit Negroes to "get yourself some guns," has prompted many Americans to urge action on gun control legislation.

Mail in the past has always run heavily against gun laws but now the new public awareness has brought a marked increase in support for gun controls. Newspapers around the country, smaller ones as well as large dailies, have given support to gun legislation editorially and urged public expression.

What should be the clincher came this week when J. Edgar Hoover, director of the Federal Bureau of Investigation, spoke up with force in the September FBI bulletin.

The time for debating the issue is past, he says, and "the time for action is here."

"I think mail-order firearm purchases should be banned, interstate transportation of firearms controlled, and local registration of weapons required and enforced," he said.

The highly respected FBI chief has thus, in effect, endorsed the administration's gun bill now under consideration in Senate and House committees. Hoover goes further than the administration, however, in urging that registration of guns be required.

He once told a congressional committee: "You have to get a license for your dog; you have to get a license to drive your car; you have to get a license to go into business ventures. I see no great problem to the individual in requiring all guns to be registered if the owner has nothing to hide and if he is a law-abiding citizen."

The administration bill would ban direct sale to individuals of mail-order guns; regulate over-the-counter sale of all firearms; license all dealers, importers, and manufacturers of firearms; prohibit importation of military surplus hand guns (which make up most of the mail-order variety); regulate all other imported firearms, and place stringent controls over "destructive devices."

Congress should pass the bill. The rate of murder and assault by gun has been soaring, and of 57 law enforcement officers killed in line of duty last year, all but two were gunshot victims. And in addition we now have danger in the cities, where would-be snipers can easily and cheaply order rifles by mail.

The gun lobby cries that the bill would interfere with the "right of citizens to bear arms." It would not. The law-abiding citizen could still procure weapons in duly certified ways. The lunatic and the criminal would, however, be hampered.

That is what gun control is all about, and there is no reason why a civilized nation should put up with unrestricted peddling of deadly weapons.

[From the Chicago (Ill.) Sun-Times, Jan. 31, 1968]

COURT AND GUN TOTING

The Supreme Court ruling knocking out the registration of gamblers and of outlawed

machineguns and sawed-off shotguns does not condone gambling and gangsterism. But it follows the Constitution's nondistinction between the obviously guilty and the presumed innocent; neither can be required by law to make a public confession of guilt.

The ruling shouldn't hogtie honest law enforcement. In many cities, registered gamblers were never arrested. And illegal possession of a machinegun is still cause for arrest.

The ruling does not ban registration of legal guns such as is proposed in the Chicago City Council. Those who are alarmed about the court's 5th Amendment rulings would be well-advised to direct their comments to Congress and to demand stronger laws against gambling, gun-toting and crime in general.

[From the Utica (N.Y.) Observer Dispatch, Jan. 16, 1968]

HANDGUNS AREN'T ONLY DEATH DEALERS

Opponents of Governor Rockefeller's proposed legislation to register legal sales of shotguns and rifles appear to be making headway again. Our regional state legislators seems to be won over to the hunter and rifle club stonefaced view of such bills.

However, the argument that most murders are committed by hand guns isn't altogether convincing. Whether it's a minority or majority type of murder, the result with bigger guns is just as deadly and tragic for all concerned.

Lee Harvey Oswald who shot a President and those misguided "tower" killers who killed without apparent reason didn't use hand guns.

Control of rifle and shotgun sales could be helpful in reducing such tragedies.

[From the Salt Lake City (Utah) Tribune, Nov. 25, 1967]

GUN CONTROL PROSPECTS NOT WITHOUT REASON

Repeated gun violence in otherwise safe surroundings focuses growing attention on public firearms policy.

A controversy already rages, prompted mostly by bills in Congress that would impose more government supervision over the individual's gun ownership. These measures did not develop without cause.

Opponents of increased gun control argue the U.S. Constitution guarantees citizen rights to maintain personal firearms and that criminal elements will never be deterred by gun prohibition, no matter how stringent.

Those who would require more registration and tighter interstate gun commerce restrictions counter the privilege extended to law abiding citizens is so abused it poses a continual threat to the public safety. Every death and injury involving accidental or deliberate shooting incidents strengthens this position.

Now, in a respectable Salt Lake residential neighborhood during early morning hours, a school teacher's home is peppered by gunfire. The fact that the teacher and his family were in bed asleep and therefore escaped injury does not alter this frightening aspect of this deplorable crime.

Since this is not a common occurrence in Salt Lake or Utah, it need not stand as an example of a local situation reaching fearsome proportions. Nonetheless, as part of a distinct problem evidenced throughout the nation, which shows no signs of diminishing, it helps foster legitimate concern.

It is often argued by gun ownership protectionists that firearms, supplemental to their proper use in hunting and other hobbies, assure individuals the ability to safeguard themselves, their homes and families against dangerous intruders.

It is becoming as crucial to ask if better ways to equally protect others from being shot at in their own homes or on a public street by a reckless or berserk passerby cannot be devised?

No law short of total confiscation—which is to be resisted as unwarranted government interference—is likely to eliminate all firearm misuse.

But unlimited gun possession is increasingly questioned, and with good reason.

[From the Salem (Oreg.) Statesman, Jan. 22, 1968]

WHY NOT GUN REGISTRY?

"Mail order murder" was the reference President Johnson made to the sale of guns by mail orders. He urged Congress to enact a measure banning such sales. Agitation for such action stems from the continued guilt feeling over the murder of President John F. Kennedy by bullets from a gun ordered by mail by Lee Harvey Oswald, according to findings of the Warren Commission.

A ban on order and delivery of guns by mail wouldn't end criminal shootings. Most of the mail order business in guns, we would judge, is for strictly legitimate purposes. In the Oswald case, the surviving records of order and delivery were important links to connect him with the crime. Had the gun been bought at a store the records probably would not have been as complete.

A better method of gun control can be had through requiring gun owners to obtain licenses, and to register the guns they own, just like automobiles or motorcycles. Illinois has a licensing law now and Chicago's Mayor Daley wants to require also registry of weapons themselves. Licenses could be denied persons who had been convicted of crimes of violence—possession of weapons by convicts is illegal now in some jurisdictions.

The licensing bill would not conflict with the constitutional right to "bear arms." It would not infringe on rifle practice or hunting. It would make tracing stolen weapons easier. Why not make legislation along this line rather than merely to ban mail order sale of guns?

[From the Erie (Pa.) Times, Jan. 20, 1968]

GUN CONTROLS NEEDED

A stand by county commissioners against gun control legislation in Pennsylvania would be a mistake.

Sensible gun control legislation is needed, in Pennsylvania and elsewhere across this country, a point re-emphasized by President Johnson his State of the Union message.

In proposing that the county go on record against anti-gun legislation, Commissioner William O. Hill seems to be catering to the sportsmen interest.

But the truth is, of course, that control laws, as proposed nationally and in various states, are always careful to protect the rights of sportsmen.

The aim is to keep firearms out of the hands of narcotics addicts, former convicts, former mental patients, alcoholics and others considered unfit to carry weapons.

The unfortunate truth is that some "sportsmen" have been a factor in preventing passage of a national gun control act, an act which still languishes in Congress four years after the assassination of President John F. Kennedy by a mail-order rifle.

A minimum requirement for Pennsylvania would seem to be that provided in New Jersey's gun control law. In New Jersey the gun statute requires that anyone wishing to purchase a gun must first apply for an identification card through his local police chief.

Such a procedure might deny a rifle to a Lee Harvey Oswald.

This is a deadly serious business, and county commisisoners would be wrong indeed to attempt to get in the way of something that is so badly needed in a period of increasing violence with guns.

[From the Baltimore (Md.) Sun, Feb. 3, 1968]

GUN CONTROL

The Supreme Court decision striking down part of the National Firearms Act applying to such illegal weapons as sawed-off shotguns will no doubt be seen as ammunition for those who oppose the gun control laws now pending in Congress. But the decision does not mean that it is unconstitutional for firearms to be regulated, only that the particular approach in the old law was unconstitutional. "At the outset, it must be emphasized that the issue in this case is not whether Congress has the authority under the Constitution to regulate the manufacture, transfer or possession of firearms . . ." the Court said.

Bills aimed at bringing at least a suggestion of sanity to an urban nation's use of lethal weapons have recently passed subcommittees in both houses of Congress. The bills would in no way inconvenience any sportsman or other responsible citizen who wants a gun or even an arsenal. Primarily the proposed law would make it possible for states and cities to enforce their own gun laws. A merchant could not sell a weapon to a man who was not legally entitled to it. If Maryland outlawed the ownership of guns by, say, 5-year-olds, a gun dealer in Pennsylvania could not sell him one, over the counter or by mail. He couldn't sell any individual a gun by mail. That is the thrust of the bills now before Congress.

A nation as concerned about crime as the United States obviously is should not hesitate now to pass such legislation.

[From the Asheville (N.C.) Citizen, Jan. 24, 1968]

CONGRESS HITS A POPULARITY SLUMP

It is natural, in a sense, to criticize the national Congress. The vast amount of power vested in the legislative body makes it a frequent target for isolated attack.

But when public resentment becomes so widespread as to be general, something is wrong. And that situation appears to have developed considerable headway in the United States.

The most recent Lou Harris poll gives Congress a clear warning that it had better turn in an improved all-around performance, with special attention to the problems of law and order and of the cities, if its members who are up for reelection want to return to Washington.

The survey, which represented opinions of some 1,600 "cross section" American households, showed that public confidence in Congress had reached the lowest level in five years.

Only 41 per cent of the families interviewed felt that Congress was doing a good job. This represented a 30 per cent drop from 1965.

Public dissatisfaction was largest over the failure of Congress to give the antipoverty program sufficient funds, for cutting back on the Model Cities program and for refusing to pass laws on such issues as gun control and open housing. The independent voters, the better educated, and the young people were the most critical.

What this indicates is that Congress is in deep trouble with the voters and that it ought to get busy on the President's Crime bill, gun control legislation, and further aid to the cities if a majority of its members hope to win reelection. It will take a solid record of positive accomplishment to win the voters back.

INCLUSION OF CERTAIN COTTON FIBERS IN THE IMPORT STUDY

Mr. TOWER. Mr. President, during the last session of Congress, I introduced a bill, S. 2664, designed to establish a

Commission on Domestic and Foreign Trade. At that time there was much confusion as to the effect that the Kennedy round tariff concessions would have on the business interests in the United States. Since that time, other questions concerning this country's tariff policies have come to my attention. One very important one in my State of Texas is the importation of good qualities of comber and card strips used in manufacturing certain types of cotton yarn. It is my understanding the mills in the United States do not generally produce good quality comber and card strips any more, due to the increase of the use of new machinery which does not make this production profitable.

However, even with the continuance and in some cases, the increase in demand for this material, some countries which are good friends of ours, such as Mexico, still are not given a quota for this product.

Mr. President, it is my hope that this entire situation can be brought under review by the proposed Commission on Domestic and Foreign Trade. I again urge the Senate to expeditiously consider this matter. It grows more urgent every day.

AMERICAN PUBLIC APPEARS TO BE CRITICAL OF DRUG INDUSTRY

Mr. NELSON. Mr. President, the Washington Post on February 4, 1968, reported that "97 percent of the persons sampled in the New York City area" appeared to be critical of the drug manufacturers in regard to their profits and prices.

The noted pollster, Elmo Roper, whose firm conducted the poll, said that he could not "recall any study" where "an industry has been criticized by such a vast proportion of the population."

Almost half of those interviewed thought that manufacturers set prices artificially.

Seventy-five percent thought that prices are unreasonably high.

Fifty-four percent felt that manufacturers do not have "sufficient concern about holding down or reducing prices."

And 58 percent said that drug manufacturers make "unreasonably high or excessive profits."

The readers of the RECORD could benefit by the reading of this article. I ask unanimous consent that it be printed in the RECORD in full.

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

NINETY-SEVEN PERCENT CRITICAL OF DRUG INDUSTRY

(By Morton Mintz)

A poll taken for a drug manufacturer shows that 97 percent of the persons sampled in the New York City area were critical of the profits and pricing practices of the pharmaceutical industry.

"I cannot recall any study we have done where an industry has been criticized by such a vast proportion of the population," said Burns W. Roper, president of Roper Research Associates, Inc., a polling firm founded 34 years ago by his father, Elmo Roper.

"On what we would regard as the most critical or damning question—the matter of fixing prices at artificially high levels—42 per cent or close to half (of the persons interviewed) cited the prescription drug industry.

"This was over twice as many as cited the next most frequently named industry (gasoline). The other industries used for comparison were beer, frozen foods and soap."

GUILTY VERDICT

Roper made the statements in a letter to Frank A. Duckworth, associate general counsel of Chas. Pfizer Co., Inc., and in an affidavit.

Last Dec. 29, a guilty verdict was returned in Federal court in Manhattan against Pfizer, the American Cyanamid Co., and the Bristol-Meyers Co. on criminal antitrust charges—conspiring to fix prices of "wonder" antibiotics, conspiring to monopolize the market and achieving a monopoly.

A few days ago, Pfizer filed the Roper papers in court in support of a contention that the jury had been biased.

In the affidavit, Roper said the poll was undertaken "to determine the extent, if any," to which residents of the district from which the Court chooses juries "believe the excessively high" and "are otherwise prejudiced . . ."

ATTACHED TO AFFIDAVIT

Roper's letter, which was attached to the affidavit, told Duckworth that the poll results are related "directly to your contention of bias in the jury.

"We would find it difficult to believe that a sample of the 12 jurors would contain no one who held . . . negative-about-the-drug-industry views unless they had been eliminated through screening questions," Roper said. The jurors were selected from a panel of more than 160 persons.

The poll was made Jan. 11 through 16 in representative areas of New York City and Westchester County. Interviewers were instructed "not to reveal . . . any particular interest in prescription drugs." There were 516 persons in the sample. All but 13 answered one or more questions about drug prices and profits.

Of 278 respondents who asserted knowledge of congressional or other Government drug-price investigations, 166—60 per cent—said there were "just causes" for such inquiries. Only 19 per cent considered the causes "politically inspired."

OTHER POLL HIGHLIGHTS

Other poll highlights cited in the Roper affidavit:

75 per cent of the respondents believe drug prices are "unreasonably high," 54 per cent felt the industry was insufficiently concerned about holding them down or reducing them and 58 per cent termed drug makers' profits "excessive."

42 per cent assumed drug makers "frequently have an understanding to fix prices at a high level."

In all, 97 per cent of those responding were critical of the industry in at least one of the categories.

Of those who assumed a $10 retail price for a drug, the largest share—33 per cent—guessed the manufacturing cost at $3.

Of those who were asked to believe that $3 was in fact the manufacturing cost, 86 per cent thought a retail price of $10 "excessively high."

Voters were consistently more critical of the drug industry than non voters. Men voters were especially critical.

"In fact," Roper told Pfizer, "male voters surpassed Ivory Soap's 99-44/100 per cent with a full 100 per cent citing the drug industry negatively on one or more of . . . six questions. In our experience, it is rare indeed to find 100 per cent of any group agreeing on anything."

OPINIONS ON PRICING PRACTICES

The questions below were "designed to measure the feeling in the community" in which the trial jurors reside. In connection with the listed product groups, each person interviewed was asked if he thought that in any:

[In percent]

Product group	Prices are unreasonably high	Makers do not have sufficient concern about holding down or reducing prices	Manufacturers make unreasonably high or excessive profits	Makers frequently have an understanding to fix prices at a high level
Gasoline	29	18	19	20
Prescription drugs	75	54	58	42
Frozen foods	43	24	20	17
Soap	29	18	18	13
Beer	21	12	15	11
None	6	10	6	8
Don't know	6	22	20	32
No answer	1	3	4	7

BROOMCORN

Mr. TOWER. Mr. President, during the last session of Congress, I introduced a measure—S. 2664—which is designed to study the effect, both favorable and unfavorable, of imports into the United States as they effect our domestic industries. In recent days a particularly interesting situation from my own State of Texas has come to my attention: Imports that are adversely affecting the broomcorn industry.

Mr. President, in 1958 50,000 acres of broomcorn were planted in Texas, whereas in 1967 there were only about 20,000. The harvesting of this broomcorn provides jobs for thousands of migrant workers for which they make between $40 and $50 a day, as compared with $7 or $8 in other jobs on which they might work.

I wish to take this opportunity to suggest that the effect of the importation of broomcorn be included in the study that would be authorized under S. 2664. I feel certain that most would agree that it would be in order to grant this request.

THE NCAA–AAU DISPUTE

Mr. GRIFFIN. Mr. President, the Senate anxiously awaits the official reaction of the AAU and the NCAA to the decision rendered by the Sports Arbitration Board.

Although it is the hope of a great many Americans that the board's award will end the feud, unfortunately, new arguments were breaking out only minutes after the decision was announced.

Mr. President, on January 18, I introduced legislation—S. 2836—to provide a bill of rights for amateur athletes to protect individual competitors from unreasonable interference by sanctioning groups.

It appears clear, I submit, that such legislation would be desirable and in the public interest, whether or not the several feuding sports groups accede to and comply with the board's decision.

Mr. President, I ask unanimous consent that several items which are representative of media comment on the bill be inserted at this point in the RECORD.

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

[From the Muskegon (Mich.) Chronicle, Jan. 24, 1968]

ATHLETES NEED PROTECTION OF A "BILL OF RIGHTS"

Michigan Sen. Robert P. Griffin is crouched in the starting blocks with a badly needed

"bill of rights" for amateur athletes, and we hope that Congress will back him all the way to the tape in securing legislation to protect athletes who are caught time and again in the withering crossfire of a decades-old feud between the Amateur Athletic Union and the National Collegiate Athletic Association.

Jurisdictional disputes by these sanctioning bodies have on numerous occasions violated the freedom of American athletes to compete in important athletic meets, and have often threatened to impair this nation's effort in Olympic track and field competition.

Many athletes have been disqualified by the AAU from participation in the Olympic Games because they competed in meets conducted by the United States Track and Field Federation (the track and field arm of the NCAA), the U.S. Gymnasts Federation, or in the Kansas Relays, and none of the athletes barred were guilty of any wrongdoing, or of conduct which in any way reflected on their amateur standing.

They are the victims, pure and simple, of jurisdictional warfare between the two giant amateur athletic organizations—and this feud, as Sen. Griffin notes, is a matter entirely apart from the legitimate concerns of the public and of the athlete.

It will be recalled that a dispute between the sanctioning bodies threatened to wreck the United States' Olympic effort in 1964. President Kennedy at that time asked Gen. Douglas MacArthur to attempt to resolve the problem, and he managed to gain a temporary truce. But the sniping started again immediately after our victorious young athletes returned from the Games.

This is another Olympic year and the backbiting has started again. This time the AAU warned that any athlete competing in the USTFF meet in New York City Feb. 9 could lose his eligibility for the Olympic Games. Some 200 athletes are involved, including long jump champion Ralph Boston; Jim Ryun, perhaps the world's top runner; world record sprinters Tommie Smith and Charlie Green; half mile champion Wade Bell; long distance champion Gerry Lindgren, and many other top-ranked athletes.

It is almost inconceivable that these stars could be prevented from competing in the Olympics because of what Sen. Griffin calls the "whims of the powerful sports federations." Yet this is what is threatened by the executive director of the AAU.

In reaction to this, a dozen of the top U.S. track stars, including all of those named above, have signed a statement warning that they would not stand for Olympic disqualification, and pledging that if any one of their number is disqualified because of competing in New York, that all will consider themselves disqualified. They indicated they would seek to associate other athletes with them in their stand.

Meanwhile the squabble continues and a mediation panel appointed by Vice President Humphrey reports little progress. The panel is headed by Theodore Kheel, who helped settle a national railway strike, a New York bus and subway strike and a 114-day newspaper strike.

Said Kheel: "This is the toughest situation I've ever been involved in. These fellows make the Teamsters look like undernourished doves."

We aren't prepared to comment on the relative merits of the AAU and NCAA–USTFF stands, but this we do say: The rights and interests of the public and American athletes are being callously violated due to the pig-headedness of rival empire builders in the warring sports federations.

Leaders of the two groups have proved themselves incapable of solving the mess, and if the Humphrey panel can't untangle it, the only logical way out is for Congress to step in.

Crusty Avery Brundage, chairman of the International Olympic Committee (a man as popular with us right now as is the equally arrogant head of the nation's Selective Service System) has warned that congressional "interference" would jeopardize the entire American Olympic team this year.

It's time he was faced down. The American team could scarcely be in greater peril than the AAU–NCAA feud has placed it in.

Sen. Griffin is right. The politics of organized sport should not be allowed to hinder free athletic competition. This principle is of overriding importance. Congress must see that it is upheld.

"BAD SPORTSMANSHIP"

(Delivered by Mr. William C. O'Donnell, vice president, CBS radio division and general manager, WBBM radio)

Michigan Senator Robert Griffin has introduced legislation to Congress to correct a bad situation in amateur athletics. He wants to stop the Amateur Athletic Union and the National Collegiate Athletic Association from wrecking the 1968 U.S. Olympic team. We applaud Senator Griffin for his measure and hope that Congress will pass his bill.

There has been a prolonged, senseless feud between the two amateur athletic groups. Both of these sports federations threaten to prevent individual athletes from taking part in the Olympics—and other events—if they compete in events sponsored by one or the other group.

What this amounts to is a silly jurisdictional dispute between two self-centered, self-serving organizations. And in the middle—without any defense—stands the individual American amateur athlete.

Both organizations have also hinted they will refuse to accept the recommendations of a special arbitration panel. It was created by the Senate just to try and end the ridiculous dispute.

Senator Griffin's bill—if enacted—would prohibit any amateur athlete from being disqualified from any competition just because he took part in an event sponsored by a rival organization. The measure would also prevent any sports association from imposing unreasonable restraints on the non-professional athlete's right to take part in amateur sports events.

The Griffin bill is a very much needed measure. Without it, the AAU and the NCAA between them could—and probably will—wreck the U.S. Olympic team's track and field organizations for the 1968 effort.

Neither the AAU nor the NCAA seems in the slightest to be willing to place this nation's prestige ahead of self-centered interests. Certainly, there is no concern being shown for the amateur athlete.

It seems to us the only reasonable thing left to do is bang together the heads of the two amateur athletic groups and to pass Senator Griffin's bill.

[From the Pasadena (Calif.) Star News, Jan. 19, 1968]

GOBBLEGOOK!

Avery Brundage, obviously an AAU man, spoke a lot of gobblegook Thursday when he warned the United States senate to lay off the AAU-NCAA arguments over track sanctions or Brundage's International Olympic Committee will declare all United States trackmen ineligible for the 1968 Games in Mexico City.

It is this Brundage-like dictatorship and self-assumed power that American sports fans are getting tired of. When the day comes that the American government can't step in and establish laws to protect the rights of individuals to compete in amateur sports events, so long as they don't violate their amateurism, we better quit trying to have amateur sports.

Brundage says the international sports body doesn't permit government interference. How naive does Brundage think we are? Does he suggest that the Russian government, which has all its amateurs employed as governmental subjects, does not have anything to say about Russian international sports? Who pulled out of the Russian-U.S. track meet in Los Angeles and for why? Didn't the Russian government make the decision because of U.S. war policy?

Brundage's day as a czar of sports should be over—by self-proclaimed rebellion of those who refuse to be victimized by these so-called amateur dictators who have operated and travelled in their sphere of assumed authority much too long.

Senator Robert P. Griffin, R-Mich., came up with a fine bill in the senate, a bill which would halt violation of the democratic rights of amateur trackmen by the threat of fine and imprisonment. Brundage obviously fears the bill as it will affect his cronies in the AAU.

What has the AAU top brass got to lose in its war with the NCAA by withdrawing its stubbornness and displaying the true spirit of amateur sports—except maybe to cut off a few hundred pleasure trips to all parts of the world each year and surrender them to the real track builders, the coaches and men who work on the field, not in the hotel lobby, for amateur sport.

VIETNAM

Mr. TOWER. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a copy of a Washington Star editorial about Vietnam and a copy of my letter to the editor of the Star.

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

[From the Washington (D.C.) Evening Star, Feb. 2, 1968]

SUICIDAL ASSAULT

Whatever its purpose may have been, the surprise attack by the Communists on a dozen cities and military installations in South Vietnam is ending in disaster for the attackers.

There is still some fighting going on and the Communists may have some uncommitted reserves. But their effort, despite a strong showing in Hue and a few other places, seems doomed. As of midnight Thursday, Saigon time, the toll of military dead stood: Guerrillas, 10,553; South Vietnamese, 917; Americans, 281; others, 4. And as the final figures come in, the ratio of casualties should be even more adverse to the enemy.

What kind of a "victory" is this? By any military standard, it has been a crushing defeat. There has been some suggestion that the real enemy objectives were "psychological and political," and that in these respects they achieved some success. We doubt it. The Communists have demonstrated that if mass suicide is not a consideration with them, they can attack and disrupt life in almost any city. To this extent, then, the cities are not secure.

But they never have been. And there can be no assurance that there will be no new surprise attacks in the future. We do not believe, however, that this adds up to either a psychological or a political victory—not when one considers the staggering Communist losses, not when they failed to capture and hold any major installation or locality, not when one takes into consideration such atrocities as the savage murder of the wives and children of South Vietnamese officers. If this sort of thing adds up to victory, Hanoi can have it.

General Westmoreland still believes that the treacherous attack on the cities was the second phase of a three-phase enemy plan, and that the third phase will soon get under way. He is talking about the anticipated massive enemy offensive in the two northern-

most provinces, with the major effort directed against the Marine base at Khe Sanh.

If this attack materializes, General Westmoreland says he is confident it will be crushed. If this proves to be the case, an end to any serious fighting may come sooner than now seems possible.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., February 3, 1968.

EDITOR, EDITORIAL PAGE,
Washington, Star,
Washington, D.C.

DEAR SIR: You have performed an immeasurable service with your well-reasoned lead editorial of Friday last, "Suicide Assault." Your conclusion, stated concisely and precisely, is absolutely correct: ". . . the surprise attack by the Communists . . . is ending in disaster for the attackers . . . by any military standard it has been a crushing defeat."

You correctly assessed that the Viet Cong achieved no psychological or political objective in South Vietnam. They did not seize and hold any city, they did not rally the people to a general uprising. However, there has been a widespread "knee jerk" reaction in this country which is reminiscent of a bit of whimsey we old World War II deckhands used to recite:

"When in danger or in doubt,
Run in circles, scream and shout."

We are now treated to anguished cries of "they're too strong . . . we can't win . . . negotiate . . . get out."

If the actions of recent days should generate sufficient domestic pressure on the Administration to push it into ill-timed negotiations and thinly veiled surrender, then Hanoi will have achieved an objective in Washington it could not accomplish militarily in Vietnam.

Thanks again for a calm and rational response.

Sincerely yours,

JOHN G. TOWER.

PROPOSED CONSTRUCTION OF A PIPELINE FROM LAKE SHARPE, S. DAK.

Mr. MUNDT. Mr. President, House Concurrent Resolution 3 of the South Dakota Legislature, dealing with construction of a pipeline from Lake Sharpe and a determination of the amount of lands served through the transportation of water to the Lower James Conservancy Subdistrict and adjacent areas, has passed both houses of the South Dakota Legislature and has been forwarded to Washington for action. For the information of my colleagues I ask unanimous consent that the resolution be printed at this point.

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

HOUSE CONCURRENT RESOLUTION 3

Concurrent resolution memorializing the Congress of the United States to provide sufficient funding for a study to be made of the possibility of the construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas

Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

Whereas, one of the objectives of the Lower James Conservancy Sub-District is the complete development of the land and water resources within its boundary; and

Whereas, future development of the natural resources in the Sub-District will be dependent on the importation of water which may be used for irrigation purposes, to augment present inadequate municipal water supplies, to aid in the recharge of ground water, to furnish that which is needed for recreation, and to sustain fish and wildlife habitat; and

Whereas, there is considerable acreage of arable land within the Sub-District which are highly productive for agricultural purposes; and

Whereas, the stability of the economy within the Sub-District is dependent on its agricultural production which is subject to climatic influences and variable rainfall, thus contributing to its economic instability; and

Whereas, the need for supplemental water during the critical growing season has been amply demonstrated, particularly in years of short rainfall, at a time when one or more applications of water, through irrigation, would have meant the difference between a bumper crop and one of complete failure; and

Whereas, portions of the Conservancy Sub-District have received only a reconnaissance survey made by the Bureau of Reclamation prior to the preparation of Senate Document 191 which was included in the Flood Control Act of 1944; and

Whereas, even though the Bureau of Reclamation is making a river basin reconnaissance survey in eastern South Dakota, there is still need for a more complete study of the drainage areas covered by the Lower James Conservancy Sub-District and of that area lying between the Sub-District and the Missouri River by an appropriate federal agency to determine the areas of potential multipurpose water use and development; and

Whereas, it is believed that a pipeline, if built eastward from Lake Sharpe on the Missouri River to serve the Conservancy Sub-District and adjacent areas, would minimize maintenance costs and evaporation losses in transporting water for delivery to a modern distribution system when designed and built to supply water for various purposes including municipal water supply, domestic and industrial use, recreation development, irrigation, incidental recharge of ground water, and other uses; and

Whereas, the cost and feasibility of constructing a pipeline such as envisioned for the transportation of water from the Missouri River to an area of potential use has not been determined; and

Whereas, the United States government, since its inception, has recognized its responsibility to encourage the economic development of the nation—one area of modern activity being found in the Reclamation Act of 1902 and subsequent legislation relating to the development and construction of multi-purpose water use projects; and

Whereas, the officers and directors of the Lower James Conservancy Sub-District recognize the inherent right and obligation of the people within the Sub-District, with or without the assistance of the United States government, to develop fully their water and land resources in accordance with sound basic principles of conservation development; and

Whereas, the problem of proper land use and water supply, quality, distribution, and reuse are of considerable importance to the arable areas that may be served by a properly planned water distribution system; and

Whereas, a sound water resources development program is dependent, in large measure on continued and coordinated investigation, planning, research, and construction programs by the several federal agencies concerned with water resource development; and

Whereas, the accomplishment of these programs calls for adequate appropriation by the Congress of the United States and the use of other funds from whatever sources available;

Now, therefore, be it resolved, by the Forty-third Session of the South Dakota Legislature, that it memorialize the Congress of the United States to provide sufficient funding for a study to be made of the possibility of construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas; and

Be it further resolved, that copies of this resolution be transmitted to the Governor of the State of South Dakota, the members of the South Dakota Congressional delegation, the Secretary of the Department of Agriculture, the Secretary of the Department of Interior, the Commissioner of the Bureau of Reclamation, and the Corps of Engineers.

Adopted by the House of Representatives January 17, 1968.

Concurred in by the Senate January 16, 1968.

JAMES D. JELBERT,
Speaker of the House.
LEM OVERPECK,
President of the Senate.

Attest.

PAUL INMAN,
Chief Clerk of the House.
NIELS P. JENSEN,
Secretary of the Senate.

THE CRIME MESSAGE

Mr. BREWSTER. Mr. President, I am convinced that the rapid rise of the crime rate is the greatest domestic problem in America.

Crime is a social cancer. We appear unable to stop its spread.

It costs us over $21 billion annually.

It victimizes approximately two out of every 100 Americans.

The crime rate grows nine times faster than the population.

No longer can this Congress hesitate to enact bold, comprehensive measures to arrest this growth. The time has come to offer the American citizen adequate protection against criminal activity in all its phases. At the very least, this is our obligation.

The President has sent the Congress a crime message containing legislative proposals which, if enacted, will go a long way to giving the citizen the shield he needs against crime. The message is lengthy and detailed, covering a wide range of needs. It is a thorough and progressive document, and one which has my full support.

I attach special priority to the Safe Streets and Crime Control Act. The fight against crime must be carried effectively into the central battleground, the local jurisdiction. It is the local jurisdiction upon which the Federal Government must focus its new efforts.

The Safe Streets and Crime Control Act, as introduced last year, contains the proper focus. The proposal this year to appropriate double the originally suggested $50 million should give the bill double its original force; every penny of the $100 million will be money well spent.

The national waste occasioned by crime is horrendous, and we are faced with the proposition of improving our prevention, control, and rehabilitation

techniques—or else. The administration's request for crime legislation follows two Presidential Crime Commission reports which leave no room to doubt the seriousness of the crime problem. We ought now to support the President's program.

AID FOR ASIA'S OTHER WAR

Mr. McGEE. Mr. President, the Washington Evening Star of February 6, 1968, gave its support to President Johnson's request for funds to fight the so-called other war in Asia, the battle for economic development. The editorial states rather concisely the case for the President's request for money to wage this longrun battle, which may, indeed, be more decisive than the present conflict in South Vietnam. The Star said:

When the Johnson Administration speaks about its commitments in Asia, its critics often seize upon the war in Vietnam to accuse it of seeking purely military solutions to Asian problems. Nowhere is this charge more clearly shown to be ill-founded than in the President's request to Congress this week.

No item in the budget will better demonstrate America's confidence and willingness to support the efforts of the developing nations to get on their own feet than this request. That is the conclusion of the Star. It is mine also.

I ask unanimous consent that the Star editorial, entitled "Aid for Asia's Other War," be printed in the RECORD.

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

AID FOR ASIA'S OTHER WAR

When the Johnson administration speaks about its commitments in Asia, its critics often seize upon the war in Vietnam to accuse it of seeking purely military solutions to Asian problems. Nowhere is this charge more clearly shown to be ill-founded than in the President's request to Congress this week for additional funds to fight Asia's other war—the war for economic development.

In this vital, and in the long run decisive, battleground for the future of Asia, the President last year suffered a setback in Congress. His request for approximately $882 million to help Asian states—excluding Vietnam and the Near East—was slashed to below $600 million. Particularly hard hit was India, whose development is intimately linked to the magnitude of America's generosity.

But the President has decided, and in our view wisely, not to accept Congress' verdict as the final word on the limit of our capacity to help. "So it's back to the well," as Agency for International Development Director William S. Gaud expressed it. The request is for $997 million for Asia, excluding the Near East, and an additional $480 million to help Vietnam pay for imports and improve life in the countryside.

Budgeted are long-term loans for projects to lay down the economic infrastructure for development. These loans, incidentally, are repayable in U.S. dollars. Also planned are technical assistance grants to spur agriculture, assist overpopulated countries in family planning and train Asian farmers and workers to improve their productivity. In addition, funds will go to help the budgets of nations whose resources are too limited to maintain an adequate defense posture.

Much of the fund increase sought by the President for East Asia is designed to assist Indonesia get back on its feet after a long period of economic stagnation. U.S. officials find encouraging signs that this nation is ready to turn in a good economic performance, and no item in the aid budget will better demonstrate America's confidence and willingness to support such efforts by the developing nations.

India too will be a big gainer if the administration's plans are supported. It will be able to buy the fertilizer required to step up its agricultural output. Increased economic aid is planned for the Philippines, Thailand and Korea as well.

A final encouraging note in the budget request is the President's pledge to minimize the impact of aid spending on our balance of payments. For example, 90 percent of the foreign aid money will find its way back to this country in the form of American goods and services purchased.

KANSAS DAY ADDRESS BY D. A. N. CHASE

Mr. PEARSON. Mr. President, on Kansas Day, January 29, which is the birthday of the State of Kansas, the outstanding event is the annual banquet.

By tradition each year a young man of Kansas gives a toast to our State.

This year, Mr. D. A. N. Chase presented an outstanding address which takes note of our State's greatness and our hopes for the future.

I commend this outstanding address to Senators and ask unanimous consent that it be printed in the RECORD.

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

A TOAST TO KANSAS

Tonight we toast Kansas, our state, and how fitting that we should on this anniversary of statehood. But in what direction should we lend our praise; what particularly should be the subject of our tribute? It is a question of substance—worthy of our thought and consideration. To all of us here tonight, this state is more than a boundary that defines the geographical limits of a governmental entity, more than a convenient and systematic guide to the layout and scale of road maps. If Kansas meant only this or perhaps another so superficial a definition, then surely this program, year after year, would not burden those here assembled with a toast to Kansas.

If we were to begin a dossier, a start would be Midway U.S.A.—Kansas, the heart of the nation. So like a heart really, pumping the lifeblood of big agriculture to the extremities of the country, beating always to produce the pulse of the nation. Whether by coincidence or divine plan, the breadbasket of what is still the greatest country on earth.

Not subservient to time, but a benefactor, the traditional picture of agriculture and cattle now shares the scene with agri-industry, aviation, oil, to name a few. The outdoor recreation boom—fostered by reservoir construction which adds water resources to the existing assets for industrial growth, such as central location, space, and freedom from the congestion of the industrial East, yet communication with all parts of the country by modern highways and radial rail service.

But these are all tangible assets and attributes, objective measures of a state's greatness. It is but one side of a two-sided ledger. The other is headed "Intangible", and brings to mind a personal experience I would like to share with you.

Several years ago I was driving into the setting sun west of Ottawa. I was alone; it was Christmas eve. You have all seen a Kansas sunset, but this was a real exception—an experience in natural phenomena which is an infrequent occurrence even here. As the sun started down, it became apparent that it was to be a glorious sunset. The coloration of the sky extended further along the horizon than usual, and much higher. Once over the horizon, the eruption and expanse of color grew until it spanned over half of the horizon from north, through the west, to past south, and extended from the west to the zenith. I slowed my speed and watched as the lighter colors yielded to the darker as every color of the spectrum showed its face and then faded.

Odd wasn't it, I thought, that such a display would appear on Christmas eve, as if planned from above. But, what is a sunset—merely an example of how a little light, under the right conditions, can make a maximum showing and a major contribution to a part of the day.

So it is with people, also an intangible asset, the instruments of an Almighty plan, and so it must have been with those early pioneers who settled in this state and other parts of the great Midwest as well. Maximum showing, major contribution, even today the people of Kansas comprise only about one percent of the country's population. But like the sunset, the qualities of Kansans are magnified by act and action, and are the great asset of the state. Without it, we could not speak of grain, resources and economic growth.

Today is a time of challenge. The news of recent days both international and local, a presidential year almost now in its second month, compounded with the diverse problems confronting every sector of this great nation, both inherited from prior years and arising from the present—these do define a challenge to the best among us. Kansans have, Kansans will meet the challenge that each might face. Should we forget our capabilities, should we feel devoured by the immensity of the problem, we have only to be reminded of the sunset.

So to Kansas—long is the list of names, should we make one, of those who give you honor, who work to preserve your honor, and of those who will walk for many years in that tradition. Today we pay you tribute, we toast those who have made you what you are, those who will have the courage to be your future. We toast you now, though our accolades will go on and on.

THE FUTURE—AN ATOMIC HEART

Mr. ANDERSON, Mr. President, today Phillip Blaiberg, of Capetown, South Africa—the only survivor of a human heart transplant operation—marks the 37th day of his struggle to stay alive. This represents a remarkable medical achievement which millions threatened by heart disease look upon with hope.

The medical profession is moving ahead to counteract some of the major roadblocks in the path of success—notably the rejection by the body of foreign tissue. This is important research, and the recent pooling of efforts in the United States and Europe is an approach that should be commended.

What concerns me is that in our enthusiasm over transplants, other far-reaching developments going on behind the scenes will be overlooked.

The artificial heart, for example, in its early form holds out the prospects for keeping patients alive until a suitable donor can be found. However, more importantly, there are the goals of developing the totally implantable artificial heart and of rehabilitating critically ill heart patients permitting them to return to a relatively normal life, including employment.

Dr. Michael E. DeBakey, one of the country's leaders in heart assist device work has recently stated that research directed toward development of mechanical heart pumps and assistor devices for total replacement of the biological heart must be vigorously pursued. An artificial heart would greatly alleviate the ethical and medical problems that are widely recognized as deterrents in the program to replace diseased hearts. These are estimated at between 100,000 to 500,000 patients per year.

Mr. President, this device is a natural partner in the transplant field and should be regarded as a stimulus to the transplant program, yet there are several indications that the most logical course for its development is being unnecessarily delayed.

A program begun a year and a half ago by the National Heart Institute and the Atomic Energy Commission is barely being kept alive and in some cases the necessary followup is in question.

Results of current Atomic Energy Commission research indicate there are no insurmountable technical barriers facing a program to develop a radioisotopic-powered artificial heart. To be sure, there are problems to be clarified and solved and some may put restraints on the unlimited use of the device. But at the moment the overall prospects are encouraging.

Additionally, a view based on current technology is that a radioisotopic-powered heat engine alone has potential to satisfy the objective of the program to develop a completely implantable heart pump power supply in the next 5 years.

The next phases of this program proposed by the AEC call for the development and testing of a prototype engine, but I understand decisions are being made right now to postpone that work for several years. The estimated $4 million cost involved over a 3-year period is minimal compared to the long-range benefits, but most importantly we cannot afford the delay.

An intermediary non-nuclear device consisting of a blood pump, a heat engine, and a thermal energy storage reservoir implanted in the body is being proposed by the National Heart Institute. Power would be transmitted across the body wall, converted internally to heat, and stored in a suitable material which would act as the heat source.

Mr. President, nuclear energy is already working as the vital link in developing the technology of the 21st century and has been fully and successfully demonstrated through nuclear electric power stations and in many applications in the field of medicine. In medicine, for example, the Atomic Energy Commission has researched and is now demonstrating a nuclear-powered cardiac pacemaker which provides an electrical stimulus to the heart muscle to regulate its beat when the heart itself fails in this regard.

What I am suggesting in carrying out a parallel effort here is a partnership between the National Heart Institute and the AEC to develop a non-nuclear heart device to be implanted in animals within 18 months and still, through the expertise of the AEC, meet our long-range objectives for development of a radioisotopic engine to power heart devices.

What is at stake here is not our commitment in the field of heart research but our perspective. This is no place for myopic vision. To narrow the field now when there is so much evidence that we are on the right path would delay what promises to be the major medical achievement of the century.

Now is the time to forge ahead in other areas of basic heart research—in finding answers to such questions as what happens when the blood is pumped and comes in contact with foreign elements. Already there may be critical manpower shortage in developing programs to establish highly qualified medical teams for performing transplants. The artificial heart program of the National Heart Institute is operating at one-third of the $25 million that could be wisely spent in connection with this work and in its role as liaison for universities and industry.

The pioneer of artificial heart research—Dr. DeBakey—is only one of the voices that asks to be heard. The broad support for moving ahead on both fronts—in artificial heart development and in the heart transplant field—was reaffirmed last month at the semi-annual board of directors meeting of the American Heart Association in New York City. To turn away now would detract considerably from the sincerity of our commitment in the field of health.

SENATOR RANDOLPH CITES NEW YORK TIMES EDITORIAL ON PENNSYLVANIA-NEW YORK CENTRAL RAILROAD MERGER

Mr. RANDOLPH. Mr. President, the recent approval by the Supreme Court of the Pennsylvania-New York Central Railroad merger seems to constitute an enhancement of the efforts to secure better service in the movement of passengers and freight through rail transportation. It is my belief that this development is truly in the national interest. The merged lines should be an effective force in the advancement of a balanced transportation system in the United States.

The New York Times of January 20, 1968, published an excellent editorial on the importance and the significance of the Penn-Central combination. I responded to the comment in the New York Times through a letter to the editor.

Mr. President, I ask unanimous consent that the editorial "Railroading's New Era," and my letter be printed in the RECORD.

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

[From the New York Times, Jan. 20, 1968]

RAILROADING'S NEW ERA

Approval of the Pennsylvania-New York Central merger by the Supreme Court marks the beginning of a new era in rail transportation. It paves the way for other combinations that can make use of technological innovation and economies of scale to provide more efficient and better service for both passengers and freight.

When the merger was first proposed in 1961 both companies were in sick financial condition. They have since recovered somewhat, but there has been little real improvement in the state of rail transport in the East. Passenger service has been drastically cut back and the movement of freight curtailed. Meanwhile, the plight of the smaller and poorer railroads has become even worse than it was.

Many factors are responsible for this decline in railroading. The eastern part of the United States has long had two many lines in competition with one another. They have often been burdened with unenlightened management, reactionary labor and archaic regulation. As a result, the railroads were unprepared to meet the competition from other carriers that had been actively promoted by Government policy. Thus the railroads have been fighting with one hand behind their back against aggressive opponents who have had the added advantage of receiving aid and comfort from a friendly referee.

Now there is prospect that competitive balance in transportation can be restored. The financial strength of the merged roads means that the new giant will be in a position to slug it out with truck and air carriers. Given the economies it can effect, there is little doubt that efficient, modern management can begin to reverse the deterioration and the shrinkage of the rails.

Sound policy calls for balance within the railroad industry as well as balance among different transportation sectors. We have long supported the Pennsy-Central merger. We have also favored creation of two strong and competent rail giants in the East in order to insure a reasonable degree of competition between the rails and to prevent a complete disintegration of the smaller lines.

The Pennsy-Central will be providing assistance to the bankrupt New Haven and should eventually take over its routes. Now the Erie-Lackawanna, the Delaware & Hudson, the Boston & Maine and other smaller lines that lack the resources and the routes to compete must be taken with least possible delay into the proposed merger of the Norfolk & Western and the Chesapeake & Ohio Railways. In this way the public will be benefited by creation of two strong systems.

The public interest in a new rail era is in fact paramount. The country has suffered from the antiquated equipment and rusting lines and heavy indebtedness that have accompanied the decline of the rails. But it will surely benefit from a revision in the railroad map that gives the surviving companies the ability to compete against the truckers and the airlines and with each other.

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
February 5, 1968.

EDITOR,
New York Times,
New York, N.Y.

SIR: You have my commendation for the cogent editorial comment of January 20, 1968, on the approval by the Supreme Court of the Pennsylvania-New York Central railroad merger.

This decision is based in large part on financial realities and it truly opens the way for "a new era in rail transportation" with resulting significant improvements in the movement of passengers and freight.

But more important, as you have effectively written, the approval of the Pennsylvania-New York Central merger was guided by the vital policy which places the national interest in the paramount position.

The development of a balanced and integrated transportation system of railways, waterways, highways, and airways will be served well by this combination. It is only through such a complex that our accelerating transportation requirements can be fulfilled.

Truly,

JENNINGS RANDOLPH.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

INTERFERENCE WITH CIVIL RIGHTS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 75, H.R. 2516.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. Calendar No. 705, H.R. 2516, a bill to prescribe penalties for certain acts of violence and intimidation, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its further consideration.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BROOKE. Mr. President, the amendment we are now discussing is likely to be the most important domestic legislation to come before the Senate this year.

I am reluctant to make extravagant statements about any subject, and I would not make so strong a comment about the proposed fair housing bill if I did not consider it the Senate's most vital business for 1968. Why am I drawn to such a sweeping conclusion?

There are numerous considerations which testify to the urgency and priority which we should give this matter. My able and respected colleague from Minnesota and I have already indicated at some length the magnitude of the evils for which we believe this legislation will be a partial remedy. Allow me to mention in the simplest and most straightforward manner some of the grave social problems to which this bill, directly or indirectly, is addressed.

Discrimination in the sale and rental of housing has been the root cause of the widespread patterns of de facto segregation which characterize America's residential neighborhoods. It is not true that those patterns, as they have developed in our time, stem primarily from the alleged desire of minorities to cluster together and to avoid integrated neighborhoods.

It is fair to say that the prevalent residential patterns may have had their origins in the tendency of migrants to seek out friends and kinsmen when they have first settled in an area. But this tendency, to the extent it was ever a reality, is relevant only to the initial settlement of immigrants in a given area. Over the years, after the newcomers have become established in an area, after they or their children have begun to realize the traditional American opportunities to better their lot by education and hard work, they have always been able to move up, if they desired, to a better home in a neighborhood of their choosing.

Indeed, moving to a new or different home has generally been the principal mark of upward mobility in our society. We have long honored the symbolic value of this transition to another home. It is a principal measure of America's success in creating a truly open society in which men and women can advance, materially and socially, in fair proportion to their capacities.

The opportunity to make that transition, the chance to build or buy the best home one can afford, has been the hallmark of individual opportunity in this favored land.

But that is the story of previous generations and previous minorities. In 1968 this natural path of social advancement has been blocked for the most recent residents of our central cities. It has been blocked not for high and justifiable reason. Who would dare assert that there could be any justification for abandoning the ideal of equal opportunity in the United States?

It has been blocked by the pervasive and debilitating effects of racial discrimination.

Unless we can lift that blockade and open the traditional path once more, permanent de facto segregation will unquestionably disrupt further progress toward the open society of free men we have proclaimed as our ideal.

For what does such imposed segregation imply? If it persists, it is quite clear that those millions of Americans locked in the ghettos will face the prospect of remaining in the vicious circle we have already described. Forced to remain in the cores of the central cities, their children will suffer the awful impact of blighted neighborhoods, inadequate schools, and lack of job opportunity. The ugly sense of entrapment will fester in the minds and souls of parents and children alike. Frustration will breed bitterness, and bitterness will turn to hostility as the promise of our Nation disintegrates in angry turmoil and social unrest.

Congressional endorsement of an equitable fair housing law would do much to restore the waning faith of ghetto children in the integrity and fair-mindedness of America's leaders. I say to you, soberly and with the deepest apprehension, that we dare not let their hopes perish in the sluggish wake of our inaction.

We must stand now and be counted. We must say to every American that he will have an equal chance to follow the paths of his predecessors in this favored land. We must assure him that his efforts to advance himself and his family are worthwhile, and that a good education, a job commensurate with his demonstrated capacity, and a home of his own choosing will not be denied him on vicious grounds of racial discrimination.

We must do all that is reasonable and just to guarantee that no individual will suffer for the prejudice or venality of another.

Mr. President, I believe that the experience of the Commonwealth of Massachusetts, which has adopted a virtually unlimited fair housing statute, is relevant to this debate. This law has now operated for close to a decade. It is virtually all inclusive, governing even the sale of single-family dwellings by private parties. The sole exemption which has been included relates to the rental of one apartment in a two-unit building in cases in which the lessor actually lives on the premises. Consequently, the Massachusetts statute is substantially broader in its coverage than is the amendment which the Senate is presently considering.

Despite this breadth—but, to some degree, because of it—the Massachusetts fair-housing law has been successfully administered and has received overwhelming and continuing public support. It is administered by the Massachusetts Commission Against Discrimination, a State agency the members of which are appointed by the Governor. During my 4 years as attorney general of the Commonwealth, it was my responsibility to provide advice and representation to the commission. As a result, I had occasion to witness the operation of the fair-housing statute on a close and continuing basis.

The number of complaints successfully disposed of by the commission is close to 100 percent of all complaints received. About 90 percent of these are disposed of by agreement between the commission and the party against whom the complaint has been filed. This sometimes results from the fact that the circumstances which led to the filing of a complaint are so clear that even the respondent recognizes that he has violated the law. Occasionally, in cases in which the facts are less clear, the reputation of the commission and the public awareness of and interest in the subject matter are such that the respondent chooses not to contest the attempt to persuade him to abide by the statute. This does not mean, however, that cases do not reach the Massachusetts courts. A number of questions with respect to the statute, including the question of its constitutionality, have been litigated. Not only has the Massachusetts Supreme Judicial Court determined that the statute, despite its breadth, is constitutional; it has also upheld the Commission Against Discrimination in every single case which the court has decided on the merits.

The favorable attitude of the public toward such legislation is well illustrated by the circumstances surrounding attempts to amend the fair-housing statute in 1963. Prior to that time, the statute had not covered the sale of single family dwellings, and a bill was filed for the purpose of extending the law to include such transactions. Expected opposition never materialized. On the contrary, public receptivity to the proposed amendment was heartening. All of the statewide real estate associations, including the Boston realtors, supported the change. Witness after witness appeared to testify in its favor, with few dissents. Public enthusiasm has not dimmed in the succeeding 5 years. This is partially the result of sound policies regarding admin-

istration of the statute which have been adopted by the commission. But it also results from a general acceptance in Massachusetts that the broad fair-housing law represents a justified extension of fundamental constitutional rights to all of the Commonwealth's citizens.

The Massachusetts experience belies the fears of those who believe that the institution of open-housing policies will wreak havoc with long established suburban living patterns. Integration of the Massachusettes suburbs has proceeded, for the most part, on the basis of free choice of both buyers and sellers; it has not been compelled by legislative or administrative fiat. The Massachusetts statute has attacked primarily those areas in which the problem is most acute. It has focused upon the fringes of the ghetto, the areas to which Negro citizens might well be able to move were they able to secure housing freely. As barriers have been removed in these sections, the mobility of the Negro out of the worst ghetto areas has been greatly increased, and the entire central city has been the beneficiary.

As I indicated yesterday, I do not claim that the adoption of a Federal open-housing law will be an ultimate answer. Indeed, it will not strike at the heart of the problems in the ghetto. Only a complete American commitment to the eradication of the social, economic, and psychological evils which constitute the ghetto can eventually lead to success. But this is a first step. It is a step which my own State has taken. It has proved acceptable to the public. It has proved that it need not be accompanied by interference with private rights. It has proved that it works.

Mr. President, returning from Africa, as I just have, I find myself reflecting on the contrasts and similarities between those countries I have visited and our own United States. The comparison is both instructive and highly relevant to the proposal which the distinguished junior Senator from Minnesota and I have introduced.

Many of Africa's most promising political leaders look to the United States as the democratic model.

I will not for a moment argue that the Senate should approve this amendment because of what foreign observers will think of us if we fail to act. We ought to pass this bill because it is the right thing for America to do.

But it is also true that our foreign friends expect us to do the right thing and their disappointment is genuine and deepseated when our actions call into question our fidelity to the principles and aims of our professed democratic philosophy.

Time and again in my discussions with African leaders, it was apparent that their vision of America as the land best approximating the ideals of human equality has been blurred by their perception of discrimination in the United States. Hidden beneath their continued admiration for the American model was a grave concern that we might yet fail in our noble experiment, a fear that we would founder on the treacherous shoals of racial enmity, an apprehension that the United States might be headed toward a rigid and hateful social policy comparable to that found in South Africa.

Mr. President, I do not believe that such a fate is in store for our beloved country, and I made clear to these African leaders my own confidence that we would weather the present domestic storms and build a more open society in America. But I could not always convince them; not because they did not wish to be convinced. On the contrary, they want to see America succeed and earnestly desire to believe that we will. But they are especially troubled by the dissonant image of most American Negroes in ghettos and most American whites in suburbs.

They may well wonder if America really is different from South Africa.

On this score, as well, I find myself drawn to the conclusion that fair housing legislation is necessary and appropriate to America's social responsibilities at home and its obligations to provide moral leadership for all nations. I devoutly believe that the United States has a mission in the world and that our action on this matter will have an important bearing on our capacity to provide such leadership.

Can we state the proposition any more clearly? America's future must lie in the successful integration of all our many minorities, or there will be no future worthy of America. That future does not require imposed residential and social integration; it does require the elimination of compulsory segregation in housing, education, and employment.

It does not require that government dictate some master plan for massive resettlement of our population; it does require that government meet its responsibilities to assure equal opportunity for all citizens to acquire the goods and necessities of life.

It does not require that government interfere with the legitimate personal preferences of individuals; it does require that government protect the freedom of individuals to choose where they wish to live.

It does not require government to provide some special advantage to a privileged minority; it requires only that government insure that no minority be forever condemned against its will to live apart in a status inferior to that of their fellow citizens.

This measure, as we have said so often before, will not tear down the ghetto. It will merely unlock the door for those who are able and choose to leave. I cannot imagine a step so modest, yet so significant, as the proposal now before the Senate.

Mr. President, I refer now to a study prepared by the Legislative Reference Service. This paper, prepared by Mr. Thomas F. Lord, is both informative and useful for our present discussion, and I shall call attention to several relevant portions of the study.

(At this point Mr. McGOVERN assumed the chair.)

Mr. GRIFFIN. Mr. President, will the junior Senator from Massachusetts yield to me at this point?

Mr. BROOKE. I am glad to yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. Mr. President, I wish to associate myself generally with the eloquent remarks the distinguished Senator has made up to this point in his statement, and I commend him for indicating and displaying, once again, very brilliant leadership. In a very short time in the Senate, he has distinguished himself in a number of ways and in a number of legislative areas. Certainly, in the area of race relations his leadership has been particularly significant and valuable, not only to the Members of the Senate, but also to the Nation at large.

In speaking to the measure now before the Senate, he has again demonstrated to all a very keen ability to analyze and to articulate. Today, as on other days, his voice has been not only an effective voice, but also a voice of perception, of moderation, and, most of all, of common sense.

So I congratulate the distinguished junior Senator from Massachusetts for the excellent statement he has made on this subject.

Mr. BROOKE. I thank the distinguished Senator from Michigan for his generous remarks.

Mr. President, I read from a study prepared by the Legislative Reference Service, to which I referred before, the section entitled "Negro Housing Problems":

A prominent housing expert, Charles Abrams, recently wrote of Negro housing problems:

"The housing available to Negroes is inferior in quality compared to the housing of whites; both the housing and neighborhoods in which he lives show signs of greater deterioration; there are fewer amenities; mortgages are more difficult to obtain; there is little or no private investment in new buildings for Negroes; tax arrears are higher in their neighborhoods and public interest in maintenance is lower; real estate values are lower in relation to net income; overcrowding is more intense; schools, hospitals, and recreation are inferior; and the Negro usually gets less housing per dollar he pays."

A glance at the 1960 Census will graphically verify Mr. Abrams' observations. Forty-four percent of all non-white occupied units were substandard, compared to 13 percent of all white occupied units. 155,000 non-white families had to share single dwelling units with other families. That is 4.8 percent of the total number of non-white families—only 2.1 percent of the total number of white families lived in such a condition.

Perhaps the really significant figures are those which illustrate the central city concentration of Negroes. For it is especially within the old, deteriorating inner cities where slums and inferior community facilities abound. The non-white population of central cities increased 63.3 percent between 1950 and 1960—from 6.3 million to 10.3 million persons. At the same time the white population of the central cities was increasing at a rate of 13.3 percent—42.0 million to 47.6 million persons. This influx of 9.6 million persons must be measured against the 3.7 million housing units added in the same period. Herein lies the reason for the crowded slums.

During the same decade the white population in the urban fringe—the suburbs—leaped forward at a rate of 81.8 percent—16.2 million whites moved there—only 700,000 Negroes accompanied them.

The configuration to which these figures point often has been described—America's large cities filled at the center with Negroes

occupying run-down housing and surrounded by a suburban ring of middle-class white neighborhoods.

It might be suggested that the configuration thus described is inevitable in light of the low incomes of the Negroes in the central cities. It is true that in 1960 the median family income of Negro families was only $3,711—63 percent of the median income of $5,893 for whites. But a 1963 study by the U.S. Housing and Home Finance Agency found that there has been a "spectacular rise" in the incomes of Negroes in urban areas and a corresponding growth in the demand for middle-income housing—such as is available in the suburbs. The study collected data on 17 metropolitan areas and compared the home buying patterns of white and nonwhite families in the $7,000 to $10,000 income bracket. If Negroes in this category had bought homes valued at $15,000 in the same ratio as whites in this same income bracket, there would be an immediate potential market among nonwhites in these 17 areas for some 45,000 units. On the basis of the investigation HHFA concluded that:

While the study cites a number of related factors inhibiting home ownership among non-whites, it points particularly to racial restrictions as an important deterrent to the availability for new housing for this group.

It would appear then that the configuration of black central cities encircled by white suburbs is not a "natural" phenomenon; the coerciveness of discrimination is involved, and the white suburban circle is what former Philadelphia Mayor Richardson Dilworth called a "white noose."

What are the forces behind this discrimination? The Commission on Civil Rights attempted an answer in its 1961 report:

They begin with the prejudice of private persons, but they involve large segments of the organized business world. In addition, Government on all levels bears a measure of responsibility—for it supports and indeed to a great extent it created the machinery through which housing discrimination operates.

First, discrimination is sometimes practiced by the owner of a house who refuses to sell or rent to a person of another race. This attitude has often led to alliances of owners who enter into covenents restricting a neighborhood to whites only. In 1948, the Supreme Court in Shelley against Kraemer ruled that such covenants are judicially unenforceable, on the grounds that a State would be denying to certain citizens equal protection of the laws. Nevertheless, restrictive covenants prevail in many places even though they are not legally enforceable.

Second, lenders often discriminate against Negroes, using the argument that a homogeneous neighborhood makes a loan economically more sound. The Commission on Civil Rights "found evidence of racially discriminatory practices by mortgage lending institutions throughout the country." Also some builders join in with these views about "homogeneous" neighborhoods and sell only to white persons. Underlying the view that neighborhood stability will be destroyed is the belief that property values fall when Negroes move into an area. This happens, of course, if there is "panic" selling by whites. But a research study of 10,000 real estate sales over a 12-year period in seven cities contradicts the belief that property values invariably decline. Forty-one percent of the homes in interracial neighborhoods did not change in price; 44 percent increased 5 to 26 percent; 15 percent dropped 5 to 9 percent.

The third discriminatory factor mentioned by the Commission in 1961 was the Government—especially the Federal Government. The major cause for such an indictment is that FHA actively encouraged racial discrimination during the years 1934–1950. Its Underwriting Manual of 1938 suggested that properties "continue to be occupied by the same social and racial groups." The Shelley against Kraemer decision had an effect on FHA policy, however, and it withdrew its support for racially exclusive policies. President Kennedy's Executive Order 11063 of 1962 required FHA and other Federal agencies to pursue affirmative policies with respect to equal opportunity in housing.

But the Civil Rights Commission's criticism of the Government is also based on the fact that most financial institutions are dependent to a great extent on Federal regulation and sponsorship. A large number of saving and loan associations are chartered by the Federal Home Loan Bank Board. Many of them are recipients of the benefits of the Federal Home Loan Bank System. Most commercial banks are regulated by the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Yet none of these private institutions are covered by the existing Executive order, and thus, are free to discriminate without Government interference.

Although low income is an obstacle to many Negroes in acquiring adequate housing, a large number of Negroes have moved up to middle-class levels of income, and many of these Negroes who have the money want to live in a suitable environment. As a Negro wife in Boston put it:

I don't think that too many people start out by saying, "I want to move into a white neighborhood." They want to move to a neighborhood that has modern housing, good schools, that has close shopping centers, that has a plot of grass around it; where people don't go through the street and drop paper; they want something clean.

But often the Negro cannot realize this aim because he is surrounded by a pattern of discrimination based on individual prejudice, often institutionalized by business and industry, and Government practice.

Certainly the provision of good housing will not solve all social and personal problems. Yet the upgrading of housing conditions, as compared for example to the tasks of education and improvement of health, may well be the most immediately practical solution available. Further, the attack of educational inequality, on juvenile delinquency, and on ill health will surely fail without a fundamental attack on the slums. But that attack cannot succeed—indeed it cannot commence—without the obliteration of the discriminatory obstacles which condemn the Negro to certain areas, to substandard housing, and to poverty in general.

The Federal Government has begun to recognize this basic fact and has tried to insure equal opportunity in housing to all Americans. If the national goal set forth by the Congress of a "decent home and a suitable living environment for every American family" is to be realized, equal opportunity is essential.

The most effective attempt by the Federal Government thus far to insure equal opportunity in housing was the signing of Executive Order 11063 by President Kennedy on November 20, 1962.

As two legal authorities have pointed out:

The issuance of the Executive Order was hardly a precipitous action. Twenty-eight years had elapsed since passage of the original National Housing Act, before the Federal government took this basic step to assure equal access to the benefit of its housing programs.

The Executive order directed all Federal agencies which administer housing programs to prevent discrimination. Section 101, which sanctions this antidiscriminatory activity, relates to housing and other facilities provided by Federal aid agreements executed after November 20, 1962. Therefore, the order did not touch the millions of FHA- and VA-assisted homes built before 1962.

Section 102 of the order does apply to all housing ever aided by a Federal program—but this section merely directs Federal agencies to "use their good offices" to promote the abandonment of discriminatory practices.

The order also established the President's Committee on Equal Opportunity in Housing. Each executive department and agency is directed to cooperate with the committee by furnishing it with information and assistance and to report to the committee at certain intervals with respect to its procedures for obtaining compliance.

The primary agency which the order affects is the Federal Housing Administration.

Since the date of the order, nearly 700,000 housing units have been constructed with FHA loan insurance. As of March 31, 1966, 90 complaints had been received by FHA under section 101 of the order. In 30 cases, the complainants prevailed and secured the housing unit sought. In 19 others, the complainant prevailed but did not follow through on securing the housing. Eight cases were decided in favor of the respondent. In five cases, the complainant did not meet standard eligibility requirements for FHA insurance. Nine cases were dismissed because FHA did not have jurisdiction. Six cases were closed when the respondent was placed on FHA's ineligible list. Six cases are pending, and eight were disposed of in "miscellaneous" ways.

FHA has also received complaints under section 102 which directs Federal agencies to use their "good offices" to

eradicate discrimination. Since these cases apply to housing built before the order, FHA's authority is limited. As of March 31, 1966, 34 complaints had been received under section 102. Of significance here is the fact that in 19 cases negotiations on behalf of the complainant were unsuccessful. In two cases the respondent prevailed. In seven others, the complainant prevailed. Five cases were dismissed for lack of FHA jurisdiction. One case is pending.

The record for the main agency affected by the Executive order, FHA, shows that no great changes are being wrought in the housing patterns of American neighborhoods. Only 30 instances have been clearcut cases, as a result of which discrimination was eliminated. And the results of "good offices" have been, as the Secretary of Housing and Urban Development, Robert C. Weaver, said recently, "minimal." He stated:

> The larger tract developers and the owners of multifamily projects generally resisted what they considered to be a retroactive reform, applying only to those who had received earlier aid. They insisted that the adoption of an open-occupancy policy was not practical unless competing developers and owners also adopted non-discrimination practices.

It may be just as important to cite what the order has not done. Many persons, especially the National Association of Home Builders, predicted that the order would cause a severe decline in the housing industry. In 1963, the first year after the order, nonfarm housing starts totaled 1,613,400—140,000 over 1962. The nonfarm housing starts in 1964 and 1965 have been declining, but not precipately, and economic factors such as higher interest rates and labor costs play an important part in this decline.

Furthermore, none of the Federal programs affected by the order have shrunk in size, either in terms of the expenditure of funds and effort, or in terms of the demand for them by States and localities.

And although few positive signs of breaking down segregated residential patterns can be cited, a general support of the order by industry representatives suggests that the order has had an influence on their policy.

Since the order covers only new construction assisted by FHA and VA after November 20, 1962, its effectiveness is limited to about 750,000 housing units. For example in 1965, of the 1.5 million housing starts, FHA- and VA-assisted units totaled about 250,000.

The fact is that conventional loans financed by commercial banks, savings and loan associations, insurance companies, and other private lending institutions now account for over 80 percent of home financing in the United States. None of these are covered by the order, or by title VI of the Civil Rights Act of 1964.

The extent of activity of the mortgage lending institutions which are not covered by the Executive order is an important indicator of the limitation of the order. In 1964 savings and loan associations held 37 percent of the nonfarm mortgage recordings of $20,000 or less. The amount of the mortgages was $15.8 billion, of a total of $37 billion.

Commercial banks were the second largest mortgage lender, accounting for 19 percent of the mortgages of $20,000 or less recorded in 1964. Individuals, trust funds, credit unions and miscellaneous other sources accounted for 36 percent of such mortgages. Mutual savings banks and insurance companies make up the other significant holders of these mortgages.

Not all these mortgages are free from the order's authority—in 1964, 18 percent of them were insured by FHA or guaranteed by VA, but 82 percent were conventional loans.

As pointed out in part I, most of these institutions are supervised and aided to some degree by the Federal Government. The deposits in commercial banks are insured by the Federal Deposit Insurance Corporation. The share accounts in savings and loan associations are insured by the Federal Savings and Loan Insurance Corporation.

> These benefits help account for the spectacular growth of these institutions from their relatively small beginnings to their present dominant position in the savings and loan industry.

Because of these Federal benefits to lending institutions not now covered by the Executive order, many persons and organizations have argued that the order should be extended. They point out that the present partial application is a positive hindrance to equal opportunity since builders are provided with an incentive to use conventional financing. It is interesting to note that many persons expected as a matter of course that the Executive order would cover the major lending institutions. An editorial in House and Home in October 1962 confidently stated, "Big escape hatches will probably not exist." The editorial went on to describe what many people knew would occur if there were escape hatches—"such an order would merely erase FHA and VA from the picture, solving none of the discrimination problems." House and Home, along with most other housing organizations and interests, believed that "the order is expected to cover not only S & L's but federally insured banks."

Perhaps the prediction was extreme, but in substance it has proved to be correct, as has been shown above. Legal scholars were quick to point out that the same decisions and arguments which could be used to justify nondiscrimination in FHA and VA programs applied to other Federal activities with respect to lending operations. First, the Supreme Court and the Congress have declared a policy supporting equal housing opportunity. Now it has been shown that this goal cannot be achieved without equal access to the sources of home financing. And since federally supervised lending institutions are the major source of mortgage funds, these institutions should be expected to follow nondiscriminatory practices. The Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board were created to facilitate community credit in general and housing credit in particular. Both of these agencies of the executive branch are empowered to set regulations to carry out the purposes of the enabling acts. They, therefore, are in the position to, and many feel should, use these powers to further the national policy of equal opportunity stated by the Court, the Congress, and the President.

If the order were extended to cover federally insured banks and savings and loan associations, perhaps 65 to 85 percent of the mortgages recorded each year would be covered. The important point is not the precise percentage, as long as a majority of the total mortgages is covered. In such a situation, other institutions would be under pressure to conform.

If the Executive order, for example, in 1964 had covered federally insured banks and savings and loan associations alone, 60 percent of the total amount of mortgage funds would have been affected. FHA insurance and VA guarantees of other types of loans would have brought the percentage up further. In such a situation, the housing market would be substantially free from the effects of overt discrimination.

The Federal mandate to stop segregation is perfectly clear and remarkably strong. Historically, it rests on the Bill of Rights, the 13th and 14th amendments and the Nation's first fair housing law, passed in 1866, which guarantees:

> All citizens of the United States shall have the *same* right in every State and Territory as is enjoyed by white citizens . . . to inherit, purchase, lease, sell, hold and convey real and personal property.

In recent years the Federal obligation to guarantee freedom of housing to all citizens has been twice reaffirmed: first by the 1962 Executive Housing Order and then by Congress in 1964. The Executive order barring discrimination in all federally assisted housing was a major breakthrough—the fruits of a 10-year campaign launched and piloted by NCDH.

Two years later Congress passed a civil rights bill and included the following stipulation under title VI:

> No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any programs or activity receiving Federal financial assistance.

This is the same paragraph the U.S. Office of Education invokes in its affirmative program to desegregate the Nation's public schools, especially in the South. Thirty-seven school districts have had Federal funds cut off, and another 185 districts have had funds deferred, because they were violating title VI. As a result of USOE's relatively firm stand, the proportion of Negro children attending schools with white children in the Deep South jumped this year from 6 percent to almost 17 percent—a small but measurable achievement, especially when one considers that to reach only 6 percent compliance with the Supreme Court's 1954 desegregation ruling, the South took 12 years.

Nothing remotely resembling this modest success has occurred in housing. Rarely does HUD withhold funds or de-

fer action in the name of desegregation. In fact, if it were not for all the printed guidelines the housing agencies have issued since 1964, one would scarcely know a Civil Rights Act had been passed.

It is clear that HUD has determined to speak loudly and carry a small stick. The results of this policy have been a cynical subversion of title VI, along with a thumb-twiddling complacency that has permeated all major agencies—the Housing Assistance Administration—public housing—Renewal Assistance Administration and FHA. Here is a brief summary of their practices.

The Housing Assistance Administration—HAA—is responsible for 633,000 dwelling units in some 2,000 cities. Estimates of the degree of segregation in public housing projects reach upward of 90 percent, and even HAA officials peg the figure as high as 70 percent. Moreover, their definition of "integrated" is so liberal as to include projects that are 99 44/100 percent white—or black. In any case, it is safe to say that an overwhelming proportion of public housing—the only kind of housing in the United States directly built, financed and supervised by the Federal Government—is racially segregated.

Mr. DODD. Mr. President, will the Senator from Massachusetts yield?

Mr. BROOKE. I yield.

Mr. DODD. Mr. President, I had the privilege of presiding during most of the remarks of the Senator from Massachusetts. I have seldom heard a more eloquent or clear explanation of this great problem which confronts us, and I congratulate him on his presentation. I wish that every Member of the Senate could have heard it, and I hope they will read it. I wholly agree with the statement of the Senator.

It is a touching, moving, brilliant, concise argument, and the Senator deserves great credit for making it.

Mr. BROOKE. I thank the distinguished Senator from Connecticut for his very kind remarks.

Mr. TYDINGS. Mr. President, I ask unanimous consent that the Senator from Massachusetts may yield to me for the purpose of making some remarks without losing his right to the floor.

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

Mr. TYDINGS. Mr. President, I am pleased to add my voice and my observations to those of my distinguished colleagues on the Senate Banking and Currency Committee—I might note a majority of that committee—who have offered this fair housing amendment. I am pleased, too, to join the other Members of this body who have or will speak out on behalf of fair and equal treatment of prospective buyers and renters of housing in this country.

Just a year ago, in this Chamber, Mr. President, I made the observation that—

> Purposeful exclusion from residential neighborhoods, particularly on grounds of race, is the rule rather than the exception in many parts of our country.

That statement, unfortunately, remains true today.

There are an estimated 6 million fewer decent homes in the urban housing inventory of this Nation than there are urban families in need of homes. So it is inevitable that 6 million urban families will have to live crowded into substandard living units. Most of these 6 million victims of the urban housing shortage are poor, and a disproportionate number of the very poor are nonwhite.

One partial answer to this problem, as Secretary Weaver and various Members of Congress have emphasized on numerous occasions, is to build enough good housing so there will be a good home available for everyone. Some of this new housing will have to include new low-rent units; the rest will have to be met by maintaining existing housing facilities and by moving families now housed in substandard units into used housing of acceptable quality.

With today's land costs, today's building trades wages, and today's code and labor restrictions, private enterprise cannot hope to build good enough new homes cheaply enough for poor people to buy or rent without large subsidies. I feel that high priority must be placed on the construction of new low-cost housing and the purchase and resale of sound used dwellings to ease the overall shortage of housing in this Nation.

But more good housing—new and used—is only a small part of the problem we face.

Negroes in this country need freedom to move out of their racial ghettos and live closer to available jobs. Negroes in this country must have freedom to live where they can afford to live, irrespective of race. The proven fact that housing of nonwhite families is consistently of poorer quality than that of white households in the same income levels is due, in large part, to the related fact that the nonwhite families in this Nation do not have freedom of choice in the selection of their homes. In 1960, 44 percent of all nonwhites lived in substandard housing as compared to 13 percent of the white families. Sixty-two percent of the nonwhite households rented as compared to 36 percent of the white households. Three times as large a proportion of nonwhite families lived in crowded homes as did white households.

It is important to note that this overcrowding of our nonwhite population is not related to income. Studies have indicated that overcrowding and substandard living conditions plague our nonwhite citizens at all income levels. For example, of nonwhite families with incomes of $6,000 or more, 25 percent lived in overcrowded conditions. This compares with only 9 percent for whites in the same income class.

In recent hearings before the Subcommittee on Business and Commerce of the Senate District of Columbia Committee, of which I am chairman, it has become abundantly clear that the "poor pay more" for the goods and services they buy. The same is true in housing. The poor—many of whom are nonwhite—pay more for housing. In fact, a long list of careful studies in areas throughout the country show that nonwhites—whatever their income—pay higher prices for lower quality housing than white families.

Mr. President, in 1966 and 1967, as chairman of the Subcommittee on Business and Commerce of the Committee on the District of Columbia, I held rather lengthy hearings on the problem of slum housing and ghettos in the District of Columbia.

Washington, D.C., is not different from other great cities in the country as regards the conditions in which the poor, particularly the nonwhite poor, live in the center city. I not only held hearings in the committee room, but I went out into the inner city of the District of Columbia to personally inspect some of the many tragic conditions which had been brought to my attention.

I recall one instance, Mr. President—and this was by no means exceptional—where a nonwhite family was renting 4½ rooms in a deplorable, substandard house, for a monthly rental of some $130, plus $65 a month for utilities. This particular slum dwelling had been cited time and again for health department violations. The heating facilities did not work, and never had operated properly. The toilet facilities failed to work more often than they did work. There was no hot water. The roof leaked. There was a serious rat problem in the house.

Had that family, Mr. President, been fortunate enough to have a different color skin, they could have purchased a nice house in almost any area of this country, for a far lower monthly payment than they were making to their present slum landlord.

I could not help thinking, as I went through the four and one-half rooms of the house, how impossible it would be to hold together a family that had to live in such an environment. Not only had their efforts to get code enforcement been unsuccessful, but the last time they sought it, it was made very apparent to them by the landlord that they would be evicted as a retaliation if they once mentioned the fact that the housing deficiencies had not been corrected.

The average American has no idea of the conditions that exist in the inner sections of our great urban centers. I know he does not.

I am satisfied that if the average American knew the facts, he would right these wrongs.

One clear first step to correct these injustices, Mr. President, is to enact the pending legislation so that Negroes are given the freedom which all other Americans now possess—to live in any neighborhood which their income permits. Today this is not possible for Negro Americans.

Let me read a number of excerpts from articles on this question. I refer, first, to an article entitled "Potential Housing Demand of Nonwhite Population in Selected Metropolitan Areas." It was prepared by Marian Yankauer, under the auspices of the Housing and Home Finance Agency in April 1963.

Among the findings of this study of 17 standard metropolitan areas, and based upon the 1950 and 1960 censuses of population and housing, was the following:

> It might be assumed that the disadvantage of all nonwhite families with respect to condition, age, and value of housing is a reflec-

tion of the larger number of nonwhite families in the lowest economic group. Conversely, it might be expected that the white-nonwhite differential would decrease as the nonwhite income level rises.

This is not the case. The housing disparity between the white and nonwhite families is not affected as family income rises. Although improvement in nonwhite family housing generally runs a course parallel to that of the white families as income increases, the course is at all levels substantially below that of whites.

While the nonwhite rate of home ownership in 1960 increases in a steady progression parallel to that of the total population as income rises, at all levels of income, in every metropolitan area studied, it remains substantially below that for the total population. (Figure 1 illustrates the situation in two typical areas.) Furthermore, although the median value of homes owned also rises, at each income level the nonwhite families own homes of lower median value than the whites.

When a comparison is made between white and nonwhite families with 1959 incomes of from $7,000 to $10,000, the percentage of nonwhites housed in older, deteriorating and substandard housing remains far higher than that for white families similarly situated, as can be seen in the accompanying charts (Figures 2, 3 and 4) which show the situation in one metropolitan area in each major region of the country. A consistent pattern of the nonwhite disadvantage in housing can be seen (except for the West Coast) at the $7,000 to $10,000 level of income, with only slight regional differences.

The second article from which I wish to quote is an article prepared by Robert C. Weaver and Corienne K. Robinson, presented in Weaver's "The Negro Ghetto," pages 261–263, relating the incidence of substandard dwelling units to rental value by color in 16 cities.

The conclusion was that—

The nonwhite family receives less housing value for the same price than does the white group which has access to an open housing market. Since the ratio of nonwhite to white occupancy in substandard housing increases as higher rental brackets are considered, it is indicated that even when the colored person can pay an economic rent, he has less chance than a white person of getting decent shelter.

"Residence and Race," the final and comprehensive report of the Commission on Race and Housing, edited by Davis McEntire, beginning at page 149, presents analyses of both renter- and owner-occupied standard dwellings by value and color of occupants.

These analyses show that nonwhites obtain fewer standard dwellings than whites at every level of rent and in almost every area-value category.

"Minority Families in the Metropolis," Research Report No. 8, Real Estate Research Program, Graduate School of Business Administration, University of California, Los Angeles, 1966, by Fred E. Case, reports, respecting 1960 census data for the Los Angeles SMA:

Quantitative support for the general observation that minority families usually occupied less desirable housing and that they may have had to pay a greater proportion of their incomes for housing.

It concludes that:

Although minority families lived in less desirable housing, they often paid more for their homes in terms of prices or rents than did other families in equivalent family income brackets. . . . In addition, the income ratio-differences between minority families with the highest and lowest incomes was much less than the differences in ratios between the general population in the highest and lowest income ranges.

That is at page 47.

Chester Rapkin made a population and housing study for New Haven, Conn., as part of its community renewal program, and found nonwhites paying higher rents for inferior accommodations and less space than paid by whites.

He took into account that the phenomenon "may, in fact result from the fact that they—the nonwhites—are recent arrivals. It is reasonable that, on the one hand, newcomers would be less familiar with the city and less able to find lower-renting accommodations, and that, on the other, in a rising market landlords are inclined to charge a new tenant a higher rent than to raise the rent of an established tenant." He then goes on to add:

It is also not without precedent, however, that Negroes be charged higher rents than whites for similar accommodations, so that the situation may well be that the newcomers pay a higher rent because they are Negroes rather than that Negroes pay higher rents because they are newcomers.

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

Mr. TYDINGS. I yield.

Mr. ELLENDER. Mr. President, does the study to which the Senator has just referred include only Connecticut?

Mr. TYDINGS. The study which I just mentioned includes just New Haven, Conn.

Of course, each of the others includes other areas to which I refer. This particular one refers to a study made by Chester Rapkin for New Haven, Conn., as part of its community renewal program.

Mr. ELLENDER. According to what the Senator has just stated, there seem to be similar differences in various parts of the country concerning how the Negro is treated in contrast to the white.

Mr. TYDINGS. There is no question about that insofar as the availability of housing is concerned.

Mr. President, it is revealing to note that the higher costs nonwhites must pay for housing may well contribute to overcrowding in nonwhite ghettos. In order to meet the high costs they have to pay, even for substandard ghetto housing, two or more families may have to live together, sharing the rent costs that they could not afford individually.

The evidence points unequivocally to the conclusion that discrimination in housing, in addition to the indignity and the psychological burdens it imposes on many citizens, is also at the very root of many of the problems and evils of today's racial ghettos. Racial discrimination in housing ties almost all nonwhites to an environment which is not conducive to good health, educational advancement, cultural development, or to improvement in general standards of living. From this single problem, then, other problems are born and multiply. Racial discrimination in housing keeps the cycle of poverty continuous and frustrates many of our efforts, meager as they sometimes may be, from breaking into that cycle. Our efforts to relieve unemployment seem destined to failure under current conditions of housing discrimination. Housing discrimination deprives hundreds of thousands of nonwhites of employment opportunities in suburban communities which are generally unavailable to them as places for them to live themselves.

The McCone report on the Watts riot—civil disturbances—showed clearly virtual isolation, the entrapment, of Negroes in the Watts ghetto was a substantial factor in the frustration and the forces which inevitably erupted into the Watts riot.

We condemn, rightly and justly, civil disorder, violence, and crime; but if we fail to make an effort to change the environment or improve the conditions that cause or promote or enable these explosions to take place, then, in my judgment, we are making no progress.

Again I say, Mr. President, that one of the basic problems facing our Nation today in connection with the maladies of the inner city is the failure of those of us in Government, civic leaders and others, to understand the true conditions in the inner city and to make those conditions known to citizens across the United States.

I have listened in this Chamber to speech after speech condemning crime, urging greater assistance and greater support for our law enforcement officials, stronger enforcement of our criminal laws—with all of which I agree. But, in all candor, that is only one part of the solution.

Of course, the first thing that must be done is to strengthen our law-enforcement agencies, to give our police officers decent equipment, and decent support; because there is no alternative, there is no substitute, for the effective, intelligent, dedicated police officer on the beat in curbing crime and disorder.

But if we stop right there and ignore the basic problems and the basic conditions which result and which breed crime, we are fooling ourselves. If we do not attack the basic conditions which breed and foster crime, we will never get anywhere. And one of these factors is housing.

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

Mr. TYDINGS. I yield.

Mr. GORE. Mr. President, the able Senator is presenting a most impelling argument and I wish to congratulate him.

Yesterday I voted against the tabling of an amendment. I wish to observe to the Senator that I consider a tabling motion as just about the most tyrannical parliamentary weapon available in our procedure. It is with the greatest reluctance that I have ever supported a motion to table and I have never done so as long as someone wished to speak. I am not saying I would not, in some circumstances, so vote.

I shall take the same position with respect to the pending amendment. I would prefer to see this amendment, which presents a very fundamental question in our social order, considered on its merits and determined upon its merits. I hope no one will offer a motion to lay the pending amendment on the table.

I wanted the Senator from Maryland to know that I will vote against such a tabling motion, should one be made.

I have not concluded how I shall vote on the pending amendment. It is so far reaching that further study is necessary. However, I am listening with rapt attention to the speech by the able Senator from Maryland.

Mr. TYDINGS. Mr. President, I thank the distinguished Senator from Tennessee who has a great record in the Senate as a defender of those who are less fortunate than others and those who need help.

Mr. President, I believe that our efforts to relieve unemployment seem destined to failure under current conditions of housing discrimination. Housing discrimination deprives hundreds of thousands of nonwhites of employment opportunities in suburban communities which are generally unavailable to them as places for them to reside themselves. And within our large, sprawling cities, a similar deprivation occurs within the city limits when nonwhites are excluded from many residential areas. The fact is that most new jobs are springing up in the suburbs. Between 1960 and 1965 from one-half to two-thirds of all new factories, stores, and other mercantile buildings in all sections of the country, except the South, were located outside the central cities of metropolitan areas.

Since 80 percent of the nonwhite population of the nonwhite population in metropolitan areas in 1967 lived in central cities, the handicaps of nonwhite jobseekers are apparent. Unless nonwhites are able to move into suburban communities by the elimination of housing discrimination, and the provision of low- and moderate-cost housing in these areas, they are going to continue to be deprived of jobs, no matter how extensive our efforts to employ them.

As the President has noted in his 1968 civil rights message to the Congress, we have not achieved the goal of "a decent home and a suitable living environment for every American family."

As the President noted:

Construction of new homes is not enough unless every family is free to purchase and rent them. Every American who wishes to buy a home, and can afford it, should be free to do so.

Segregation in housing compounds the Nation's social and economic problems. When those who have the means to move out of the central city are denied the chance to do so, the result is a compression of population in the center. In that crowded ghetto, human tragedies—and crime—increase and multiply. Unemployment and educational problems are compounded—because isolation in the central city prevents minority groups from reaching schools and available jobs in other areas.

A fair housing law is not a cure-all for the Nation's urban problems. But ending discrimination in the sale of land or housing is essential for social justice and social progress.

Despite the fact that the deliberate exclusion from residential neighborhoods on grounds of race—and all the problems that go with it—are still with us today as they were in 1967, in 1960 and long before, there is encouraging evidence that action will be taken and leadership exerted to end these practices.

Montgomery County, in my State of Maryland, has enacted a local fair housing ordinance and Prince Georges County, also in Maryland, is seriously considering similar legislation.

Across the Nation, as of September 1967, 23 States, including my own State of Maryland, and the District of Columbia, the Virgin Islands, and Puerto Rico, have recognized the need for legislation for fair housing and have passed it.

Some 40 other jurisdictions—city and county governments—have established fair housing ordinances.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD a summary of the laws of the 23 States.

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

SUMMARY OF COVERAGE OF STATE FAIR HOUSING LAWS, AS OF SEPTEMBER 1, 1967—23 STATES, DISTRICT OF COLUMBIA, VIRGIN ISLANDS, AND PUERTO RICO

MARYLAND

Owners and managers of five or more units are prohibited from discriminating in sales or rentals, with four exceptions:

(1) Buildings fully constructed prior to June 1, 1967;

(2) Buildings for which a permit was issued pursuant to plans filed prior to June 1, 1967, and which will be completed by June 1, 1968;

(3) Owner-occupied buildings containing less than twelve units;

(4) Buildings qualified under state law as condominiums or cooperative apartments.

Owners and managers are also forbidden to advertise discriminatory preferences except for property descriptions for bona fide appraisal purposes. Religious institutions and fraternal organizations are expressly allowed to give preference to persons of the same religion or to those whom the fraternal organization decides would further its principles. Financial institutions may not discriminate in loans or conditions.

Enforcement is the responsibility of the Commission on Interracial Problems and Relations, which has power to conduct investigations, after a complaint has been filed. After notice and hearings, the Commission may issue cease and desist orders and require affirmative action by the respondent. The Commission's orders must be judicially enforced.

ALASKA

Alaska prohibits discrimination in all categories of housing through its public accommodations laws. A State Commission for Human Rights is charged with administering the law. Either an aggrieved person or the Executive Director may file a complaint with the Commission, which then investigates the alleged discriminatory conduct. If substantial evidence is found which supports the complaint, the Commission attempts to eliminate the discrimination by conciliation. If this fails, a hearing is conducted. In the event that a violation is found, the Commission issues a cease and desist order and may require other affirmative action. Compliance with such an order is a bar to criminal prosecution for the particular instance of discriminatory conduct found by the Commission. Violation of this law is a misdemeanor punishable by imprisonment for not more than 30 days and/or a fine of not more than $500.

CALIFORNIA

California prohibits discrimination in private housing except for houses with four or fewer units. Real estate brokers and financial institutions are covered by the provisions of the law. Enforcement is by the Fair Employment Practice Commission. An aggrieved person may file a complaint with the Commission, but the Commission itself may not initiate complaints. If the Commission determines by investigation that probable cause exists for believing the allegations of the complaint, it may attempt to eliminate the violation by conciliation. Also, a temporary restraining order may be obtained (for not more than 20 days) enjoining the owner of the housing from selling or leasing it until the Commission has made a final determination. If attempts at conciliation fail, a hearing is held before a hearing officer sitting alone or with the Commission. In the event a case is heard by the hearing officer alone, he prepares a proposed decision, copies of which are served on the parties. The Commission may adopt the decision as drafted, or adopt the decision and reduce the penalty. Alternatively, the Commission may decide the case on the record, with or without taking additional evidence, but in such a case the parties must be provided with an opportunity for oral or written argument. If the Commission finds that an unlawful practice has been engaged in, it issues a cease and desist order and requires the transfer of the housing accommodation in question, the transfer of a like accommodation, or the payment to the complainant of damages not to exceed $500, if the remedy of transfer is not available. Willful violation of such orders is punishable by a fine not to exceed $500, imprisonment not to exceed 6 months, or both. Judicial review of Commission orders is available. If the Commission believes that its orders are being violated it may obtain an injunction against further violations.

California also has a statute which provides that all persons regardless of their race, color, religion, or national origin are entitled to the full and equal accommodations, facilities, and services of all business establishments. This law has been construed by the courts to apply to real estate brokers and developers. Persons aggrieved by violations may bring civil suits for the actual damages suffered plus $250.

COLORADO

The Colorado fair housing act of 1959, as amended, prohibits discrimination in all types of housing except the rental of rooms in an owner-occupied one-family dwelling. The law applies to owners, real estate agents, and lenders. Enforcement is vested in the Colorado Civil Rights Commission. Complaints may be filed by aggrieved persons, the Commission, or the Attorney General. The Commission then investigates the allegation of illegal discriminatory action. If cause for the complaint is found to exist, the Commission tries to eliminate the discrimination by conciliation. The Commission may seek temporary restraining orders to prevent transfer of property prior to disposition of the complaint. If conciliation efforts are unsuccessful, the Commission may conduct a hearing. If, at hearing, the violation is verified, the Commission issues a cease and desist order and may require affirmative action.

CONNECTICUT

Connecticut prohibits discrimination in the sale or rental of all categories of housing except the rental of one unit in an owner-occupied two-family house, and the rental of rooms in a house by the occupant thereof. Violators may be punished by a fine of $25–$100, 30 days imprisonment, or both. In addition, the Connecticut Commission for Human Rights and Opportunities may receive or issue complaints. The Commission investigates, and if reasonable cause exists for concluding that a violation has occurred, attempts are made to settle the matter by conciliation. If conciliation fails, a hearing is held before the Commissioners or a panel of hearing examiners. In the event the Commission finds that an unfair practice has been engaged in, a cease and desist order may be issued or other affirmative action required. The Commission also has power to seek

temporary and permanent injunctions. The agency may petition for court enforcement of its orders, and in some circumstances may seek double damages, up to $500, in court on behalf of the person aggrieved. Either the complainant or the respondent may obtain court review of an order of the Commission.

HAWAII

Hawaii prohibits discrimination in all housing except rental of rooms in owner-occupied homes and rentals of units in owner-occupied two-family dwellings. The statute covers real estate brokers, financial institutions, and advertising. There is also an anti-blockbusting provision. Enforcement is the responsibility of a "department of regulatory agencies," which is authorized to receive and initiate complaints. The attorney general may also file complaints with the department. The enforcing agency may seek temporary relief pending final determination of the complaint. After notice and hearing, the agency may issue cease and desist orders and require affirmative action by the respondent, including payment of damages and attorney's fees to the complainant. A complainant or respondent may obtain judicial review of agency orders. If a state contractor is found to be discriminating, his contract may be terminated and he may be refused further contracts with the state.

INDIANA

Indiana prohibits discrimination in the sale or rental of private housing. Enforcement of the law is vested in the Indiana Civil Rights Commission. The Commission is authorized to receive complaints of unlawful housing discrimination practices, to investigate them, and, if reasonable cause exists, to settle the matter by conciliation. If conciliation fails, a hearing is held before the Commission. In the event the Commission finds that an unlawful discriminatory practice has been engaged in, it may issue a cease and desist order and require other affirmative action. No cease and desist orders may be issued by the Commission, however, against an owner-occupant with respect to a residential building containing less than four units, or against any person who has engaged in a discriminatory practice pursuant to a plan adopted to prevent de facto segregation.

The Commission may petition for court enforcement of its orders, and either the complainant or respondent may obtain judicial review of orders issued by the agency.

IOWA

Owners and their agents are prohibited from discriminating in sales or rentals and from advertising discriminatory limitations on sales and rentals, with three exceptions:

1. Bona fide religious institutions may impose religious qualifications if they are related to a bona fide religious purpose.

2. Two-family accommodations are exempt where the owner, occupying one portion, rents the other portion.

3. Rentals of less than six rooms within a single house by the owner who resides therein are exempt.

A complainant must post a $500 bond to cover any damages sustained by the respondent as a result of a wrongful complaint. Respondents can recover actual damages sustained as well as attorney fees upon showing that the complainant had no reasonable cause for bringing a complaint.

MAINE

Maine prohibits discrimination in the rental of private housing except the rental of one unit in an owner-occupied two-family dwelling, or the rental of not more than four rooms in an owner-occupied one-family dwelling. Sales of housing are not covered by the Maine statute, and no administrative agency has been created and charged with enforcement responsibility for the statute.

Violators may be punished by fine of not more than $100 or by imprisonment for not more than 30 days, or both; and for each additional violation, by a fine of $500 or imprisonment for not more than 30 days, or both.

MASSACHUSETTS

Massachusetts has enacted legislation prohibiting discrimination in all categories of housing except for the leasing of a unit in an owner-occupied two-family dwelling. Real estate agents and mortgage lenders are covered by the provisions of the comprehensive act which is administered by the Massachusetts Commission Against Discrimination. An individual, the Attorney General, or the Commission itself may file a complaint alleging unlawful practices. The Commission then investigates. If the Commission finds no probable cause, the complainant may request a hearing before the Commission to urge reconsideration of its finding. If probable cause exists for crediting the allegations of the complaint, the Commission may use conferences, conciliation and persuasion to settle the dispute. An injunction may be obtained to prevent the transfer of housing accommodations being sought pending final disposition of the complaint. In the event the complaint cannot be settled, the Commission holds a hearing, and, upon finding that an unlawful practice has been engaged in, a cease and desist order may be issued. Penalty for noncompliance with the order is imprisonment for not more than one year and a fine of not more than $500. Additionally, noncompliance by a real estate broker or salesman results in mandatory suspension of his license by the State Board of Registration. Any person aggrieved by a final order of the Commission may seek judicial review, and the Commission may obtain judicial enforcement of its orders.

MICHIGAN

Michigan's Constitution has been interpreted by the State Attorney General to ban discrimination in all housing.* The right to obtain mortgage financing without discrimination is also covered, according to the Attorney General's opinion. The Michigan Civil Rights Commission is the administering agency. Upon receipt of a complaint from an aggrieved person the chairman assigns a commissioner to investigate and, if he determines that probable cause exists for crediting the allegations of the complaint, to attempt conciliation. A hearing may be held before the Commission, a commission, or a hearing examiner. If the commissioners have not heard or read the evidence, a proposed decision must be served on the parties, and they must be given an opportunity to file exceptions and present argument to a majority of the commissioners, who make their decision on the whole record. If the Commission finds that an unfair practice has been engaged in, it issues a cease and desist order and may require other affirmative action. Aggrieved persons may obtain judicial review of Commission orders, and the Commission may petition a court for enforcement of its orders.

MINNESOTA

Discrimination in all categories of housing is prohibited, with two exceptions: the rental of a unit in a two-family owner-occupied dwelling, and the rental of a room or rooms in an owner-occupied one-family dwelling. Real estate brokers and financial institutions are subject to the provisions of the anti-discrimination law. Administration of the law is the duty of the Commissioner of Human Rights, who receives complaints from aggrieved persons or may initiate complaints himself. After investigation, and if probable cause exists, the Commissioner attempts to eliminate the alleged discriminatory practice by conciliation. If this effort fails, the Commissioner appoints a 3-man panel from a 15-man Board of Human Rights to conduct a public hearing. The Commissioner, or the Attorney General, may file a petition for temporary relief.

If, after hearing, the Board finds that an unfair practice has been engaged in, it may issue a cease and desist order and may require affirmative action. Judicial review of the Board's orders is available to all parties, and the Commissioner may obtain judicial enforcement of Board orders.

NEBRASKA

Although Nebraska has no fair housing law, the state does provide for revocation or suspension by the Real Estate Commission of the license of a real estate broker who discriminates, unless such discrimination was requested by the seller. The Commission may initiate its own investigations, and is required to investigate upon receipt of a complaint.

NEW HAMPSHIRE

New Hampshire prohibits discrimination in the rental of all categories of housing except the rental of a portion of an owner-occupied building which contains accommodations for not more than three families, and the rental of rooms in an owner-occupied or lessor-occupied building. Sales of dwellings are not covered by the New Hampshire law. The State Commission for Human Rights may receive complaints of unlawful discrimination practices. The Commission investigates and if reasonable cause exists for concluding that a violation has occurred, the Commission attempts to settle the matter by conciliation. If conciliation fails, a hearing is held before the Commission. In the event the Commission finds that an unfair practice has occurred, it issues a cease and desist order and may require other affirmative action. Judicial review and judicial enforcement of Commission orders may be obtained.

NEW JERSEY

Discrimination in all private housing transactions is prohibited with the following exceptions: (1) rental of rooms in a single-family dwelling by the occupant thereof; (2) rental of a portion of an owner-occupied two-family dwelling. Real estate agents and lending institutions are specifically included within the scope of the law. The principal responsibility for enforcement rests with the Division of Civil Rights in the Department of Law and Public Safety. An aggrieved person may file a complaint with the Attorney General. Complaints also may be initiated by the Attorney General. If he finds probable cause for believing the allegations of the complaint, he may attempt to eliminate the problem by conciliation. If this attempt fails, the Attorney General may call for a hearing before the Director of the Division on Civil Rights. The Division may request temporary restraining orders pending final disposition of the complaint. If the Director finds that the violation has occurred, he issues a cease and desist order and may require other affirmative action. Violation of an order may be punished by a fine of not more than $500 and imprisonment for not more than 1 year. Persons aggrieved by an order may obtain judicial review. New Jersey law also forbids discriminatory advertising, and requires that posters mentioning individual rights under the fair housing law be shown in real estate offices and wherever housing is offered for sale or rent.

NEW YORK

New York's "Law Against Discrimination" prohibits discrimination in the sale, lease or rental of all housing except the rental of a unit in an owner-occupied two-family dwelling and the rental of rooms in a dwelling by the occupant thereof. Real estate brokers and lending institutions are subject to the law. The State Commission for Human Rights, which is responsible for administering the law, may receive complaints from

*Op. Att'y Gen. No. 4161, July 22, 1963, reprinted in 8 Race Rel. L. Rep. 1295 (1963).

persons aggrieved or from the Attorney General. After investigation, provided probable cause exists for crediting the allegations of the complaint, a member of the Commission attempts to eliminate the unlawful practice by conciliation. If this fails, a hearing is conducted before three commissioners. In the event the commissioners find that an unlawful practice has occurred, they may issue a cease and desist order and may require other affirmative action. Willful violation of a Commission order is punishable by imprisonment for not more than one year and by a fine of not more than $500. Judicial review and judicial enforcement of Commission orders may be obtained.

OHIO

Ohio prohibits discrimination in the sale or rental of all categories of housing except the sale or rental of an owner-occupied building or structure containing living quarters occupied or intended to be occupied by no more than two individuals, two groups, or two families living independently of each other and occupied by the owner as a residence. The Ohio Civil Rights Commission is authorized to receive complaints of unlawful discrimination. The Commission investigates, and if reasonable cause exists, attempts to settle the matter by conciliation. Where conciliation fails, a hearing is held before the Commission or a panel of hearing officers. If it is found that an unfair practice has been engaged in, the Commission issues a cease and desist order and may require other affirmative action. Court enforcement and review is available. Violation of court orders enforcing Commission action is punishable as contempt.

OREGON

Oregon prohibits discrimination by persons engaged in the business of selling leasing or renting real property. Although no particular type of housing is specified, the law would seem to cover persons engaged in leasing or renting public housing as well as those engaged in the business of selling or renting urban renewal, publicly assisted or private housing.

Any aggrieved person, or the Attorney General, may file a complaint with the Commissioner of the Bureau of Labor, who notifies the person named in the complaint. That person is then prohibited from taking any action which would render the property unavailable to the complainant. (Violation of this latter provision gives rise to a cause of action by the complainant against the respondent, in which compensatory and reasonable exemplary damages may be recovered.) If, after investigation, the Commissioner finds probable cause, the discriminatory practice may be rectified through a written conciliation agreement. If conciliation attempts fail, the Commissioner may call a hearing and, if he finds that a respondent has engaged in the unlawful practice charged, may issue a cease and desist order. Conciliation agreements or orders must be enforced through mandamus, injunction, or suit in equity. Orders of the Commissioner are subject to judicial review. Violation of an order of the Commissioner is a criminal act punishable by imprisonment up to 1 year and by fines up to $500. The Real Estate Commissioner may suspend or revoke the license of any real estate broker or salesman who violates the act.

PENNSYLVANIA

Discrimination in the sale, rental or financing of all categories of housing, except owner-occupied one or two-family houses, is prohibited under Pennsylvania law. Real estate brokers and lending institutions are covered. Complaints alleging violations may be filed with the Pennsylvania Human Relations Commission, or the Commission may itself initiate complaints. If the Commission finds that probable cause exists for crediting the allegations of a complaint, it attempts to eliminate the unlawful practice by conciliation and persuasion. Temporary restraining orders may be requested pending final disposition of the complaint. If conciliation attempts fail, a hearing is held, and in the event the Commission finds that an unlawful practice has occurred, a cease and desist order may be issued. Willful violation of such an order is punishable by a fine of $100–$500, imprisonment for not more than 30 days, or both. Judicial enforcement and judicial review of Commission orders is available.

RHODE ISLAND

Rhode Island prohibits discrimination in the sale or rental of private housing except the rental of an owner-occupied two or three-family dwelling, and the rental of rooms in an owner-occupied dwelling. The Rhode Island Commission against Discrimination may receive and issue complaints. The Commission investigates, and if reasonable cause is found to exist for crediting the allegations of a complaint, an attempt is made to settle the matter through conciliation. If conciliation fails, a hearing is held before the Commission or a panel of hearing examiners. In the event the Commission finds that an unfair practice has been engaged in, it issues a cease and desist order and may require other affirmative action. Judicial review of Commission orders, and judicial enforcement of such orders, may be obtained.

VERMONT

Discrimination in sales or rentals of housing is a criminal offense punishable by a fine of up to $500, imprisonment up to 30 days, or both, with three types of housing excluded from the prohibitions of the law:

(1) Rental of a portion of a two-family accommodation where the owner occupies the other portion;

(2) Rental, by the owner, of not more than four rooms in a building which he occupies;

(3) Religious institutions may give preference to persons of their same religion.

The Commission on Human Rights may receive or initiate complaints, investigate, issue orders after notice and hearing, and obtain judicial enforcement of its orders. Immediate and continuing compliance with orders of the Commission bars criminal prosecution of the respondent.

WASHINGTON

The Washington statute covers only discrimination by real estate agents. The director of licenses of the state may, upon his own initiative, and shall, upon verified complaint in writing, investigate alleged discrimination by real estate brokers. Before revoking or suspending the broker's license, the director must issue an order to cease and desist from discriminatory practices. Upon receipt of written assurances of discontinuance of such practices, no further action can be taken unless there is further discriminatory action by the broker or agent within six months.

The director may institute a suit (to be prosecuted by the county prosecutor or the state Attorney General) to enjoin a real estate agent from discriminating. The director may also petition the court for appointment of a receiver "to take over, operate or close any real estate office" which is found to be discriminating.

Discrimination by real estate brokers in the sale or rental of property may also be covered by the public accommodations section of the "law against discrimination." See *Washington State Board Against Discrimination* v. *Interlake Realty, Inc.*, 7 Race Rel. L. Rep. 555 (Super. Ct. Washington May 3, 1962), appeal dismissed, 62 Wash. 2d 928, 385 P. 2d 37 (1963).

WISCONSIN

Wisconsin prohibits discrimination in private housing except for (1) the sale or rental of an owner-occupied one-family dwelling; (2) rental of no more than four rooms in an owner-occupied dwelling; (3) sale or rental of an owner-occupied dwelling on a lot containing four separate units, when such lot does not exceed 60x120 feet; (4) sale or rental of any owner-occupied building consisting of four or fewer units.

Enforcement of the act is lodged with the Industrial Commission's Division of Equal Rights, in the Department of Industry, Labor and Human Relations. The Division may investigate complaints charging violations of the fair housing law. If it finds probable cause for believing that any prohibited discrimination has occurred, the Division must attempt to eliminate it by conciliation. If this fails, a Division hearing examiner holds a hearing, and thereafter recommends findings to the Commission. If the Commission finds that a violation has occurred, it may order the respondent to comply with its recommendations. Violations of a Commission order may lead to assessment of forfeitures of not less than $10 nor more than $200. Persons aggrieved by an order may obtain judicial review.

DISTRICT OF COLUMBIA

The District of Columbia prohibits discrimination in the sale or rental of housing with the following exceptions:

(1) Rental or leasing of an owner-occupied one or two-family house;

(2) Rental of rooms in an owner-occupied house offering accommodations for four or fewer roomers.

Real estate brokers and salesmen, and lending institutions are prohibited from discriminating under the District's anti-discrimination regulations. Complaints alleging a violation may be filed with the Commissioners' Council on Human Relations. This body may (1) attempt to settle the matter through conciliation and other informal procedures, and (2) may recommend to the Corporation Counsel that an appropriate civil action be filed to preserve the status quo or to prevent irreparable harm, and (3) may refer the matter to the real estate commission for appropriate action. The Corporation Counsel can also prosecute violators in a criminal action. Punishment for violation is a fine of not more than $300, or imprisonment for not more than 10 days. If a convicted violator is a real estate broker or salesman, the Corporation Counsel refers the matter to the Real Estate Commission.

PUERTO RICO

Puerto Rico prohibits discrimination in the sale or rental of all housing through a section of its Civil Rights Act. Discrimination by lenders is also specifically prohibited. Violations are punishable by fines of $100–$500 and/or by imprisonment from 30–90 days. In addition, compensatory damages may be sought by any aggrieved person in a separate civil action. Punitive damages may also be imposed.

VIRGIN ISLANDS

The Virgin Islands, through its Civil Rights Act, prohibits discrimination in all categories of housing. Persons engaged in the real estate business are covered by the provisions of the act. The Commissioner of Public Safety is required to make periodic inspections of all activities covered by the act and to report violations to the office of the Attorney General. An aggrieved person may recover compensatory and punitive damages not exceeding $5000, in a civil action. Violators may also be fined up to $2000, or imprisoned up to six months, or both. Civil and criminal sanctions are not mutually exclusive. In addition, any license, tax exemption, or subsidy may be revoked by the Governor.

Mr. ERVIN. Mr. President, will the Senator from Maryland yield for a question?

Mr. TYDINGS. I am delighted to yield to the Senator from North Carolina.

Mr. ERVIN. I should like to ask the Senator if he does not know that 60 percent of all the inhabitants of the United States now live in areas covered by so-called open occupancy laws.

Mr. TYDINGS. I was not aware of that particular statistic.

Mr. ERVIN. I cite one of the Washington newspapers which carried a news item to that effect—I do not know whether it was the Washington Post or the Evening Star. I clipped it out but I do not have it with me here.

Mr. TYDINGS. I would not venture to contradict the distinguished Senator from North Carolina on such matters. I have the greatest confidence in his integrity and his knowledge.

Mr. ERVIN. The lamentable conditions which the Senator from Maryland describes have not been cured by these laws, have they?

Mr. TYDINGS. Not absolutely, no.

Mr. ERVIN. So, prescribing or enacting further open-occupancy laws would be like administering the same drug to a patient whose state has not been cured or aided by the drug.

Mr. TYDINGS. I am not quite certain that I understand the Senator's analogy.

Mr. ERVIN. There are State and municipal open-occupancy laws—I call them forced-housing laws——

Mr. TYDINGS. Fair housing, I think, is the proper label.

Mr. ERVIN. Fair housing. These laws have been unduly fair to one side, and very unfair to the other.

Mr. TYDINGS. Unduly fair to which side?

Mr. ERVIN. The nonowners. Anyway, if we already have such laws covering 60 percent of our people, and these lamentable conditions which the Senator has portrayed so eloquently still exist, it is an indication, is it not, that the "doctors" are prescribing the wrong kind of medicine for the patient?

Mr. TYDINGS. I might comment to the Senator from North Carolina that we do not cure a serious illness with the first spoonful of medicine. Unfortunately, it is a long and arduous task. Frequently, the cure, or the solution, may lie in more than one area of endeavor.

Mr. ERVIN. Certainly, if 60 percent of the population of this country are already covered by fair housing laws, and the lamentable conditions which the Senator from Maryland has so eloquently described still exist in those areas, notwithstanding that fact, it is a pretty good indication, is it not, that the "doctors" seeking to cure those social ills by laws of that nature have been prescribing ineffective medicine?

Mr. TYDINGS. I should like to draw an analogy, if I may, of the poor family with, say, six, eight, or 10 children, which has lost a child because of smallpox.

Sixty percent of the members of the family believe that they should consider a smallpox vaccine. But the father is yet to take action. His moral posture and influence are such that, without his support, it is unlikely that the entire family will take the smallpox vaccine or follow the prescription, or whatever might be suggested, to help cure the disease.

I consider the Congress of the United States as the moral leader, the persuasive factor, in the situation the Senator has described.

Mr. ERVIN. I think in that case the father is under a moral law as well as under a legal law to see that his child gets the vaccine, but I do not believe it is a proper analogy, with all due respect to my friend.

Mr. TYDINGS. Perhaps it may have shortcomings, and perhaps the analogy of the Senator from North Carolina may have its shortcomings.

Mr. ERVIN. And it would seem to me that the father had a duty in that case, but I cannot see where it is the duty of the Congress to rob every American who has residential property or property susceptible of development into residential property of the right to sell or rent his property to whom he pleases. We have gotten like the Communists. They talk of the "People's Democratic Republic," when they are speaking of governments which are dictatorships; and we talk about freedom in housing and open occupancy, when what we have is a law which denies all Americans who own any residential property the right to sell or lease their property to whom they please.

Mr. TYDINGS. Basically, what the law would do is make it possible for all citizens to buy decent houses without discrimination against them because of the color of their skin.

Mr. ERVIN. The law is designed to confer on the Federal Government the power to determine what kind of residential patterns the American people will have, instead of allowing the American people to determine that for themselves.

Mr. TYDINGS. Let us put it this way, Senator: We represent the citizens of our several States, and we try to legislate in behalf of what we feel is in their best interests. We owe them our best judgment, as Edmund Burke said, and if we give them less we betray our trust.

Mr. ERVIN. And when Congress passes laws that let the Federal Government take away from the people of America the right to establish their own residential patterns, it is making America less the land of the free that it has been in times past.

Mr. TYDINGS. If the Senator is speaking of freedom to discriminate on grounds of race or creed, I think perhaps he is right.

Mr. ERVIN. The right to sell or lease one's property to whomever one pleases—an essential part of the right of private property.

I would like to ask the Senator from Maryland another question. Is it not true that in every case in which the question of whether a fair housing law should be adopted has been submitted to the people of a State or local community, the people have defeated in referendums every such proposal?

Mr. TYDINGS. I am not familiar with the statistics on that.

Mr. ERVIN. Well, the evidence before the Subcommittee on Constitutional Rights, when we considered this matter 2 years ago, was to that effect; and the people of California since that time voted down their law by a 2-to-1 margin. I shall not try to give the figures.

I would state that, so far as I have been able to ascertain, the people have never adopted such a proposal. Every time such a proposal has been adopted, the politicians have thrust it upon the people, against their will, which is another denial of freedom.

I thank the Senator for yielding to me.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. TYDINGS. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from West Virginia without losing my right to the floor.

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

Mr. BYRD of West Virginia. I thank the Senator for yielding.

Mr. President, I have been listening with great interest to the very eloquent and learned dissertations by both the distinguished and able Senator from Maryland and the distinguished and able Senator from North Carolina on hypothetical cases involving various medical problems. I thought, if I might be permitted to do so, I should like to present to both Senators the question, which was first propounded by Alexander Pope: "Who shall decide when doctors disagree?"

Mr. TYDINGS. I would say in this instance I think perhaps the U.S. Senate should decide.

Mr. President, State fair-housing provisions provide varying degrees of coverage, and the success of these State and local ordinances and statutes has been varied. That variance indicates that there is much yet to be done to buttress efforts by State and local governments, and to provide uniform fair housing in areas where State and local governments have not taken initiatives, and in areas where State and local provisions do not apply or are not enforced.

It indicates, also, Mr. President, that there must be flexibility and accommodation in the action we take in the Congress. The State and local fair-housing provisions I have reviewed illustrate differences in approach to housing discrimination problems and the scope of legislation needed and desired to meet those problems. And I would hope, Mr. President, that the Members of this body would agree with me that these differences can be accommodated without sacrificing the basic principles at stake here.

What must be forged from the discussion of this matter in the hours and days ahead is a clear mandate and a strong statement of policy which will serve to reinforce the actions already taken to insure fair housing in so many areas of our country, and which will extend to the rest of the Nation equal opportunity to obtain the kind of housing, in the kind of neighborhood, that a family's income permits.

I want to emphasize one thing here. The legislation we are now considering is not—as its most vehement critics maintain—a forced housing bill. And it does not improperly invade the privacy of one's home. Attorney General Clark,

testifying before the Banking and Currency Committee in August, in support of this bill, made this point very effectively. He said then:

Critics of fair housing legislation claim it would invade the privacy of the home. Title IV is aimed not at privacy but at commercial transactions. It would prohibit no one from selling or renting to a relative or to a friend. There is nothing in Title IV to prevent personal choice, where personal choice, not discrimination, is the real reason for action.

Mr. ERVIN. Mr. President, will the Senator yield at that point?

Mr. TYDINGS. I wonder if the Senator would be kind enough to let me continue for about another minute or two. Then I shall be delighted to yield.

Mr. ERVIN. Very well.

Mr. TYDINGS. The Attorney General continued:

It would simply assure that houses put up for sale or rent to the public are in fact for sale or rent to the public. It would assure that anyone who answered an advertisement for housing would not be turned away on the basis of his race. It would free the housing market of a barrier which often handicaps not only the Negro buyer but also the white seller.

It is not "forced housing". It is the opposite: open housing, housing unrestricted. It will eliminate widespread forced housing where racial minorites are barred from residential areas and confined to the ghetto and other segregated areas.

Other critics of this legislation have contended that the U.S. Constitution forbids enactment of fair housing legislation. This argument is without merit. Because the point is important, and has been raised by opponents of the bill again and again, I think it important that we consider the question of constitutionality at some length.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a summary brief by the Department of Justice which I believe conclusively establishes the constitutionality of the pending amendment.

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

JUSTICE DEPARTMENT PRESENTATION REGARDING CONSTITUTIONALITY OF PROPOSED FAIR HOUSING ACT

CONSTITUTIONALITY OF FEDERAL FAIR HOUSING LEGISLATION UNDER THE 14TH AMENDMENT AND THE COMMERCE CLAUSE

The proposed Fair Housing Amendment would prohibit discrimination on account of race, color, religion or national origin in the sale, rental or financing of housing. It would, when its provisions became fully effective, apply to all housing, both public and privately owned.

I. Do fair housing laws unconstitutionally infringe private rights?

The first question is whether fair housing legislation which applies to private housing, whether enacted by the Federal Government or by a State or local government, is unconstitutional because it impairs the obligation of contract,[1] deprives persons of liberty or property without due process of law,[2] takes property without just compensation[3] or otherwise infringes private rights. The answer to one aspect of that question has been clear since 1953, when the Supreme Court held that no person has a right to have a court enforce a racially restrictive covenant in a deed, whether the covenant has been inserted by the person himself or a previous owner of the property.[4] And since 1958, State and Local laws barring discrimination in the sale, rental or financing of private housing have become commonplace, and State courts have unhesitatingly upheld them.[5] Any remaining aspects of the question were settled by the Supreme Court decision of *Heart of Atlanta Motel* v. *United States* (379 U.S. 241, 259–61) sustaining the provisions of the Civil Rights Act of 1964 forbidding discrimination by restaurants, hotels, theaters and other businesses of similar character. It is now clear that forbidding discrimination on account of race, religion, color or national origin in commercial transactions, including housing transactions, does not unconstitutionally infringe private rights.

II. Does Congress possess the constitutional power to enact a fair housing law?

The remaining question is whether the power to deal with discrimination in housing rests exclusively with the States or whether Congress, too, can legislate on the subject. The answer is that the Constitution provides at least two independent sources of authority for congressional enactment of fair housing legislation: the Fourteenth Amendment and the Commerce Clause.

A. The 14th Amendment

The clause of the Fourteenth Amendment which is of principal interest here is the Equal Protection Clause:

"No State shall . . . deny to any person within its jurisdiction the equal protection of the laws."[6]

Every student of the law is familiar with the court's use of the Equal Protection Clause to prevent state action which would violate its terms. Courts have invoked it to prevent States from segregating their schools,[7] from denying jury service to Negroes,[8] individuals of Spanish ancestry,[9] or women,[10] and from denying Negroes a right to vote in primary elections,[11] among other examples.

The power of Congress to enforce the Equal Protection Clause, however, is probably less familiar. It derives from Section 5 of the Fourteenth Amendment, which provides that: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article [*i.e.*, of this Amendment]."

Perhaps the best known examples of legislation enacted (in part) to enforce the Equal Protection Clause are the Civil Rights Statutes enacted during Reconstruction days, imposing criminal penalties for violations of constitutional rights.[12] A more recent example is Section 4(e) of the Voting Rights Act of 1965, conferring voting rights on certain citizens unable to read or understand English.[13] The Supreme Court took the occasion of its upholding Section 4(e) to define two kinds of legislation which Congress may validly enact to enforce the Equal Protection Clause, one of which is of interest here.[14]

1. Federal legislation under the Equal Protection Clause may be based on Congress' determination to remove obstacles in the way of persons securing the equal benefits of government.

Section 4(e) of the Voting Rights Act of 1965 provides that no person educated in an accredited school in the United States, its territories, the District of Columbia or the Commonwealth of Puerto Rico in which the predominant classroom language was other than English shall be denied the right to vote because of his inability to read or understand English.[15] The principal intended beneficiaries of the provision were the Spanish-speaking Puerto Rican citizens of New York, many of whom were prohibited from voting by State law.[16] The Supreme Court held that Section 4(e) was a valid act of Congress because the Fourteenth Amendment empowers Congress to remove obstacles in the way of persons' securing the equal benefits of government, and under the circumstances contemplated by this legislation—in particular, the situation of the Spanish-speaking Puerto Rican population of New York—a State's denial of the right to vote is such an obstacle. It hinders the disenfranchised from securing the equal benefits of government such as schools, public housing and law enforcement.[17]

Legislation prohibiting discrimination in housing on account of race, color, religion or national origin would also be sustainable on this basis, because such discrimination forces its victims to live in segregated areas, or "ghettoes," and the benefits of government are less available in ghettoes. That fact can be amply documented. Children raised in ghettoes are more likely to go to inferior

---

[1] The Constitution, Article I, Section 10 Clause 1.

[2] The Constitution, Fifth Amendment; Fourteenth Amendment.

[3] The Constitution, Fifth Amendment.

[4] *Barrows* v. *Jackson*, 346 U.S. 249, 260 (1953); *Shelley* v. *Kraemer*, 334 U.S. 1, 22 (1948); *Hurd* v. *Hodge*, 334 U.S. 24, 30–36 (1948).

[5] Twenty-one states, the District of Columbia, Puerto Rico and the Virgin Islands have fair housing laws applicable to private housing transactions. *Fair Housing Laws, Summaries and Text of State Laws*, The Library of Congress Legislative Reference Service, *Doc. No. 360/38, A–145 (1966)*. Almost all of them have been tested in court cases and upheld. See cases listed, Housing and Home Finance Agency, *Fair Housing Laws, Summaries and Text of State and Municipal Laws*, pp. 363–66 (Sept. 1964). Washington is the only state whose highest court has ever invalidated a state fair housing statute, and its court acted by a 5 to 4 majority, 3 of the 5 judges ruling on grounds other than that the law infringed private rights. See *O'Meara* v. *Washington State Bd. Against Discrimination*, 58 Wash. 2d 793, 365 P. 2d 1 (1961), *cert. denied*, 360 U.S. 839 (1962).

[6] *The Constitution*, Fourteenth Amendment, Section 1, second sentence, third clause.

[7] *Brown* v. *Board of Education*, 347 U.S. 483 (1954).

[8] *Virginia* v. *Reeves*, 100 U.S. 313 (1880).

[9] *Cassell* v. *Texas*, 339 U.S. 282 (1950).

[10] *White* v. *Crook* (M.D. Alabama 1966), 251 F. Supp. 401.

[11] *Nixon* v. *Herndon*, 273 U.S. 536 (1927).

[12] The statutes appear in their present form in 18 U.S.C. 241, 242 and 243. Their initial enactment and subsequent history are traced in the appendix of Justice Frankfurter's opinion in *Williams I*, 241 U.S. 70 at 83 (1951).

[13] 79 Stat. 439 (42 U.S.C. 1973b (e)).

[14] The other kind is Federal legislation to nullify or forbid State action which Congress considers invidiously discriminatory. See *Katzenbach* v. *Morgan*, 384 U.S. 641, 652–56. Since State action resulting in discrimination in housing on account of race, color, religion or national origin would directly contravene the Fourteenth Amendment and so be invalid, Federal fair housing legislation to nullify or forbid it is not necessary. See *Buchanan* v. *Warley*, 245 U.S. 60.

[15] 79 Stat. 439 (42 U.S.C. 1973b (e)).

[16] See, *e g.*, CONGRESSIONAL RECORD, vol. 111, pt. 8, pp. 11061–62, 11065–66, and CONGRESSIONAL RECORD, vol. 111, pt. 12, p. 16240; Literacy Tests and Voter Requirements in Federal and State Elections, Hearings before the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary on S. 480, S. 2750 and S. 2979, 87th Cong., 2d Sess. 507–08 (1962).

[17] *Katzenbach* v. *Morgan*, 384 U.S. 641, 652–56 (1966).

public schools.[18] Their parents are more likely to lack adequate public transportation facilities to commute to and from places of work, and so will miss employment opportunities.[19] Local building and housing codes are not effectively enforced in ghettoes.[20] Federal subsidies for private housing bypass ghettoes and go instead to the predominantly white suburbs.[21] Freeways are typically routed through ghettoes, disrupting neighborhoods and displacing families, because land there is cheaper and the inhabitants less able to organize politically to oppose them.[22] Hospital facilities are less available in ghettoes.[23] Most significantly of all, law enforcement is least effective in the ghetto, although it is there that it is needed most.[24]

2. Federal legislation under the Equal Protection Clause may also be based on a desire to correct the evil effects of past unconstitutionally discriminatory government action

There is a second basis under the Fourteenth Amendment to support fair housing legislation, which the Court did not need to consider in its decision upholding the Voting Rights Act of 1965. Section 5 of the Amendment authorizes Congress to enforce its provisions, one of which is the Equal Protection Clause. Enforcement, in the legal sense, traditionally includes both the prevention of violations and the punishment [25] and the correction of the effects [26] of past violations. It follows that if the States in the past denied to persons within their jurisdictions the equal protection of the laws, and if the effects of their denials are still present, Congress possesses the power to correct those effects. By similar reasoning, the Fifth Amendment, which imposes equal-protection obligations on the Federal Government similar to those which the Fourteenth Amendment imposes on the States,[27] grants Congress the power to correct the enduring effects of any past denials of equal protection by the Federal Government.

Such denials of equal protection by the States, and by the Federal Government, were in fact numerous, and their effects in housing are still with us. The States and their local subdivisions enacted zoning laws denying Negroes and other minority groups the right to live in white neighborhoods until the Supreme Court put a stop to the practice in 1917.[28] Local ordinances with the same effect, although operating more deviously in an attempt to avoid the Supreme Court's prohibition, were still being enacted and struck down by the courts as late as 1930.[29] During these years there also came into use privately drawn racially restrictive covenants in deeds, which "ran with the land" and bound successive owners irrespective of their personal inclinations. Such covenants quickly became the major weapon for keeping minorities out of good housing,[30] and they were fully honored by State and lower Federal courts [31] until the Supreme Court ruled in 1948 that they could not constitutionally be enforced by injunction [32] and in 1953 that they could not be enforced by awards of damages either.[33]

Throughout this period, and even somewhat after the Supreme Court's 1948 ruling, the Federal Housing Administration actively encouraged the use of racially restrictive covenants, in most cases flatly refusing to grant its mortgage insurance or guarantees unless the covenants were included in the deeds concerned.[34] This Federal discriminatory action had a substantial impact:

"FHA's espousal of the racial restrictive covenant helped spread it throughout the country. The private builder who had never thought of using it was obliged to adopt it as a condition for obtaining FHA insurance. * * *

"FHA succeeded in modifying legal practice so that the common form of deed included the racial covenant. Builders everywhere became the conduits of bigotry. * * *

"The evil that FHA did was of peculiarly enduring character. Thousands of racially segregated neighborhoods were built, millions of people re-assorted on the basis of race, color, or class, the differences built in, in neighborhoods from coast to coast." [35]

At the same time, the Federal and State governments were cooperating to enforce segregation in public housing. Lower federal courts approved such efforts as late as 1941,[36] and although thereafter the courts, when they had the opportunity, invalidated them, efforts to keep public housing segregated were continuing in the North until at least 1955 [37] and in Kentucky, Missouri and Tennessee until at least 1961.[38]

These efforts to place Negroes in separate neighborhoods were especially successful because they occurred during the period of the greatest Negro migration out of the South into Northern cities. Whereas only 10 per cent of the Nation's Negroes lived outside the South in 1910, 32 percent did so by 1950 and 40 percent by 1960.[39]

Throughout these years the Federal and State governments were also active in promoting segregation in areas other than housing, such as schools and the armed forces. That activity, too, contributed to housing segregation, because it educated the white public to the myth that any kind of close association with Negroes was debasing and to be avoided.[40]

In May of 1967, the Supreme Court affirmed a finding of California's highest court [41] that a recent amendment to the State constitution known as Proposition 14 had "involved the State in private racial discrimination to an unconstitutional degree." The "right" to discriminate, the Supreme Court found, had been "embodied in the States basic charter." [42] Although the kind of prohibited State action exemplified by the California constitution amendment has been invalidated by the courts, the case illustrates that State-supported efforts to further segregated housing patterns are not entirely a problem of the distant past.

3. Federal legislation to enforce the Equal Protection Clause may deal with private conduct as well as State action

It is no objection to its validity that the Federal Fair Housing Act would prohibit private acts of discrimination in housing as well as discrimination by State or local governments. The supposed objection arises from a false analogy between judicial enforcement and congressional enforcement of the Equal Protection Clause. The power of a court to enforce the Clause arises directly from the Clause itself, which speaks only of what states are forbidden to do ("No State shall . . . deny to any person within its jurisdiction the equal protection of the laws").[43] Hence, courts enforcing the Clause can only forbid action by States or their local subdivisions.[44] But the power of Congress to enforce the Clause arises from another section of the Fourteenth Amendment, Section 5, which reads: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article [*i.e.*, of this Amendment]."

Section 5 grants a legislative power, and legislative powers are exercisable in accordance with the Necessary and Proper Clause,[45] which by its terms grants Congress the power: "To make all laws which shall be necessary and proper for carrying into Execution . . . all . . . Powers vested by this Constitution in the Government of the United States, . . ." [46]

The scope of the Necessary and Proper Clause has been settled at least since Chief Justice Marshall formulated it in 1819 in the landmark case of *McCulloch* v. *Maryland:*

"Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohib-

---

[18] *Racial Isolation in the Public Schools,* Vol. 1 and 2, Report of the U.S. Commission on Civil Rights, Washington, D.C., 1967.

[19] "White House Aiding Urban Transit Programs to Make it Easier for Poor to Get to Jobs" by Robert B. Semple, Jr., *New York Times,* March 20, 1967, p. 17.

[20] *Law and Poverty 1965* by Patricia M. Wald, National Conference on Law and Poverty, Washington, D.C., June, 1965, pp. 12–20.

[21] *Housing,* Report by the U.S. Commission on Civil Rights, Vol. 4, Washington, D.C., 1961; *Racial Isolation in the Public Schools,* Vol. 1, Report by the U.S. Commission on Civil Rights, Washington, D.C., 1967, pp. 20–25.

[22] *Dark Ghetto* by Kenneth B. Clark, Harper and Roe, New York, 1965, pp. 154–182.

[23] *Violence in the City—An End or a Beginning,* Report by the Governor's Commission on the Los Angeles Riots, 1965, pp. 73–74.

[24] *The Challenge of Crime in a Free Society,* Report by the Commission on Law Enforcement and Administration of Justice, U.S. Government Printing Office, Washington, D.C., 1967, pp. 60–63.

Dark Ghetto by Kenneth B. Clark Harper and Roe, New York, 1967, pp. 81–97.

Manchild in the Promised Land by Claude Brown, McMillian Co., New York, 1965, pp. 30–32, 160–180.

[25] See, *e.g.,* 18 U.S.C. 241–43.

[26] See *e.g.,* 42 U.S.C. 1983–85.

[27] *Bolling* v. *Sharpe,* 347 U.S. 497 (1954).

[28] *Buchanan* v. *Warley,* 245 U.S. 60 (1917).

[29] See *Harmon* v. *Tyler,* 273 U.S. 668 (1927), reversing 158 La. 439, 104 So. 200; *City of Richmond* v. *Deans,* 281 U.S. 704 (1930), affirming 34 F. 2d 712 (4th Cir.).

[30] Gunnar Myrdal, *An American Dilemma,* 349–50, 662–27 (1944).

[31] The courts of 19 states expressly upheld such covenants. The only state court recorded as denying their validity was a district court in Pennsylvania. See 3 A.L.R. 2d 466, 474–77 (1949).

[32] *Shelley* v. *Kraemer,* 334 U.S. 1; *Hurd* v. *Hodge,* 334 U.S. 24.

[33] *Barrows* v. *Jackson,* 346 U.S. 249.

[34] See U.S.F.H.A., Underwriting Manual (1938), paragraphs 980 (3)g, 935, 937 and 951. These provisions stayed in effect until 1947, see U.S.F.H.A., Underwriting Manual (1947), Preface, p. VI. Even thereafter FHA continued to deny mortgage insurance or guarantees if the neighborhood was or threatened to become integrated, see Abrams, *Forbidden Neighbors* 233 (1955), and Weaver, *The Negro Ghetto* 71–73 (1948).

[35] Abrams, *Forbidden Neighbors* 234–36 (1955).

[36] See *Favors* v. *Randall,* 40 F. Supp. 743 (E.D. Pa. 1941).

[37] See *Detroit Housing Commission* v. *Lewis,* 226 F. 2d 180.

[38] The United States Commission on Civil Rights, *The Fifty States Report* 173, 329, 591 (1961).

[39] McEntire, *Residence and Race* 9–11 (1960); *Statistical Abstract of the United States,* 1966, Table 26, p. 27.

[40] McEntire, *Residence and Race* 87 (1960).

[41] *Mulkey* v. *Reitman,* 64 Cal. 2d 529, 413 P. 2d 825 (1966).

[42] *Reitman* v. *Mulkey,* 387 U.S. 369, 377 (1967).

[43] *The Constitution,* Fourteenth Amendment, Section 1, second sentence, third clause.

[44] See cases cited in notes 7 to 11, *supra.*

[45] *Katzenbach* v. *Morgan,* 384 U.S. 641, 648–51 (1966); *United States* v. *Guest,* 383 U.S. 745, 762, 782–84 (1966).

[46] The Constitution, Article I, Section 8, Clause 18.

ited, but consist with the letter and spirit of the Constitution, are constitutional." [47]

The purpose, or "end," of the Federal Fair Housing Act is to remove the walls of discrimination which enclose minority groups in ghettoes, so that they may live wherever their means permit and be better able to secure the equal benefits of government and the other rewards of life.[48] Prohibiting private as well as government acts of discrimination in housing is undoubtedly a "means which are appropriate" and "plainly adapted to that end." Indeed, it is difficult to conceive of any legislative approach to the desired end which would not include as one of its means the prohibition of private discrimination in housing. And that prohibiting private acts of discrimination is not "prohibited, but consist[s] with the letter and spirit of the Constitution," has already been demonstrated. The courts have held that it does not unconstitutionally impair rights of contract, deprive persons of liberty or property without due process of law, take property without just compensation or otherwise infringe constitutional rights.

It is acknowledged that a few early decisions of the Supreme Court, notably the *Civil Rights Cases*, 109 U.S. 3 (1883), have narrowly interpreted the power of Congress under Section 5 of the Fourteenth Amendment. Under these decisions, Congress' lawmaking authority is confined to the adoption of "appropriate legislation for correcting the effects of . . . prohibited State laws and State acts. . . ." Congress' Fourteenth Amendment power, under this view, is reduced to the same scope as that of the judiciary—the power to redress the effect of unconstitutional State action through "corrective legislation." [49]

The Civil Rights Cases have never been expressly overruled, but the Court's reasoning in that decision has been repeatedly questioned,[50] and recent decisions have virtually destroyed the force of the rule laid down in the 1883 decision.[51]

Discussing the *Civil Rights Cases* in his partial dissent in *United States* v. *Guest*,[52] Justice Brennan, after stating the old rule regarding the scope of Congressional power, said: "I do not accept—and a majority of the Court today rejects—this interpretation of Section 5. . . ."

Justice Brennan pointed to the recent decision of the Court in *South Carolina* v. *Katzenbach*,[53] involving congressional power under Section 2 of the Fifteenth Amendment, where the Court held that "the basic test" of the validity of an exercise of congressional power was that formulated in *McCulloch* v. *Maryland*.[54] Noting that Section 5 of the Fourteenth Amendment and Section 2 of the Fifteenth employ "virtually the same" language, Justice Brennan felt that the reach of congressional authority under both enabling clauses should be the same:

"Viewed in its proper perspective, Section 5 of the Fourteenth Amendment appears as a positive grant of legislative power, authorizing Congress to exercise its discretion in fashioning remedies to achieve civil and political equality for all citizens." [55]

In similar language, the Court has since broadly defined the scope of Section 5 in upholding congressional action finding and declaring the existence of a denial against that denial.[56]

Although the opinion of the Court in the *Guest* case did not deal directly with the question, six of the Justices, three in each of two separate opinions, stated their belief that Section 5 of the Fourteenth Amendment empowered Congress to pass laws to prevent interference with Fourteenth Amendment rights—even when the interference is accomplished wholly without state action. Justice Clark, in a concurring opinion, said:

"[T]here now can be no doubt that the specific language of Sec. 5 empowers the Congress to enact laws punishing all conspiracies—with or without state action—that interfere with Fourteenth Amendment rights." [57]

And Justice Brennan wrote:

"Section 5 authorizes Congress to make laws that it concludes are reasonably necessary to protect a right created by and arising under that Amendment; and Congress is thus fully empowered to determine that punishment of private conspiracies interfering with the exercise of such a right is necessary to its full protection." [58]

By the same reasoning, Congress has the power, under Section 5, to pass laws prohibiting private discrimination in the housing market, if it concludes that such laws would provide a "remedy to achieve civil and political equality for all citizens." [59]

B. The Commerce Clause

Housing is one of America's principal industries. In 1965, it contributed $27.6 billion to the economy,[60] considerably more, for example, than the $19.9 billion contributed that same year by all American agriculture, forestry and fisheries combined.[61] The largest single investment most Americans have is their home.

A large portion of housing materials is shipped in interstate commerce. Forty-one million tons of lumber and finished wood stock were shipped in the United States in 1963.[62] Forty-three per cent of this material was shipped 500 miles or more.[63] Nine million tons of millwork and wood products were shipped in 1963 and 51 per cent of it traveled 500 miles or more.[64] Seven per cent of all the brick that was shipped traveled 500 miles or more.[65] In *NLRB* v. *Denver Building and Construction Trades Council*,[66] the Supreme Court held that the NLRB had jurisdiction under the Commerce Clause over a dispute in the building trades because the disagreement might have prevented building materials from crossing state lines.

Much of the financing of housing crosses state lines. In 1960, 2.4 million out of a total of 14.5 million one-family occupant-owned dwellings subject to mortgages were located in a State other than that of the mortgage lender.[67] The proportion was only slightly less for multiple dwellings.[68] More than half of the residential mortgages held by insurance companies in 1960 were on property in a State other than that in which the company was domiciled.[69] Almost 40 per cent of all the nonfarm mortgages on property located in California were given to secure loans the funds for which came from outside the State.[70]

Each year one family out of every thirty in the population moves its place of residence to a different State.[71]

The meaning of these statistics was illustrated by the testimony last year of Mr. William J. Levitt to Subcommittee No. 5 of the House Judiciary Committee. Mr. Levitt is the President of Levitt & Sons, Inc., a major builder of homes, and is a supporter of fair housing legislation. He testified: [72]

"Perhaps 80 per cent of the materials that go into our houses come from across state lines.

"With the possible exception of the New York Community that we are building now, every other community in which we build receives its financing from a state other than the one in which it is located."

"75 to 80 per cent" of Levitt & Sons' advertising is interstate.

"Out-of-state purchasers [of our housing] run from about 35 to 40 per cent, on the low side, to some 70 per cent, on the high side."

Discrimination in housing affects this interstate commerce in several ways. The confinement of Negroes and other minority groups to older homes [73] in ghettoes restricts the number of new homes which are built and consequently reduces the amount of building materials and residential financing which moves across state lines. Negroes, especially those in the professions or in business, are less likely to change their place of residence to another state when housing discrimination would force them to move their families into ghettoes; [74] the result is both to reduce the interstate movement of individuals and to hinder the efficient allocation of labor among the interstate components of the economy.

The Commerce Clause [75] grants Congress plenary power to protect interstate commerce from adverse effects such as these.[76] The power is not restricted to goods or persons

---

[47] 4 Wheat. 1, 316 (1819).

[48] See text at notes 18 to 25, supra.

[49] 109 U.S. at 3, at 11.

[50] See, *e.g.*, Frantz, *Congressional Power to Enforce the Fourteenth Amendment Against Private Acts*, 73 Yale L. J. 1353 (1964); Harris, The Quest for Equality (1960). *Cf. United States* v. *Price*, 383 U.S. 787, 807 (appendix); *Bell* v. *Maryland*, 378 U.S. 226, 289–305 (1964) (concurring opinion of Mr. Justice Goldberg.)

[51] *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966); *South Carolina* v. *Katzenbach*, 383 U.S. 301 (1966); *United States* v. *Guest*, 383 U.S. 745, 762, 782–86 (1966) (concurring opinion of Mr. Justice Clark, and partial dissent of Mr. Justice Brennan).

[52] 383 U.S. 745, 782 (1966).

[53] 383 U.S. 301 (1966).

[54] 17 U.S. (4 Wheat.) 316 (1819). See pp. 16–17 *supra*.

[55] 383 U.S. at 784.

[56] Katzenbach v. Morgan, 384 U.S. 641 (1966). See pp. 6–7, 16–17, *supra*.

[57] 383 U.S. 745, 762.

[58] *Id.*, at 782.

[59] *Id.*, at 784.

[60] *Statistical Abstract of the United States*, 1966. Table 454, p. 322.

[61] *Id.*, Table 451, p. 320.

[62] *1963 Census of Transportation, Commodity Transportation Survey, Shipper Series, Lumber and Wood Products, Except Furniture (Group II), Preliminary Report*, Table 5, p. 7.

[63] *Ibid.*

[64] *Ibid.*

[65] *Id. Clay and Glass Products (Group 13), Preliminary Report*, Table 5, p. 8.

[66] 341 U.S. 675, 684 (1951).

[67] *1960 Census of Housing, Volume V, Part I, Residential Finance-Homeowner Properties.*

[68] *1960 Housing Census, supra, Part II, Residential Finance-Rental Properties.*

[69] *Ibid.*

[70] Leo Grebler, "California's Dependence on Capital Imports for Mortgage Investment," California Management Review, Spring 1963, Vol. V, No. 3, page 47, at 48–49.

[71] United States Department of Commerce, Bureau of the Census, Americans at Mid-Decade, Series P23, No. 16, January 1966, pp. 4–7, 17–18.

[72] Hearings before Subcommittee No. 5 of the Committee on the Judiciary, House of Representatives, 89th Cong., 2d Sess. 1535–38 (May 4 through May 25, 1966).

[73] See Gunnar Myrdal, *An American Dilemma* 349–50.

[74] See *Katzenbach* v. *McClung*, 379 U.S. 294, 300 (1964). The armed forces also encounter difficulties from off-base segregation in transferring servicemen from one state to another. President's Committee on Equal Opportunity in the Armed Forces, Initial Report, Equality of Treatment and Opportunity of Negro Military Personnel Stationed within the United States, 47 (1962).

[75] *The Constitution*, Article 1, Section 8, Clause 3.

[76] *Katzenbach* v. *McClung*, 379 U.S. 294 (1964); *Gibbons* v. *Ogden*, 9 Wheat 1, 189–92 (1824).

in transit. It extends to all activities which affect interstate commerce, even if the goods or persons engaged in the activities are not not then, or may never be, traveling in commerce.[77] The power exists even when the effects upon which it is based are minor, or when taken individually, they would be insignificant. It is sufficient if the effects, taken as a whole, are present in measurable amounts.[78] And it does not matter that when Congress exercises its power under the Commerce Clause, its motives are not solely to protect commerce. It can as validly act for moral reasons.[79]

Mr. TYDINGS. Mr. President, the presence of residential ghettos—in effect, restricted areas in which all members of a minority group are forced to reside no matter where they desire or can afford to live—brings gravely damaging social consequences to our country, particularly in our urban areas.

I strongly believe that a man's religion, national origin, or race has no bearing on his worth as a human being or his desirability as a neighbor. Yet, as I have said, purposeful exclusion from residential neighborhoods particularly on grounds of race, is the rule rather than the exception in many parts of our country. Such exclusion unjustly denies many Americans the freedom to gain access on equal terms with other Americans to good housing and good schools for their children, and proximity to good jobs. Such exclusion unjustly denies many Americans of an equal opportunity to better their lives.

Some people assert that, as a matter of principle, some Americans should be free to treat other Americans unjustly. I do not believe this. I am not in favor of giving any person or group preferential treatment in seeking housing. I believe that landlords and property owners should be free to demand proper qualifications of prospective tenants or home buyers, such as adequate income, good credit record, proper family size to insure against overcrowding, and so forth. But I firmly believe that sellers and landlords must deal with everyone fairly and equally, by not excluding anyone from residences solely because of race, religion, or national creed.

I believe that this principle of equal treatment is fundamental to the American way of life.

I am happy to yield at this point to the Senator from North Carolina.

Mr. ERVIN. I invite the Senator's attention to subsection (c) of section 4 on page 4, and ask the Senator if it is not correct that under that provision a person is denied the right to make a personal preference.

In other words, if he has two prospective buyers, of two different races, one of them belonging to his race and one to the other race, he is forbidden to prefer the man of his own race.

Mr. TYDINGS. That is true. The effect of the law is to make certain that the sale is not based on racial discrimination.

Mr. ERVIN. It is to make certain that the man of the other race will get the house, although the man prefers to sell it to a member of his own race.

Mr. TYDINGS. That is not true. The purpose is to eliminate discrimination as a factor in the sale.

Mr. ERVIN. In my book, we make preferences every day; and the word "preference" is used here in the disjunctive. A preference is distinguished from a discrimination.

Mr. TYDINGS. The Senator plays on words. The Senator knows that if any verbal loophole is left open, it will be used to undermine the purpose of the law. We are dealing with mere semantics now.

Mr. ERVIN. These are not my words. These are the words of the bill.

Mr. TYDINGS. But the Senator would indicate that by using the word "prefer," a seller shall be permitted to discriminate. I disagree.

Mr. ERVIN. A man should have a right to prefer. But this says no, he cannot prefer. It says he cannot make any such preference, and it is in the disjunctive, not the conjunctive, so it means that he cannot make any preference or any limitation or any discrimination.

The word "preference" is one thing, and the word "discrimination" is another. They were just so afraid he might prefer to sell it to a man of his own race that they forbade him even to prefer such a man. If that is not a denial of a basic liberty of a man, I do not know what it is, with reference to his own property.

Mr. TYDINGS. I have great confidence in the Senator's legal acumen, basic fairness, wisdom, and experience. I think that the Senator realizes that the words "preference, limitation, or discrimination" are used there as synonyms, and to make certain that there is no loophole which would permit discrimination in the sale of a house.

Mr. ERVIN. If that is the purpose, let us strike out the word "preference." I ask the Senator, if I offer an amendment to strike out the word "preference" and substituted the word "discrimination," would he accept it?

Mr. TYDINGS. If the Senator will agree to vote for the bill, I will accept his amendment right now.

Mr. ERVIN. I prefer not to vote for any bill which robs a citizen of his basic property rights.

Mr. TYDINGS. I disagree with the Senator on the effect of the bill. As I have indicated, there is nothing which would prevent a person from selling his property to a relative, a friend, a business acquaintance, or a personal acquaintance. What it does do, however, if he puts it up for public sale, is prohibit discrimination on the basis of race, religion, or color.

Mr. ERVIN. I should like to ask the Senator a question concerning something that troubles me. It is on page 6, section 6, and I leave out some words not germane to the question I wish to put:

It shall be unlawful to deny any person——

Mr. TYDINGS. What line?

Mr. ERVIN. Starting on line 3:

It shall be unlawful to deny any person . . . membership . . . in any . . . real estate brokers' organization . . . relating to the business of selling or renting dwellings . . . on account of race, color, religion, or national origin.

I ask the Senator from Maryland, if the Senator from Maryland and I were to go into a business together as partners in selling real estate, would not our partnership constitute an organization?

Mr. TYDINGS. Not as I understand this language.

Mr. ERVIN. That is what bothers me.

Mr. TYDINGS. As I understand, it relates to "any multiple-listing service, real estate brokers' organization". That refers to a communitywide listing of available homes; it has to do with a broad, comprehensive service to the entire community.

Mr. ERVIN. The Senator overlooks the fact that the language is in the disjunctive. It relates to several different things, one a multiple-listing service, another a real estate brokers' organization and a third any other service organization relating to the business of selling or renting dwellings. In other words, according to the language used, if the Senator from Maryland and I go into the real estate business together, any man of another race or religion could insist that he be admitted to our organization, and we could not keep him out on the basis of his race or his religion.

Mr. TYDINGS. With all due respect to the Senator's wisdom and judgment, I think that perhaps the Senator is tilting at a windmill. The language obviously refers to a multiple-listing type of service or a communitywide real estate brokers' organization.

Mr. ERVIN. Look at the words. I am not tilting at a windmill. These words are English words—our mother tongue. I think I understand plain English words. This language means that a person cannot be denied membership on account of his race, color, religion, or national origin in any one of these activities. The first is a multiple-listing service.

The next is an entirely separate category: A real estate brokers' organization. Then there are two other entirely separate categories—any other service or organization. That is expressed in plain English. The bill says that a person cannot be denied membership in a real estate organization on account of his race or religion.

Mr. TYDINGS. If the question is one of modification, these latter words appear intended to modify "multiple-listing service, real estate brokers' organization" and not to identify a separate category. Perhaps it would be better if the words "or other such service, organization", et cetera, were used.

Mr. ERVIN. They are separate activities; a comma intervenes.

Mr. TYDINGS. It is a question of interpretation. The way I interpret it and the way the Senator from North Carolina interprets it are different. I think the record of the hearings in the Committee on Banking and Currency and the debate now taking place in the Senate will show that the language is intended to mean "or other such service organization or facility," there being the words which modify "multiple-listing service, real estate brokers' organization".

---

[77] *Katzenbach* v. *McClung, supra*, 379 U.S. at 302, *Labor Board* v. *Jones & Laughlin Steel Corp.*, 301 U.S. 1, 34–36.

[78] *Wickard* v. *Filburn*, 317 U.S. 111, 125 (1942); *Mabee* v. *White Plains Publishing Co.*, 327 U.S. 178 (1946); *United States* v. *Wrightwood Dairy Company*, 315 U.S. 110 (1942).

[79] *Heart of Atlanta Motel* v. *United States*, 379 U.S. 241 (1964).

Mr. ERVIN. That modifies the first category but not the second or the third. It is like saying that a man can buy an apple or an orange or a piece of pumpkin pie for a nickel; it does not mean that he can buy all three for a nickel.

I thank the Senator from Maryland.

Mr. TYDINGS. Mr. President, I thank the distinguished Senator from North Carolina.

Mr. ERVIN. Mr. President, I will ask if this measure does not empower the Secretary of Housing and Urban Development to investigate charges, to make charges, to prosecute charges, to act as a jury, to judge the charges, and then to act as a judge and render a judgment.

Mr. TYDINGS. Mr. President, I think the Senator will find a provision for judicial review on pages 17, 18, and 19 of the printed amendment.

Mr. ERVIN. Yes, but here we combine the functions of prosecuting witness, investigator, prosecutor, jury, judge, and executioner in the Secretary of Housing and Urban Development.

Mr. TYDINGS. As the Senator well knows, in the administrative practice and in many administrative boards in the Government, the same procedure has been followed for many years and many decades. The problem is basically met if we have judicial review to insure against arbitrary or capricious actions by the administrators.

Under this amendment, we do have judicial review and the protection of the Constitution.

Mr. ERVIN. The Supreme Court holds that it is a denial of due process of law to combine these powers in one person. This is quite different from the National Labor Relations Board. That board is not an investigator or a prosecutor. It is a quasi-judicial body. The general counsel does the investigating and the prosecuting. However, this bill would empower the Secretary of HUD to do virtually everything.

That offends my sense of fairness and violates the principle of law that a man should not be a judge in his own case.

I thank the Senator.

Mr. TYDINGS. Mr. President, I thank the Senator.

Mr. PERCY. Mr. President, I am very happy to cosponsor the fair housing amendment which is before this body. I wish to take this occasion to salute the bipartisan leadership which is behind this legislation, the leadership of the Senator from Michigan [Mr. HART], the Senator from Minnesota [Mr. MONDALE], on one side of the aisle, and the senior Senator from New York [Mr. JAVITS] and the junior Senator from Massachusetts [Mr. BROOKE] on the other side of the aisle, together with their colleagues.

I am very pleased indeed, as a member of the Committee on Banking and Currency, that a majority of the members of that committee which has cognizance of this legislation, sponsored this amendment.

I have not always been a proponent of Federal legislation in some of the social fields, nor have I even been a proponent of State legislation in some of those fields. I have had to come to the conclusion the hard way. Only in recent years did I "get religion" on some of those issues. I think, sometimes, that when we are a convert to a cause, we feel more deeply about it than if we had had it as an original conviction.

Mr. President, first, I should like to discuss the legislation affecting job opportunities in this country and what has happened to that kind of legislation, and speak, not just as a public official but as a former businessman, and then relate it to the open housing or fair housing legislation before the Senate.

As a businessman for many years in my State of Illinois, I had the deep conviction that it would be possible, through education, to offer fair employment opportunities and equal employment opportunities to all citizens, regardless of race, color, or creed. I felt that there were certain decisions which should be left to the business community, and that the right to hire was one of them.

For many years, I worked with every volunteer organization that I could, in order to improve understanding in this area. After several years, however, I recognized that we would never move fast enough in the area if we left it to the voluntary decisions of every businessman in the State, and I reluctantly concluded that State legislation was needed.

In 1961, as president of one of the largest employers in the State of Illinois, I went before the Senate of the State of Illinois and testified on behalf of fair employment practices legislation, which I urged the legislature to adopt.

The legislation which subsequently passed was originally abhorred by the business community. Business organizations testified vigorously against it. But now, in the light of a number of years of experience, none of the fears evidenced by business—that such legislation would remove a sacred right of businessmen to hire and fire at will, that the legislation was not needed, or that it would impair their freedom to engage in business as they might wish to—has come true.

Mr. President, the business community was one of the first to fall in behind the legislators to see that the set of laws which was enacted was subsequently enforced.

I am very proud, indeed, of the employers associations for the fine job they did to see that this legislation was carried out in spirit as well as in letter.

Although I had originally believed that legislation could not affect employment practices in the States significantly, I realize now that it could—and did. I know that as an educational force in Illinois, it gave the moral backing of law to employers who wanted to do it but felt that they might meet resistance. It has substantially moved fair employment ahead. The opening of opportunities for employment in the State of Illinois is much farther along than if such a law had not been enacted.

The evolution of my thinking on housing has followed a similar line. In fact, in 1964, I actively opposed State legislation for fair housing, feeling that was one thing we simply could not legislate, that we had to do it from the heart and the mind, not by force. Yet, as I worked with the relevant organizations—working again in the field of voluntary activity and public education—I recognized that we were simply not moving fast enough for the times, that if we left it strictly to voluntary decisions, we would not be moving with the dispatch that the times required.

It was for that reason that I changed my mind, as I had changed my feelings in the employment area, and I supported legislation at the State level.

Mr. President, I believed that if enacted, it would never fulfill the fears of those who opposed it, nor would it probably fulfill the expectations of the proponents; but I do believe that if enacted at the State level it would, again, just as in the area of fair employment practices, move us farther ahead in keeping with the times, and see that we, too, put the moral force of law behind what I consider to be right.

Mr. President, I know that this issue is one which has been looked upon as sectional, that the North feels one way about it, and the South another.

Today, I should like to speak as one who has lived all his life in the North but who has some claim to a Southern heritage, for I am a native son of the South.

For generations, my branch of the Percy family lived in Alabama, and a second branch lived in Mississippi. My grandfather was a drummer boy at the headquarters of Robert E. Lee, and later he served on the faculty at Washington and Lee University. My father spent most of his life in Mobile, and I was born across the bay in Pensacola, Fla.

I am not, then, a stranger to the South, although I have lived all my life, after birth, in the North.

At this time, I should like to discuss equal opportunity, as someone who has, perhaps, a foot in both sections of the country and also as a former businessman—and now, a politician.

When I speak of equality, I certainly do not do so under a halo of self-righteousness, for I live in a glass house. My city, Chicago, has nearly a million Negro citizens. They do not have equal access to jobs. They do not have equal education. They do not have equal housing. I myself have lived in a village of 2,800 persons where there is only one Negro family; this is not a sociological accident.

Cloaked in hypocrisy, discrimination in the North is just as real as discrimination anywhere else. Our social problems, especially in the cities, are at least as serious in the North as they are in the South.

Martin Luther King made no mistake in coming to Chicago to mount an assault against our wretched slums. We in the North must work just as hard as those in the South to hammer out a society of justice, equality, and dignity.

I have talked about employment and jobs, and this is a good place to talk about housing. A person cannot obtain good housing if he cannot afford good housing. First he needs a job.

I have already discussed in this Chamber the experience I had as a businessman in this area.

In talking about civil rights, I should like to address myself to it as a Republican.

As a Republican, I have long been proud of much of our civil rights record. One need not go back to Abraham Lincoln to find cause for pride.

The recommendations of the Eisenhower administration led to bipartisan enactment in 1957 of the first Federal civil rights legislation in over 80 years. Republican governors like Rockefeller in New York, Scranton and now Shaeffer in Pennsylvania, Romney in Michigan, and Hatfield in Oregon have provided strong leadership in the field of equal rights.

Two Republican Representatives, HALLECK, of Indiana, and MCCULLOCH, of Ohio, made it possible in 1963 for President Kennedy to get the civil rights bill through the House Judiciary Committee.

And as much as any man, it was Senator EVERETT DIRKSEN from Illinois who was responsible for the passage of the Civil Rights Act of 1964.

In the spring of 1964, the Republican Critical Issues Council, headed by Dr. Milton Eisenhower, recommended Federal legislation to ensure fair employment practices and to guarantee access to public accommodations to all Americans. These recommendations were included in the Civil Rights Act of 1964 which won the support of 80 percent of the Republicans in the 88th Congress.

We must see in every man the work and genius of God. We must respect, support, and actively defend the rights of every American, as an individual and as a citizen. To do less would be to deny our heritage.

All those, both Republican and Democratic, who deplore the breakdown of States rights, who look with horror upon Federal intrusion into State and local government, should be as concerned about States responsibilities as States rights.

If every State had met its responsibilities to assure the rights of all citizens, there would have been no need for a Federal Civil Rights Act of 1964, and there never would have been the strife and the anguish this country has witnessed in recent years. As Ralph McGill has observed, if political and public leadership had supported the processes of law in 1954 when the Supreme Court's school decision was handed down, "the South—and the Nation—would have avoided the bitter and disgraceful harvest of hate that has been so much a part of the years since."

Those of us who wish to see State and local government remain effective must remember the past. For it has been truly said that those who cannot remember the past are condemned to live it again. If, for instance, we in Chicago fail to respond to the challenge of our slums, then we may be sure that the Federal Government will eventually assume the responsibilities in urban housing which should be ours.

Similarly, if the South does not move with greater energy, speed, and sincerity to give the Negro his vote, to abolish injustice to Negroes and to civil rights workers at the hands of biased juries, to advance the cause of civil rights across the board, then you can be assured that the Federal Government will—and should—pass more and more of the legislation which so many southerners abhor.

In the social revolution of the 1960's, it is incumbent on each of us, northerner and southerner, Republican and Democrat, black and white, to look ahead and to plan ahead—not to temporize, not to drag our feet in the sands of the past. With open minds and hearts, we must decide what is needed, and then we must do it.

President Johnson thinks a great society is possible, and that is a worthy goal he shares with all Americans. But I believe that before a society can be great, it must be just.

A just society will provide equal opportunity to every citizen, whether he lives in Philadelphia, Pa., or Philadelphia, Miss.

A just society will ensure the dignity of every citizen, from the south side of Chicago to South Carolina.

A just society will guarantee the rights of every citizen, whatever his color, his creed, his cause.

A truly just society will not be easily attained. We have learned that the hard way. The shaping of such a society is a complex and delicate task which requires and deserves patience, as long as patience is not cynically invoked as a screen for inaction.

But a just society can be achieved. In a short time, we have already moved a long way toward it. We can move still further, still faster, if, individual by individual, institution by institution, in Watts and in Harlem, in Chicago and in Jackson, we voluntarily set the just society as our goal. All of us working together can hasten that day when democracy will truly work for every American.

We in this Chamber, we in the Republican Party particularly, as we set out for a series of Lincoln Day appearances throughout the country, and we in the United States could do no better than to follow Abraham Lincoln's personal creed:

I shall try to correct errors when shown to be errors—

He said—

and I shall adopt new views so fast as they shall appear to be true views . . . and I intend no modification of my oft-expresesd personal wish that all men everywhere might be free.

Mr. President, I should like to relate an experience that I had at a time when I was trying to decide if voluntary action and public education were sufficient, or if, instead, legislation was needed in the area of public housing.

I walked through the streets of the south side and west side of Chicago, met with many individuals there, and, in informal discussion with them, asked them whether they felt that legislation would really improve the quality of housing available to them, whether they felt that a law was necessary to give them the ability to live where they wanted to, and whether or not a law would truly be effective, and could be effectively enforced and carried out, in this area; whether, really, the problem was not, as I put it to them, an economic more than a legislative one, and whether or not the availability of adequate housing was based more on the ability to pay than on whether a person is black or white.

I already knew some of the answers, but I wanted to reaffirm the growing feeling I had that it is not just an economic problem, but a problem of barriers erected against individuals in our society—barriers so nearly invisible that sometimes we can hardly see them, but terribly effective when erected by the consent of individuals, the neighborhood or community, and the real estate brokers.

As I talked with people in the ghettos and in the slums, they asked me to price out comparable housing in other areas. They pointed out the fact that every night, at 11:59 p.m., the Illinois Central Railroad train "The City of New Orleans" came from the south and pulled into the 63d Street Station, as it has been doing 7 nights a week, 365 days a year, for years and years. Every night a dozen, 40, or 50 Negro individuals and families, coming from Alabama, Mississippi, Georgia, or Louisiana, get off that train, and within 15 minutes have disappeared into the black of the night, into the darkness of the city; and that every single morning, moving trucks start again moving white families, out of the city of Chicago into the suburbs. This process, as I say, has been going on for years and years, as the ghetto area has broadened.

Some of those with whom I spoke recalled that 10 or 15 years ago it would have been possible to walk almost any direction in Chicago, and you could not walk for five blocks without passing a white neighborhood or the residence of a white family. Some of them pointed out the fact that now you could walk for 10 miles from north to south in Chicago, and never pass the home of a single white family.

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

Mr. PERCY. I am happy to yield to the distinguished floor leader of the pending amendment.

Mr. MONDALE. Mr. President, I think one of the most impressive witnesses before our committee was the president of the Illinois Bell Telephone Co., from the Senator's State. He testified about the problem to which the Senator has just referred.

In his testimony, he argued for a strong fair housing act, to apply to all housing in this country, as the best single answer to the kind of ghetto situation to which the Senator has referred.

He developed a mathematical formula. He said that when blocks A, B, and C, located next to each other in a residential area, develop so that block A is the first entirely Negro block, and then the first Negro family moves into block B, it is almost certain that before long, block B will be entirely Negro, and then the same process will be repeated with block C, so that the net effect is a growing pattern of racially segregated, all-black blocks.

But he said that on those occasions—which are far too rare—where the Negro family has moved, not into block B, but

into block X somewhere else, in either an integrated or all-white community, it has not been the experience that that block necessarily had to break down into a single race community. He stated that the present practices of discrimination in the sale and rental of housing encourage the first pattern and discourage the second pattern; and that if we had a strong fair housing law, and those who had the financial ability to do so could buy where they pleased, they would not buy in block B, but would buy elsewhere, in a stable, integrated neighborhood, and thus avert this totally unacceptable and heartbreaking process by which, almost like an ink blot, communities, and particularly the central cores of American cities, have become all black, to everyone's chagrin.

I think the witness' name was Mr. Cook; I am not quite sure of the name, but it was a remarkable bit of testimony, not by a traditional civil rights leader, not by a member of a class or group who had traditionally taken this position, but a substantial, highly-respected white businessman, who, from his own experience, felt that fair housing was not only morally desirable, but a long overdue practical step for this Nation to take.

Mr. PERCY. Mr. President, I should like to state that I was just as impressed as was the distinguished Senator from Minnesota by the testimony given by Mr. James W. Cook, president of Illinois-Bell Telephone Co., before the Housing and Urban Affairs Subcommittee of the Committee on Banking and Currency.

I was impressed to hear such on opinion so openly and frankly expressed by a man who heads a great public regulated agency, whom one would not ordinarily expect to take notably controversial positions or to seek them, and who had every reason to say, "As the head of a public regulated agency, with strong feelings by Republicans and Democrats, by liberals and conservatives on this issue, it would be best for me not to take this controversial position as head of the leadership group in this area of civil rights in Chicago."

He did not do that. He has accepted the abuse that he has received as a result of taking this position, and he gave excellent testimony to our committee.

Mr. MONDALE. I think I am correct in this, that he represents a committee of Chicago business leaders from all walks of life in Chicago, who similarly believe that this step is long overdue.

There was another witness from Chicago who, likewise gave testimony that I thought was enormously impressive, and that was Mr. Kramer of the Kramer Realty Co. I may be mistaken in this belief, but I believe that is one of the largest and most experienced real estate firms in the Nation, if not in the world.

His testimony was not simply that we should have some kind of fair housing law. I think his was almost the most radical testimony we heard. He said:

> We simply must have, now, an adequate, thorough, all-encompassing program of fair housing.

This was not what some would like to call do-gooders, although I like do-gooders and wish there were more of them. This was a man who spoke as a businessman, a man whose whole life and career and survival depended upon the strength of the real estate industry. His testimony, along with the testimony of other top realtors from around the country, demonstrated that the old monolithic structure of the real estate industry had been broken into throughout the Nation and that the real estate industry is more and more coming to the view, despite the official position of the National Real Estate Association, that the time has come for the adoption of fair housing legislation.

I think that Chicago did itself proud with those two witnesses.

Mr. PERCY. Mr. President, I thank the distinguished Senator for his kind words about our fellow Chicago citizen. And I commend Mr. Kennon B. Rothchild, of St. Paul, Minn., who also appeared on the real estate panel, with Mr. Ferd Kramer, of Chicago, and gave excellent testimony.

Mr. MONDALE. Mr. President, at the time Mr. Rothchild testified before us, he was the president of the Minnesota State Mortgage Bankers Association. The reason that I mention that is that we have been given the impression that fair housing is merely a dream of idealists and people who are remote from the real and practical world. However, time and time again, Mr. Cook, Mr. Kramer, Mr. Heiskell, president of Time-Life, and Mr. Rothchild, president of the Minnesota State Mortgage Bankers Association, appeared before us and pleaded for the adoption of this kind of legislation. This is a part of the record which was developed on fair housing that I am glad the Senator is exploring and making clear because I am not sure that it is well known or understood in the country at large.

Mr. PERCY. Mr. President, I regret very much that I do not have with me the testimony of Mr. Ferd Kramer. However, I do have a copy of the testimony of Mr. James W. Cook, who serves not only as president of the Illinois Bell Telephone Co., but also as the president of the Leadership Council for Metropolitan Open Communities in the Chicago area.

This is a committee made up of religious leaders—Catholic, Protestant, and Jewish—as well as Republicans and Democrats.

I am very proud to serve on that committee with Senator EVERETT MCKINLEY DIRKSEN, my senior colleague, and also with Mayor Daley and Governor Kerner. This is a bipartisan effort. It embraces labor leadership as well as business leadership.

Mr. President, I ask unanimous consent that the remarks made by Mr. Cook be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. PERCY. Mr. President, Illinois now remains the one major industrial Northern State without an open occupancy law, and although I strongly support Federal legislation, I am cognizant of the fact that we have not done our job back home.

I am anxious to do that job. I am pleased that now we do have a great many local communities that have adopted ordinances.

The subject of fair housing in Illinois was a subject of debate in this Chamber as some debated whether Illinois was worthy to be a recipient of a large contract from the Atomic Energy Commission. I pledged at that time that I would continue to make every possible effort to see to it that we adopt in Illinois not only State legislation, but also local ordinances.

I am happy to report now that we have 30 cities and towns in Illinois that have open housing ordinances. These 30 cities and towns embrace more than half the population of Illinois. The number of cities and towns includes every major city in the State of Illinois with the exception of Rockford, Ill.

I am pleased to report that 18 more cities are now in the process of trying to enact ordinances at the local level. And certainly when our State legislature convenes once again, I feel quite confident that the leaders of both parties will introduce open housing legislation as an early order of business.

The distinguished Senator comes from a State that has adopted fair housing legislation after, I presume, the same heated and emotional and rational arguments that we now hear in the State of Illinois.

I ask the Senator from Minnesota whether the slum dweller who lives in a compressed area in which he has great difficulty leaving does not discover that this compression results in increased rent and inferior housing when compared to other areas to which he would move if there was an open housing law?

Mr. MONDALE. Mr. President, I do not think there is the slightest doubt of that matter. Some studies are included in the record that disclose, insofar as housing costs can be compared, that the cost of housing in the ghetto is infinitely higher than it is outside the ghetto. Of course, that does not tell the whole story because one of the things that has been happening in recent years—and I am very pleased that this is the case—is that the number of Negro Americans who are joining the middle class and the upper middle class and the upper economic class in terms of economic returns has been increasing rather impressively.

Thus, there is a growing number of Negro Americans who are able to buy good housing, but who find that so much of their purchasing power is absorbed by exorbitant real estate costs in the ghetto that they are denied a far better bargain in housing in a far better community in an integrated neighborhood or in an all-white neighborhood because of the pattern of discrimination that exists.

We had testimony, as the Senator knows, from a lieutenant in the U.S. Navy, a remarkable young man with a handsome family, who has spent 8 years now, among other things, defending this Nation, who went to 39 different places in Arlington with his uniform and asked to buy a house and was turned down.

We had testimony from a language professor in Philadelphia whose annual income was slightly over $11,000 a year, clearly putting him in the normal rang-

ing of decent housing. He spent one-half of a year over the vicinity in which he worked seeking housing outside of the Negro ghetto. He could not find it.

What does that mean to the thousands and thousands, perhaps millions, of Negro Americans who want a decent place to live, who have the money to pay the cost of such housing, but yet are pinned down in the high-cost, low-value, alienated, depressed ghettos of rotting American cities? What sense of alienation, rage, and frustration must be in the breasts of those of our fellow Americans who are in that predicament?

Mr. PERCY. I should like to ask another question of the distinguished Senator. I know it is difficult for any of us to walk in someone else's shoes. But I have been deeply impressed by the ability of the distinguished Senator from Minnesota to walk in the shoes of the consumer and to walk in the shoes of the Negro and envision what life is like to the consumer and even to the Negro. On the basis of the Senator's experience, how important as a symbol is open-occupancy legislation to the Negro? I ask that question recognizing that probably 95 percent or more of the Negroes would never be affected by an open-occupancy law; but to 100 percent of them, it is my feeling that it is an important symbol.

Can the distinguished Senator from Minnesota tell me how important a symbol it is and how important it might be to have the passage of an open-occupancy law relieve some of the frustrations and some of the bitterness that many Negro Americans feel toward American society, when they say, "The Bill of Rights, the Constitution, and the American dream are for white Americans, not for Negro Americans"? How much of the frustration is due to the fact that we cannot pass a law which provides that everyone, regardless of race, color, or creed, has the right to education, to jobs, to vote, to rights before juries, and to housing?

Mr. MONDALE. I am glad that the Senator from Illinois asked that question. Of course, I am most grateful to him for his flattering comments about my work. I must say that the combination of the Senator from Illinois and the Senator from Minnesota appears almost daily in the Senate. Last year we worked together to unsnarl the problem of how to bring homeownership within the reach of families having modest incomes, particularly in the cities, families who could not afford to own homes. Out of our teamwork, I think we developed a program that is exciting and creative. Except for the insight, the insistence, and the understanding of the Senator from Illinois, we could not have accomplished nearly as much as we have.

Mr. PERCY. If the Senator will yield, I should like to indicate that it has been with great restraint that I have been speaking for 45 minutes on the floor of the Senate without once mentioning homeownership.

Mr. MONDALE. I do not believe that would be contrary to the rules, but I am sure the Senate is grateful to both of us for not bringing it up.

I ask practically every witness the same question the Senator asked, because I believe it is fundamental. How important is fair housing? Is this just a symbolic vestigial issue left over by the civil rights movement that we bring up on a ritualistic basis, or is it a matter of substance, a matter of fundamental importance to the people of this country?

Mr. Roy Wilkins, who I believe has as strong credentials as any American to speak on this subject, said this:

I might say as sort of a confession that while I have always believed that housing and employment and schools are the inseparable trio that must be dealt with as far as the ghetto living is concerned, I have been a little astonished to discover in recent years the tremendous feeling about housing, and even more so than unemployment. Ordinarily we would say unemployment is No. 1. I personally say schools are No. 1, but I think unemployment is only about a nostril behind, you might say, but I have been astonished to find the number of persons who consider housing.

Later in his testimony he said that he regards fair housing as the No. 1 issue facing urban America and all decent citizens in our country.

There is another statement, presented by the representative of the American Civil Liberties Union, which in my opinion underscores the psychological costs of the alienation of our fellow Americans because of discrimination in the rental and sale of housing. This is one of the finest statements I have ever seen by anyone seeking to make tangible the psychological costs of discrimination. This was Dr. Black, who represents the American Civil Liberties Union. He said:

The real evil in the ghetto effects is the rejection and humiliation of human beings. As former chairman of the Police Complaint Review Board of New York City, I found that the most humiliating and injurious thing that police can do is not physical but psychological and spiritual, when they humiliate a man in the presence of his wife or his children. This is the enraging and destructive thing to a man's soul—and the injury it does to a child's psyche—because the man, who is supposed to protect the family, to make the home, and is made to feel that he is nothing by one who represents the authority of society.

Then I believe he put his finger on the real issue. He said:

This sense of humiliation goes all through the ghetto. It is the primary cause of the frustration and rage in the youth which has acted with such violence in the recent riots. In the ghetto no matter what they do, what they become, they don't get anywhere. They feel they are in a cage. And this is why this bill is of crucial importance now.

Testimony to the same effect was given throughout the hearings.

The brilliant statement by the distinguished Senator from Massachusetts [Mr. BROOKE], who is a member of the President's Commission on Civil Strife, appearing at page 2283 of the RECORD, underscores the psychological dynamite that is exploding all around us because of the continuing alienation and separation of good people from good people solely on the irrelevant basis of color.

Mr. PERCY. I should like to indicate to my colleagues in the Senate an illustration of how deep-seated this feeling is on the part of Negroes who ordinarily, we might feel, would not have such a feeling of bitterness and frustration against society because society, in material terms, has treated them quite well.

During the course of the meetings that I held throughout the South and West Sides of Chicago, I not only went through the public housing projects—the Robert Taylor Homes—and up and down the tenements and flats, visiting with the families and individuals, but also went into some of the more affluent areas of our Negro community. I visited with a Negro doctor who I would estimate had paid a very sizable amount for the co-op apartment that he occupied. The furnishings were extremely attractive and undoubtedly expensive. I asked him whether or not he had any deep-seated feelings about open-occupancy legislation. He looked at me and said:

I don't know whether I can really adequately express how deeply I feel about this. On the surface, I have no real cause for bitterness against society. I have a practice, including many white patients, that nets me $40,000 or $50,000 a year. I have several children. They have received or will receive a college education. We are able to travel about the world occasionally, and I have every aspect that material life can offer to me.

But, you know, once a week I get frustrated because I sit here and read the Chicago newspapers and their housing sections. I read about the beautiful suburban homes, and I read about the lovely lawns and vistas that are available in the suburbs, against the congested conditions inside the city. I sit there and I say, "That's just fine. That's for you white members of this community." Because most of the communities being advertised, I know from experience are for whites only. I could call on the realtors, I could call on the brokers handling those houses and if I were white and I didn't have a college education, all I would have to do is demonstrate my ability to pay and I would be able to own one of those houses tomorrow.

But he said:

Since I am Negro, they will give me 50 different reasons why I would not be happy, or why those houses are not available, or why an investigation of my condition would take a long period of time.

He said:

Once a week when I go through that exercise, I become enraged at American society that can have a citizen, such as me, who can gain an education, become a responsible citizen, contribute part of my time every week to the county hospital, serve on boards, and engage in every aspect of American society trying to be a responsible citizen, and then realize that there are still rights that other Americans have in this country that I cannot have today and never will have unless somehow or other we begin to move ahead and recognize the frustration and bitterness that comes when the American dream is available only to white America and not Negro America.

Mr. President, when I recognize a man such as that could have as deep and bitter feelings as he has about the lack of promise of American society and certain phases of our activity, I feel we are not moving ahead fast enough. That is why I began to speak on behalf of state legislation and why I believe with such deep conviction that we must act now at the Federal level to see that open occupancy legislation is passed. Even when it is

passed it will not fill the hopes of all of its ardent enthusiasts because of all of the other factors involved affecting the ability of the individual family to have housing in this country.

I know from experience in the past in other States and other communities it will not measure up to the views of those who oppose it. However, it will be a symbol to America and 20 million Americans.

If we do not have open housing, it can tear us apart and fashion us as hypocrites in the eyes of the world. It can tear us apart from the rest of the world, most of which is nonwhite. But if we act, it can help bind us to the rest of the word, which looks upon America as the symbol of hope.

I feel that in our actions we demonstrate what America can and must represent.

I thank the acting majority leader for his courtesy in extending to me the time to make these comments today.

Mr. President, I ask unanimous consent that there be printed in the RECORD an editorial entitled "The Spread of Fair Housing," published in the Chicago Sun-Times of July 13, 1967; an editorial entitled "Warning Inside FHA," published in a recent edition of the St. Louis Post-Dispatch; and an article entitled "Fair-Housing Laws Enacted by 26 Illinois Municipalities," published in the St. Louis Post-Dispatch of January 7, 1968.

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

[From the Chicago Sun-Times, July 13, 1967]

THE SPREAD OF FAIR HOUSING

With the adoption of a fair-housing ordinance by the Joliet City Council, the number of Illinois communities with some form of fair-housing legislation now totals 10. The number of residents covered is 4,132,071, which is more than half the urban population of the state.

A number of other cities and villages are considering the adoption of fair-housing ordinances, particularly since the 1967 Illinois Legislature failed to act.

The figures cited above show in cold statistics that the Illinois Senate was out of touch with urban residents and their problems when it failed to pass a fair-housing bill last month. The House earlier had accurately reflected public opinion when it approved a bill directed at commercial dealers in housing but not individual homeowners. That is the essence of most of the city ordinances.

The changing climate of public opinion on fair housing is also evidenced by the comment of Dr. Martin Luther King, Jr. who on Tuesday said Chicago has done more than any other city to create a favorable atmosphere for fair housing. He said there probably will be no open-housing marches here this summer and praised the recent Project: Good Neighbor as unique.

Some of the pressure for action by the Legislature was generated by the possibility that Illinois might lose the big federal atom smasher project at Weston unless a state fair-housing statute was enacted. Fair housing should have been approved by the Legislature even if the Weston site were not involved. Conversely Illinois deserved the project even without a state fair-housing law and the U.S. Senate yesterday acknowledged this. Even before the Weston project was conceived several Illinois communities, including Chicago, adopted fair-housing laws.

Chicago adopted a fair-housing ordinance in September, 1963, the first Illinois city to do so. (It was upheld as constitutional by the Illinois Supreme Court last January.) In December, 1963, Peoria adopted a similar ordinance. In January, 1964, East St. Louis adopted an even stricter one. Others with fair housing are: Decatur, Freeport, Maywood, Springfield, Alton, Wheaton and Weston.

Although Joliet is in driving distance to Weston, the City Council's action on fair housing had no relationship to the big federal project. The drive for the ordinance was based on local needs. The city is expanding and is facing a manpower and housing shortage. It needs to keep and attract qualified Negro workers and professionals, as do other industrial communities.

About 10 per cent of the Joliet population is Negro. Last year when the City Council turned down a fair-housing ordinance four Negro members of the mayor's advisory committee quit. Their resignation was responsible in part for failure to obtain federal financing of private and public development in the city.

This year the fair-housing ordinance was backed by the Joliet Chamber of Commerce and other civic groups. Fair housing is becoming more widely recognized as necessary for the prosperity and growth of local business enterprises and consequently the progress of the entire community. As this becomes better understood by more citizens, we expect more communities—and eventually the state and nation—to adopt workable and fair housing laws.

[From the St. Louis Post-Dispatch]

WARNING INSIDE FHA

The Federal Housing Administration headquarters in Washington has urged its field officers to do more for open housing for Negroes "or we will have an agency with little future." This is sound advice, and it follows a startling revelation. Since the 1962 presidential order for open housing in FHA-insured programs, only 3 per cent of the homes in all FHA-aided subdivisions have been opened to Negroes.

Originally, FHA's intent was to aid persons with modest incomes to build homes. The result after many years, however, was to promote the building of lily-white suburbs. In today's affluent nation, many suburban homes are built without FHA assistance and thus escape the effect of the 1962 executive order, and what has been left for the FHA has generally not been used by its field officers to stimulate fair housing. So it could be said that this is an agency that has lost its way.

To find itself again, FHA must reassert its housing leadership for lower-income groups, which means Negroes among others. That is what Deputy Assistant Secretary Philip J. Maloney of the Department of Housing and Urban Development implied in his warning to the field offices. Unless FHA finally stands for fair housing, it may not stand for much housing at all. It would, indeed, have little future.

[From the St. Louis Post-Dispatch, Jan. 7, 1968]

FAIR-HOUSING LAWS ENACTED BY 26 ILLINOIS MUNICIPALITIES

(By Taylor Pensoneau)

SPRINGFIELD, ILL., January 6.—At least 26 municipalities in Illinois now have passed fairhousing ordinances. Seventeen have acted since the General Assembly refused in a bitter row six months ago to approve a state freedom-of-residence law.

The ordinances vary from token measures stipulating little more than a statement of municipal policy to strong laws providing wide coverage and strict enforcement against persons refusing to sell or rent housing to Negroes and members of other minority groups.

WIDE VARIATIONS

The only similarity among some of the ordinances is that they say they intend to insure that a person will not be denied an opportunity to obtain housing in any section of town because of race, creed or ethnic background.

Ivan R. Levin, downstate director of the Illinois Commission on Human Relations, said, "Generally, of course, adoption of an ordinance in itself doesn't put much of a dent in segregated housing. Many are convinced nothing significant can happen in this field without state level action."

Levin, whose commission supports the passage of local open housing ordinances in the absence of a state law, said that city officials supporting the ordinances "obviously feel their cities are not developing in a healthy fashion when one part seems perpetually condemned to all of the worst aspects of existence."

"Many of these local leaders waited for the General Assembly to act," Levin said, "but in view of what happened they now must feel they have a better understanding of the need for this kind of legislation than do others who are not local officials.

"We have noticed that most local leaders supporting these ordinances are conservative and business-oriented, not radicals. Big business now understands better than most groups that fair housing is desirable."

On the other hand, Robert E. Cook, executive vice president of the Illinois Association of Real Estate Boards, told the Post-Dispatch that, "we still feel, after looking at Chicago, Peoria and other places where these laws have been in effect that they just don't change the situation at all." The association was a major opponent of open housing proposals in the 1967 legislative session.

CRITICIZES EXCLUSIONS

Cook especially criticized the municipal ordinances that restrict only real estate brokers and salesmen from discrimination and not home owners and other parties that could be involved in housing transactions.

"Singling out the broker is only hurting Realtors and making it harder for people to dispose of their property," Cook said. "There's no effect on the basic problem of trying to find better housing for all."

The least offensive ordinance to real estate brokers is the so-called blanket type that covers property owners, lenders and others as well as brokers, Cook said.

Levin said this type would be viewed "on paper" as the strongest kind.

Leading examples of blanket ordinances are those of East St. Louis, Carbondale, Wheaton, Highland Park and Bloomington. The East St. Louis ordinance, one of the state's first at the time of its passage three years ago, specifically outlaws discrimination by owners of residential real estate as well as brokers licensed by the city.

SOME COVER OWNERS

Some municipalities include owners as well as brokers in ordinances, but exempt broad classifications of housing from the anti-discrimination provisions. As an example, the town of Normal excludes from its ordinance the owners of one or two-family owner-occupied residences.

Regardless of the extent of coverage, most observers believe the usefulness of the ordinances will be determined by the degree of enforcement. Most of the Illinois ordinances are being enforced either by the local human relations commissions, specially created fair housing boards or directly by the city councils.

The ordinances generally provide penalties for persons found guilty of a discriminatory practice after conciliation efforts have failed. Penalties usually entail suspension or revocation of local brokerage licenses or fines ranging up to $500 for each offense. A jail sentence of up to 90 days is possible in Bloomington.

Open housing advocates have pointed to the Carbondale ordinance, approved Dec. 28, as possibly the strongest in the state. A major reason is that the Carbondale Fair housing board, in the course of an investigation of a complaint, is authorized to ask that the City Attorney be instructed to seek a court injunction to prohibit any violation of the ordinance that appears imminent.

Friction has occurred in some communities because of requirements in their ordinances that persons pay fees in the filing of complaints. In Rock Island, a complainant must pay a $40 fee. A $15 fee is required in Champaign. The fees would be remitted under certain circumstances.

Other Illinois municipalities with fair housing ordinances include Springfield, Decatur, Maywood, Freeport, Weston, Elgin, Joliet, East Moline, Galesburg, Skokie, Evanston, De Kalb, Markham, Moline, Quincy and Arlington Heights.

EXHIBIT 1

STATEMENT OF JAMES W. COOK, PRESIDENT, LEADERSHIP COUNCIL FOR METROPOLITAN OPEN COMMUNITIES, CHICAGO, ILL., SENATE SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS, AUGUST 23, 1967

Mr. Chairman, and members of the committee: My name is James W. Cook. I am President of the Illinois Bell Telephone Company and I serve currently as President of the Leadership Council for Metropolitan Open Communities in the Chicago area. I appear here today at your invitation, not as an expert witness in housing legislation, but as a concerned businessman who has been intimately involved since last fall in an attempt to solve the problem of equal opportunity in housing in our metropolitan community.

Perhaps you recall that about a year ago, almost to this day, the Chicago area, gravely affected by a summer of riots, disorders, and lawful demonstrations, hailed the news that a "Summit Agreement" on housing had been reached. What the newspapers termed the "Summit Agreement" was a landmark voluntary compact in which various governmental agencies, business, labor, religious bodies, financial institutions, civil rights organizations, the real estate industry and dozens of other leadership organizations agreed to seek "immediate, practical, and effective steps . . . to create a fair housing market in metropolitan Chicago."

This agreement was reached through negotiations called by the Chicago Conference on Religion and Race which is jointly sponsored by the Roman Catholic, Jewish and major Protestant bodies in our area. The meetings were chaired by Mr. Ben Heineman, Chairman of the Chicago and North Western Railway. The agreement itself was drawn up by a committee headed by Mr. Thomas G. Ayers, President of the Commonwealth Edison Company, and received the wholehearted endorsement of Chicago's Mayor, Richard J. Daley.

Much to my surprise (and candor might cause me to add consternation!) I found myself, a few weeks later, called upon by the religious leaders of our community and leading government officials to head up the group which was charged with the implementation of that Summit Agreement—The Leadership Council for Metropolitan Open Communities. There were dozens of reasons to say "no." After a good deal of soul searching I said "yes," because I believed then, and am absolutely convinced now, that we must face up to this problem while it can still be solved, or face in the future economic and social consequences which could lead to the erosion of our free, democratic way of life.

Of necessity, I am going to testify out of knowledge gained in coming to grips with this problem in the Chicago metropolitan area since last summer. I have not in that short time miraculously become qualified to draft a piece of legislation or even make intelligent criticisms of the details of proposed legislation. Being, I hope, a prudent man I don't intend to tell this august body what kind of a bill it should recommend to the Senate. I do hope that I can tell you what such legislation should achieve and why it is needed. How you're going to do it, I leave to the experts.

Latest studies show that the City of Chicago is turning from white to black at the rate of 4.56 blocks per week. This estimate of ghetto growth by the Real Estate Research Corporation gives you the quantified result of the historic existence of a dual housing market in the Chicago metropolitan area.

Here are the facts. Eight out of ten Negroes in Illinois live in the city of Chicago. In 1950 about 500,000 lived there and Negroes comprised 14% of the city's population. Now there are about one million Negroes in Chicago and they total 28% of the city's population.

Where do they live? By and large they live in racially concentrated neighborhoods on the south and west sides of the city. Restrictions on housing have created two housing markets in the Chicago metropolitan area; one for Negroes and another for whites. The Negro market is characterized by an excess of demand over supply and this results in what you would expect—higher rents and higher prices for Negroes. Some Negro families accommodate these higher costs by "doubling up" with the consequent deterioration of property and living conditions.

Certain facts have crystallized, and I believe we should examine them.

Fact 1. When Negro residential area "A" is immediately adjacent to white residential area "B" and the demand for Negro housing exceeds the supply, eventually a Negro family will move from "A" to "B."

Fact 2. With few exceptions, it will be only a matter of time before the whites move out of area "B" and the area becomes Negro. In the presence of panic some whites may suffer financial loss in the process and their fears are intense during the time this happens—intense enough, sometimes, to produce violence.

Fact 3. But when the move from Negro area "A" is to a *non-adjacent* white area—Say "X" or "Y"—the same pattern almost never occurs. Negro inundation does not follow and violence is rare.

Movement from the A's to the B's, however, has been the pattern by which the growth of Chicago's Negro population from a half-million to a million has, by and large, been accommodated. We do not need a crystal ball in order to foresee the consequences of continuing this trend. If the only move possible for a Negro family is from one ghetto neighborhood to another, or to extend the ghetto, Chicago will become in due time virtually all-black.

Accommodating our Negro population by expanding the ghetto is also prohibitively expensive. It erodes the tax base for real property, and increases the cost of essential goods and services for the rest of us.

Chicago is the economic heart of our metropolitan community. Even those who both work and live in the suburbs are dependent upon the survival of the city.

I do not believe we can prosper economically and socially, if we end up with a black central city with a white noose around it. The consequences of racial isolation of the central city from the rest of the metropolitan area are dismal to contemplate. In an era when the problems of pollution, sanitation, public safety and transportation—just to name a few—demand *closer* cooperation between the central city and surrounding communities, we cannot afford to grow *apart* further.

Yet, if the present trend continues, this is what will happen. But there is a solution. An alternative to block by block expansion of the ghetto could eliminate the threat to all of us.

Give Negroes and other minority groups the same freedom of choice in housing that the rest of us enjoy, and we will ease the pressures on the ghetto and on the rest of us, too.

I know this will give some immediate visions of a complete turnover in the suburbs, too, but the evidence is all against that possibility.

The block by block pattern applies only in those areas that are immediately adjacent to the ghetto and where whites panic and flee at the approach of a Negro. In those instances where a Negro family has broken the pattern and moved to a community some distance from the ghetto, the community has remained stable.

It has been estimated that there are 60–70,000 Negro families in Chicago whose income, education—their general socio-economic status—would make it possible for them to move to presently all-white communities in the area if the market were free and they were inclined to do so.

Even if *all* of these 60–70,000 families elected to move, and were accommodated on a random basis in presently all-white areas, the resulting ratio would be somewhere in the neighborhood of 14 white families to every Negro family, in the metropolitan area. Needless to say, actually getting any appreciable number of these families to move, let alone all of them, would take a tremendous amount of education within the Negro community. In view of past history, it will not be easy to convince a significant number of these Negro families that they would be welcome.

It is clear that in addition to creating an environment which will make it possible for Negro families with the capability and desire to move into all-white areas, we have to move simultaneously on two other fronts in order to provide equal housing opportunities for the great bulk of minority group citizens. I don't intend to dwell on these, but I do want to note simply that we also need to give our support to the massive rehabilitation job which must be undertaken to make inner-city dwellings fit for habitation. To be sure, government has a big role to play here, but I believe there is also a great role for private enterprise and I am heartened by some of the imaginative projects currently being discussed here and around the nation.

I noticed that in hearings before this subcommittee just a few weeks ago you heard testimony on various ways to help the residents of the inner city gain a greater ownership stake in the progress of their community. As a businessman I applaud these efforts and assure you that we are receptive to plans for increased private initiative as well as governmental efforts to renew our inner cities. I don't believe we can rely on any single effort to solve this most pressing problem.

Then, also, we must together seek new, creative and heretofore untried ways of stabilizing the communities now adjacent to all-Negro neighborhoods. We must find a way to make it possible for Negroes to move into these communities without setting off the chain reaction which ends in the extension of the ghetto.

A year ago I was rather lukewarm on the question of fair housing legislation. By now I have, somewhat reluctantly, reached the conclusion that local ordinances, state laws, and federal legislation all have a role to play—along with cooperative educational efforts—in helping to solve the problem. The sad fact is that voluntary efforts alone have not been effective enough to meet the rapidly increasing needs and expectations of our minority groups. As long as measures to prohibit discrimination do not fall with an even hand on all, we will continue to have

landlords who fear economic disaster, if they are the first to rent to a Negro; sellers who believe in a free market, but fear their neighbors wrath; and minority group members who will not venture forth without the knowledge that they are in *fact* free to move where their heart and their purse will take them.

Many things have happened to change my attitude. They can best be typified by one story. Late this spring the Leadership Council learned that one of our leading national corporations, headquartered in Chicago, had hired a Negro man as a research technician for their laboratory in a northwestern suburb of Chicago. He and his wife had a difficult time finding a place to rent in the all-white communities near his work. Finally they found an ideal apartment, were introduced by the agent on the site to their potential neighbors in this large apartment complex and were welcomed by them. They filled out an application and made a deposit. Several days later they were turned down for reasons which were later shown to be insincere. A local group of clergymen and other citizens intervened on behalf of this couple, to no avail. The Vice President in charge of research, and the Chairman of the Board of his corporation intervened and offered guarantees. The answer was still "no." The staff of the Leadership Council, whose membership includes 20 corporate chief executives, the heads of 13 banks and financial institutions, the leaders of 7 universities and colleges, 6 labor union heads, 7 chiefs of real estate firms and the Mayor or President of 35 cities, towns or counties, talked at great length with the apartment house managers, but we failed, too. Finally the Governor of Illinois tried to prevail upon these men to grant this college trained researcher and his wife the opportunity to rent one of the several hundred apartments in this developments. And the answer was still "no." It is not often that such an array of leading citizens can be brought to bear on an individual case—but the owners would not be moved. They spoke of many things, but we believe at the heart of their refusal was their fear of the potential competitive disadvantage which would be theirs, if they rented to a Negro and others in the area did not. (This fear, I'm happy to say was not shared by another owner nearby who stepped forward when the story was made public and offered an apartment which this family now enjoys—but he is a rare man.)

This problem belongs to all of us and I'm afraid the only way we will all share it is if our obligation becomes legal as well as moral.

Not too long ago local, state and federal legislators found a way to bring the majesty of the law to bear on fair employment problems without destroying our economic system or our society. I believe that today a way can be found to bring the majesty of the law to bear on our fair housing problems—and perhaps save our society and our economic system.

In the case of fair employment, mere passage of laws did not bring instantaneous change. It has taken the conscientious, cooperative efforts of labor, business, and many other segments of our society to open up new fields for Negro employment. In Chicago, the Merit Employment Committee of the Chicago Association of Commerce and Industry, for example, has tackled this problem enthusiastically and through their efforts more than 1,200 firms are participating in a program designed to encourage the employment and advancement of non-white workers.

While I am here today as a businessman to testify for the principle of fair housing legislation I want to make it clear that in my estimation legislation alone will not solve the problem. I am a staunch believer in what the businessman, either as an individual or through the influence of his enterprise, can do to help solve our enormous social problems. We will need the same kind of voluntary, cooperative effort which has brought such progress in the employment field before equal opportunity in housing becomes a reality.

In short, it is my conviction that the urban problems of America will be solved only when we successfully join the efforts of government, voluntary associations, and private business in an attack on the ills which plague us.

I look forward, as I'm sure you do, to the day when every man is free to move wherever his heart and his purse will take him.

Thank you very much for this opportunity to appear before you.

Mr. KENNEDY of Massachusetts. Mr. President, the fight in Congress for Federal fair housing legislation is now nearly 2 years old. It was on April 28, 1966, that 20 of us introduced in the Senate the Civil Rights Act of 1966 containing a fair housing title. We held extensive hearings in the Constitutional Rights Subcommittee, and heard all the arguments on every side of all the titles, and especially a very complete dialog on the question of the constitutionality of the housing title. The bill was passed by a substantial majority in the House, and was the subject of extended debate in the Senate, with a majority of us on the Constitutional Rights Subcommittee and on the full Judiciary Committee in support of its passage. As we well know, despite the fact that a majority of this body favored the bill, the Senate was not even permitted to vote on the bill itself.

Again in 1967 we introduced a similar bill, S. 1026, containing a fair housing title, this time with 26 of us as cosponsors. In order to expedite the bill's consideration, we split it up into its constituent titles, and again all of them have been the subject of hearings in the Senate. Yesterday Senator MONDALE presented what amounted to the favorable report of the Banking and Currency Committee, since he was able to announce that a majority of the members of that committee have joined in support of the housing title. Today many of us who have been sponsors of this legislation in both the 89th and 90th Congress are giving formal notice of our continuing determination to achieve the goal of fair housing, by having our names listed, as well, as sponsors of the pending amendment.

Mr. President, I intend to speak at length tomorrow on the pending amendment, but I would like to take this occasion today to express briefly four thoughts.

First, this is one of the most important measures we will have before us in the 90th Congress. It affects the very right to live of over 20 million American citizens. They have every right to watch what we do, and to find in our action the answer to the question. Has slavery really been abolished in this Nation?

Second, we must keep in mind that this bill has had careful consideration in committees of both Houses in two Congresses, and full debate in both Houses of the last Congress. We are all well aware of the issues involved. I would venture a guess that most of us know how we feel on the subject, because it is not one we can avoid making up our minds on. Thus, the justification for an extended debate this year is utterly lacking. The entire Nation has had nearly a year and a half, since we last considered this question, to indicate the direction in which we should move, and in countless city and State legislatures that direction has been toward fairness, justice, and equality in housing opportunity. I ask in all sincerity how, in the light of this record, anyone can countenance the obstruction of this body from working its will one way or the other. Our inability to vote on this measure in the 89th Congress was a national disgrace. A repeat of that result in the 90th Congress may be a national disaster.

Third, I hope we can take very seriously our responsibility not only as representatives, but also as leaders. We were elected because our constituents respected our intelligence, our perception, and our judgment. Frequently, and properly, public opinion affects what we do here. But equally important is the fact that what we do here affects public opinion, and as responsible leaders, we must lead in the direction we think is the best direction for our States and for the Nation. I am reminded of the response given during the riot hearings to a member of the Judiciary Committee, when he asked a young lady from Harlem whether we should pass a riot bill, even if it is unnecessary, just to placate those who fear we are not concerned enough about riots.

Her answer was this:

> Congress has to provide proper leadership. The country has to see that Congress simply is not going to go along with this kind of reaction to riots. Let the Congressmen, let the Senators show that they do understand, even if their constituents do not. I really think this is part of leadership—if they are really going to be leaders, people who are going to run our society, to guide it for us, they have this kind of responsibility.

This leads me to my final thought for today, a deeply felt plea to the members of this body for reason and restraint in this debate. In the last Congress, perhaps the novelty of the issue and the heat of the argument led to lines of argument that really had very little to do with the matter at hand. The fact that some of those who live in the squalor and hopelessness of our ghettos were led to the inexcusable act of rioting last summer and in prior years is by no extension of the imagination an excuse for not passing this bill. As I have said before, it smacks of the rankest racism to say that because a Negro in Detroit committed a criminal act against a fireman, a Negro in Washington should therefore be prevented from renting an apartment he can afford in Virginia. I would hope and pray that we can keep such appeals to unreason and emotion out of this discussion. In fact, no measure we consider this year holds more promise for relieving the tension and antagonism which are rife in many American communities, but that potential will be off set and destroyed if in the course of this debate we argue in terms which exacerbate those tensions.

PUBLIC TESTIMONY BEFORE THE FOREIGN RELATIONS COMMITTEE BY THE SECRETARY OF STATE

Mr. GORE. Mr. President, I believe it my duty again to call to the attention of my colleagues the sad fact that in a few weeks it will have been 2 years since the Secretary of State last appeared before the Senate Committee on Foreign Relations in public session to discuss our Nation's policy toward Vietnam and Southeast Asia as a whole. This distressing fact was a matter of increasing concern to the committee and to Senators generally in the closing weeks of the first session, as I and others pointed out on several occasions last November and December. Now, with the start of this second session, the question has become one of great and urgent significance.

When I last spoke in this Chamber on the subject, Secretary Rusk only a few days earlier had communicated to the chairman of the Foreign Relations Committee his unwillingness to testify in public session on U.S. policies in Southeast Asia. This decision of the Secretary of State was taken neither hastily nor lightly. On the contrary, behind it was a long exchange of letters with Chairman FULBRIGHT, a 3-hour session with the Foreign Relations Committee in November to discuss all facets of the problem, and then a 3-week delay in delivering an answer which was both conclusive in form and negative in content. The full exchange may be found in the CONGRESSIONAL RECORD of last month. However, both to refresh the memories of my colleagues and to underscore the patience and courtesy displayed by the committee, I ask unanimous consent that the relevant correspondence between Secretary Rusk and Senator FULBRIGHT be inserted in the RECORD at the conclusion of these remarks.

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

(See exhibit 1.)

Mr. GORE. In my view, as I stated last December 11, one can only conclude from all the circumstances involved—notably the 3 weeks employed by Secretary Rusk before giving a considered reply—that the ultimate decision on the issue was rendered by President Johnson. In so doing, the Chief Executive in effect has elevated the disagreement between the Secretary of State and the Committee on Foreign Relations to the level of a fundamental difference between the President and the Senate Foreign Relations Committee. I believe that if the Senate does not recognize and challenge the constitutional implications of the President's position, it will acquiesce in yet another expansion of Executive power, another diminution of the elected representatives of the people.

In dealing with this question of eliciting public testimony from a public servant the Senate Committee majority has today stood on the firm ground of principle.

First, let us consider that as late as February 1966 Secretary Rusk, by appearing in public session before the Foreign Relations Committee to discuss our policies toward Southeast Asia and other areas, was acting in full consonance with the general practice established by a long line of his predecessors as Secretary of State. Even as recently as a year ago, when the 90th Congress convened, Secretary Rusk replied to the committee's usual invitation to testify at the start of a session by suggesting that he appear first behind closed doors and then arrange for a later public meeting. There was no implication that he would invoke some fancied privilege of refusing to talk about Southeast Asia in an open session.

What, then, are the reasons suddenly advanced by the executive branch as an explanation for trying to overturn long-established precedents and practices? One looks in vain to the Secretary of State's letter of December 8 for much enlightenment. There is one modestly significant sentence, which reads as follows:

> Any thorough hearing on our involvement in Viet-Nam would necessarily deal with questions of military operations and war planning, as well as the most delicate relations with other governments.

All too often we have been told, on the one hand, that responsible public figures who disagree with the voluminous official line on Vietnam should be regarded as feckless dissenters, while, on the other hand, the Secretary of State has said that—except for a handful of extremists—those who question Government policy are merely differing about means to agreed ends. Both statements are seriously at fault.

The Secretary has seemed to believe that committee members are more interested in the military situation in Vietnam than in the broad policies which underlie our current actions in the area, and which will shape our future ones in Asia as a whole. But to hold that view he would have to ignore completely the express language of the many invitations issued by the Foreign Relations Committee concerning the need for consultation about policy. And I fear he has done just that.

In any case, as I have stated before, General Westmoreland late last year chose the forum of the National Press Club to present the fullest account available of U.S. military strategy for the future. No testimony before the Senate Foreign Relations Committee about the military conduct of the war has been as revealing as that Press Club speech. The fact that the optimism of that speech has now been rendered unreal is tangent to the issue today.

The second point raised by Secretary Rusk, about the delicacy of our relations with other governments, is scarcely a novel one. Indeed, it is a constant factor in every committee hearing, open or closed, which is devoted to an examination of our foreign policy. The record of committee members in exercising discretion in this regard is a good one. I cannot remember an instance when a State Department witness who asked to reserve his position for a private session was not given that courtesy.

It requires little mental effort to see that this objection is not a tenable one. Are we to accept an argument that the risk of offending an authoritarian ruler in some small Asian country should take precedence over the right of the American public to be kept informed on basic policy decisions by means of discussions between the people's representatives and the Government officials responsible for executing the policies? If this reasoning is adopted in this instance, it could easily be pushed toward the point where the Foreign Relations Committee could find itself inhibited from conducting any hearings in public.

The Committee on Foreign Relations has a right—indeed a duty—to examine public policy. And since this is a government of the people, both the Senate and the President have a responsibility for public education on issues so important as war or peace.

As to the committee's constitutional obligation to undertake the kind of policy discussion which we envisage, the historical record completely supports the doctrine that the senatorial powers of advice and consent to ratification of treaties and to presidential appointments have always been employed in public as well as in closed sessions of the committee. It stands to reason that if a nominee to the position of Secretary of State traditionally is queried about his views in an open hearing, then there is no justification for foreclosing further public examination of the Secretary during his tenure of office. The committee's practices in this regard are too firmly established to be open to suspension for reasons of expediency or for any grounds short of a most pressing emergency involving the safety of the Nation.

Even in such circumstances, the judgment cannot be abdicated by one branch of this Government in favor of another. For the third clause in section 5 of the first article of our Constitution provides that each House of the Congress exercises its own judgment concerning what part of its proceedings should not be published. By extension, it clearly may be argued that the committee proceedings should always be public unless members determine otherwise. And in fact, this reasoning is given full effect in section 133(f) of the Legislative Reorganization Act of 1946, which reads as follows:

> All hearings conducted by standing committees or their subcommittees shall be open to the public except executive sessions for marking up bills or for voting or where the committee by majority vote orders an executive session.

There is a very practical purpose lying behind these activities of the committee. The use of the public hearing is the counterpart in our system for the crucial safeguard of democratic processes represented by the "question period" in the parliamentary system, maintained most notably in the British House of Commons. If appointive officials are to be accountable to the electorate in this country—and I know of no direct challenge to this fundamental thesis—the committee public hearing offers virtually the only means for employing the practice of examination of such officials by the people's representatives.

It is for these reasons that I believe

that the committee's efforts to interrogate the Secertary of State in public stand on the firmest of constitutional grounds.

In the absence of a conclusive reply to the letters of the committee chairman, it is possible we might still be quietly discussing this question with the executive branch. However, the issue now has been joined in full view of the public. And it is clear that the failure of the Senate to insist on its rights in the matter could establish a precedent for a Secretary of State independently to decide whether or not to appear before the Foreign Relations Committee, as well as other committees, and on what terms. No less vital a question is at stake in our deliberations on this subject.

I believe it is with a keen awareness of constitutional duty, duty to the Senate as an institution and responsibility to the people in our system of self-government, that a majority of the Senate Foreign Relations Committee has instructed its chairman to communicate directly to the President its view that the public welfare and constitutional responsibility require public examination of U.S. foreign policy.

Mr. President, another and to my mind, equally vital factor, is involved in this debate. It is simply the question of wise public policy on the part of the executive branch of our Government. And it goes right to the heart of the furor so widely prevaling in this country concerning the nature of our involvement in Southeast Asia.

Secretary Rusk, in effect, has been saying that the normal processes of our constitutional system should be suspended because this country is engaged in war. He cites what he believes to be comparable situations, such as the Second World War, and suggests that since the Secretary of State did not testify in public about our foreign policies under those circumstances, the present occupant of the post should equally be entitled to consider Vietnam as cause for suspending the usual practice of consultation in open hearings.

It requires little effort for us to remember that only a few short years ago the executive branch was doing everything possible to avoid describing the conflict in Vietnam as a full-scale war. Now it seems that the previous embarrassment about conducting an undeclared war has evaporated in the heat of war.

But there is a world of difference between the attitude of the American people toward the Second World War and toward the conflict in which we are presently involved. On every hand we have testimony concerning the bewilderment and frustration of the American people regarding our current involvement and its effects upon the Nation's welfare. I submit that the American people are baffled by the circumstances in which we find ourselves. While there is no direct ratio, at least some of the difficulty is traceable to the inability of the Congress to give a clearer lead to public understanding through sustained questioning of public officials. We may, as it has been charged, have entered into a war by inadvertence; if so, I can only regard it as a dereliction of its duty if the Congress now fails to insist on its prerogatives at this perilous juncture.

On last December 11 I made the following statement in this Chamber:

I believe that the Senate has a right to know and that the American people have a right to know whether Administration policies are to take steps which further risk war with China, whether the Administration is willing to accept a status of neutrality for Vietnam, whether this nation is to destroy itself internally, and further to erode its position in world leadership in pursuit of policies upon which the Members of the President's Cabinet have been unwilling to testify publicly for nearly two years.

Nothing which has occurred in the intervening period has lessened my conviction that it is imperative for the Secretary of State to discuss in public with the Foreign Relations Committee the direction in which our policies toward Southeast Asia are leading this country.

So, Mr. President, Congress itself must share in the responsibility. Nothing has occurred in recent weeks to alter the necessity for public education on the issues involved. Indeed, the tragedy and confusion of the war today renders the point more imperative. The confusion has only compounded the urgency for the Senate seriously to discharge its constitutional responsibility.

For example, who among us, at this point, is able to tell the American people whether we have abandoned or confirmed our fancied "right of hot pursuit" into Cambodia? Again, who can explain to us how a San Antonio speech came to present a formula which is no formula but a semantic puzzle which ties State Department officials into inarticulate knots? Far from least important, we are still waiting for interpretation of the new emphasis given by the Secretary of State to the Chinese peril in his Columbus Day press conference.

Frankly, I cannot understand why the administration—why President Johnson—is not taking the initiative, rather than drawing back from the committee, in trying to clarify the urgent questions confronting this Nation. In all logic, it seems to me that the executive branch for its own good—and more importantly, for the public good—would urgently be seeking to test its policies in the marketplace of this democracy.

I believe that the current issue of the Progressive magazine, in an article entitled "Dissent and Disorder," accurately reflects the widespread concern in the country about Vietnam and the lamentable absence of participation by Congress in the desired process of examining where we stand and where we are heading.

At this point I will only quote a small excerpt from that article.

The magazine excerpt goes as follows:

There is yet another ingredient in the explanation for the intensity of feeling and the relentless rate at which emotions are soaring into the danger zone. This is the Administration's decision to close the constitutional channels to debate in Congress and thus destroy the safety-valves which were built into our system or government to prevent the very kind of disaster toward which we are racing. Thomas Jefferson, in his first inaugural address, caught the essence of what makes democracy workable when he said: "Error or opinion may be tolerated where reason is left free to combat it."

The most effective means prescribed by the Constitution to make it possible for reason to combat error in foreign policy is the advice and consent clause under which the Senate's advice and consent are required to be sought by the President on major issues of foreign policy. But the Johnson Administration has refused to permit the Senate, through its Foreign Relations Committee, to advise and consent—publicly—on the major issues of Vietnam. . . .

I hope most profoundly that the President, even at this late date, will change his mind about the wisdom of permitting, or directing, as the case may be, his Secretary of State to confer openly with the Committee on Foreign Relations. If he does not, however, I have no intention of letting a victory be won by the executive branch at the expense of the Senate without a contest. Unless circumstances change, at an appropriate moment, I fully intend to offer a resolution in this Chamber which will give my colleagues every opportunity to address themselves to the fundamental issue which has now been raised and joined.

There are several reasons for this state of affairs. For almost 40 years we have been through a succession of wars, both hot and cold, and serious economic adjustments. These conditions have made strong Executive leadership desirable and necessary. But these conditions have not made it mandatory that Congress become moribund. Indeed, I would state categorically that the loss of effectiveness by the Congress in recent years, particularly in helping to fashion broad national policy, has not been caused by, but rather has contributed materially to, our difficulties.

I believe that to be the case with respect to the issue of Vietnam, to the Vietnam war. Congress has been remiss in its duty. I confess that I, as a Member of the U.S. Senate, have been remiss in my own duty.

Furthermore, power has not always been wrested from the Congress by an aggressive President. Rather, the Congress has surrendered power and prestige almost voluntarily. The result, obvious to all, has been that relatively poor solutions to our more pressing problems both at home and abroad have been advanced and implemented.

The prosecution of the type of war in which we now find ourselves engaged in Vietnam is only the most highly publicized of these poor solutions. There are others.

If what I have said thus far has any validity, it is certainly highly desirable—mandatory, if you will—that Congress assert itself and restore itself to its rightful place in formulating national policy. There is no agency of government or society which is equipped to do this for us. We, as individual Senators and Congressmen, acting individually and collectively, must do it ourselves.

All too often, the advise and consent clause of the Constitution has come to be regarded as merely an exercise of assent and consent after the fact. The constructive element of that clause is equally obligatory upon the U.S. Senate.

Let me make it clear that I do not wish a power struggle. We can ill afford that at this time. What I seek is a fuller measure of partnership. The Constitution has clearly placed the President and the Senate in a position of limited partnership in the formulation and the conduct of foreign policy. While I want to strengthen Congress, I do not by any means wish to see Congress attempt to assume executive powers and prerogatives. The usurpation by Congress of powers not legitimately belonging to it was tried at one time in this country, and that period of post-Civil War reconstruction is one of the sorriest in our history by almost any yardstick. What I desire is a proper balance between the executive branch and Congress. There can be a proper balance, but that balance can be achieved only by the Congress, itself. Only Members of Congress, acting individually and collectively, can strengthen the hand of Congress, and it follows that Congress must insist upon its proper role. And, in my view, wiser policy would result from fuller participation by Congress in the decisionmaking process.

Nor do I wish necessarily to weaken the executive branch. There is no mathematical equation involved here which necessitates substracting power from the executive branch in order to build up the power of Congress. I do not share the views often expressed by the New Right; that, in order to have a proper balance among the branches of the Federal Government, Congress must be antagonistic to the President and seek to block and embarass members of the executive bureaucracy at every opportunity.

This would result in a weak Government, and weakness is not desirable. This approach is now being advocated by many academic people who should know better. Strengthening Congress so it can and will perform its constitutional role properly does not at all mean that the Presidency must be proportionately weakened.

As a matter of fact, the Constitution contemplates strong Executive leadership, and this system has proved workable for us. We do not have a parliamentary system, and the Congress must neither attempt to perform executive functions nor seek to impede and hamper the President and his associates in the proper performance of their constitutional duties.

What is required is that Congress perform its duties with more vigor and effectiveness. In other words, Congress, and in the present crisis, the Senate must play a more constructive and positive role, neither, on the one hand, passively accepting the undigested recommendations of the President, nor, on the other, falling back on negative obstructionism.

Indeed, the role of Congress in setting broad national policy may today be the most important of our functions. The administration certainly needs all the assistance we can render.

I sincerely believe that President Johnson would welcome every worthwhile contribution we could make, and in the teamwork of the Senate and of the President there could be contributions which would flow therefrom so that peace could be more nearly assured.

Our constituents deserve our best efforts. The times demand no less.

Perhaps it is through a better understanding of this function, and its implementation, that we can find a good starting point from which to launch a campaign for strengthening Congress.

Under the stress and duress of the present emergency and the danger to our Nation and the peace of the world, perhaps we can reformulate the equality between the executive and the legislative, which our forefathers ordained, and reach a better future as a result thereof.

Senators and Congressmen must represent their constituents in every sense of that term. Most of us represent them consciously, I am afraid, only in dealing with minutiae. We act as a sort of ombudsman for our constituents. If one is experiencing trouble with the Army, we ask for a report. If he encounters delay in getting the social security rolls, or in qualifying for some kind of veterans' benefits, we will try to expedite action. If he needs a job, particularly with the Post Office Department, we will make recommendations.

Now, I submit, Mr. President, that this is far too restricted a view of our duties in carrying out our representational function. We ought not to neglect the minutiae, although most of us have staff personnel who can handle this. But at the same time, we ought to devote a far greater personal effort to the larger matter of representing our constituents in the formulation of broad national policies. And, beyond that, we must, in carrying out this function, be the eyes and ears as well as the voice of our constituency in Washington. And by being the eyes and ears of our constituency, we can assist materially in leading, molding, and correcting public opinion. Once again, let me say that those of us who are privileged to serve in the Congress have been taking a much too restricted view of our roles in this area.

It is hardly open to debate that the single most important ingredient in a modern democracy is an interested and informed citizenry. No machinery of government, no matter how finely conceived, nor how well operated by officials and employees of government, can long hold a democracy together in the absence of an interested and informed public with adequate means at its disposal for formulating, expressing, and implementing public opinion. In a democracy, it is generally held that the legislative body formulates the will of the state and is the chief organ of popular government. I submit that the Congress is not performing its duty in this regard. We have all but invited the Executive to preempt our prerogatives. However, one small silver lining of our dark clouds of today is a growing determination of U.S. Senators to fulfill more full their constitutional power and duty.

The pivotal question facing this country today is Vietnam. It lies at the root of much of our difficulty and deterioration both at home and abroad. Because of Vietnam, in part, our moral leadership has been seriously eroded throughout the world. Because of Vietnam, in part, our balance-of-payments problem has assumed such proportions that solutions now advanced on a temporary, "crash," basis could create other and perhaps more serious problems abroad, and might possibly constitute a threat to continued domestic economic growth. Because of Vietnam, in part, dissent at home in many social and political areas has reached such proportions that the country is more seriously threatened with ruinous disruption than at any time since the Civil War. This tragedy now threatens to become calamitous.

And yet, in spite of the obvious importance of the questions surrounding our actions in Southeast Asia, and there are several, there is still a lack of knowledge on the part of the general public of many facets of the problem, and there is surely lacking altogether that clear concensus on which the most important public decisions involving the very survival of the Nation must rest. On the shoulders of each Senator and Congressman, and on all of us collectively, rests a part of the responsibility for this deplorable and dangerous state of affairs.

Surely, then, the best means possible for informing the public and facilitating a consensus, which consensus can then be transmitted through the people's representatives in Government for translation into action, must be found and utilized.

The immediate, urgent task of war by our gallant soldiers is to contain the current offensive. Meanwhile, and thereafter, there must be a probing reassessment of our national policy in Southeast Asia. The advice and consent of the Senate is needed in this reexamination.

We are today faced with a situation the difficulties of which are just now becoming apparent to some. There is a general breakdown in law and order. There is frustration. There is anger. There is open defiance of the law. And the war in Vietnam, with the dissent which it has generated, must be held in part responsible for this.

A way must be found to halt the growing disunity and disharmony within our Nation. By some means we must dispel the growing sense of confusion and frustration about the issues. A concensus must be developed. A national will to go in some specific direction must be formulated. Then this concensus, this feeling of national will and purpose, must be translated into a program which the people can support and which will bring this war to a close. Almost any future course that is decided upon, will be an improvement over current conditions, if the Nation as a whole can understand and support it.

The best and most dramatic means available to us should be utilized in this effort to educate, mold and develop public opinion.

And there are other pressing problems. Even with the overweening importance of Vietnam, I do not wish my remarks at this time to be considered as applying only to that question. Vietnam is only one, albeit of the most immediate importance, of the many problems on which Congress ought to focus public attention

and thereby assist in the process of educating and informing the public, in helping to crystallize public opinion, and then in translating public opinion into appropriate action.

I, for one, am not content to leave the education of the public to chance. Nor am I willing to shirk my duty to the extent that I would turn it over to the Executive or television quiz shows. Cabinet members are not elected by the people. They speak only for the President. Heads of agencies are not elected. They generally should speak for Congress, but they more often find themselves under the thumb of the President.

Senators and Congressmen are uniquely and directly qualified to represent their constituents in the process of formulating public opinion and translating it into appropriate Government policy.

There are various ways in which Congress can seek to inform the public, to lead public opinion, to assist in the formulation of a meaningful concensus. In pursuit of this goal, this democratic function, I urge my colleagues in this distraught day to participate fully. The tragedies, problems, and dangers of our times require it. I am confident that President Johnson will welcome every worthy contribution we can make.

EXHIBIT 1

Mr. President, there have been a number of letters exchanged between Senator FULBRIGHT, chairman of the Senate Foreign Relations Committee, and Secretary of State, Dean Rusk.

I list the efforts the committee has made to persuade the Secretary that such an appearance would be in the public interest.

On December 21, 1966, the chairman of the committee, Senator FULBRIGHT, wrote Secretary Rusk inviting him early in 1967 and at his convenience to meet with it to discuss "the progress of the pacification program in Vietnam, recent developments in mainland China and their relation to the war in Vietnam, our military and economic activities in Thailand" and certain other subjects That letter expressed the "hope that this first meeting of the 90th Congress could be in open session because all of these subjects are of great interest to the American people:" The letter stated explicity that "there may be questions that you will not be able to answer in open session and the committee will therefore make arrangements for an additional closed session if necessary."

On December 30, 1966, Secretary Rusk replied to the committee stating that he would "be very happy to meet with the committee at any time" and that he looked "forward to a thorough review and discussion of such matters as the members may care to raise."

The letter from Secretary Rusk continued, suggesting that "my first meeting with the committee be in executive session," in accord with previous practice. This executive session, wrote the Secretary, "could be followed, if the committee wishes, by a public meeting at a convenient time." He continued:

"I fully agree that the great issues of American foreign policy are of interest to the American people as a whole, and I am glad to cooperate with the Committee's effort to facilitate public discussion and understanding."

The committee accepted that suggestion, and on January 16, 1967, Secretary Rusk met with the committee in secret session to discuss the general world situation. At that meeting the Secretary was agreeable to a subsequent public appearance and the date of January 23, 1967 was set for that meeting.

Shortly prior to January 23, however, Secretary Rusk asked the chairman of the committee to change the subject of the public session so that it could be devoted to testimony on the Consular Convention with the Soviet Union. That change was accepted by the committee. I might note parenthetically, however, that this was the second go-around on the subject of the Consular Convention. The committee had held hearings and favorably reported the Consular Convention the previous session, but no action was taken by the Senate, thus requiring the hearing and reporting process to be repeated in the new session.

Be that as it may, subsequent efforts made at the staff level to arrange for the Secretary to meet with the committee at a convenient time and in public were not fruitful.

Finally on April 27, 1967, the chairman of the committee wrote to Secretary Rusk as follows:

APRIL 27, 1967.

The Honorable DEAN RUSK,
Secretary of State.

DEAR MR. SECRETARY: You will recall that earlier this year the Committee on Foreign Relations requested you to appear in public session to discuss the role and responsibilities of the United States as a great power, but you were unable to accept those invitations.

In view of the important events which have taken place since then, would you be willing to appear in public session for a general discussion of our foreign policy, with special attention to Southeast Asia, on Tuesday, May 2, or Tuesday, May 9? It would be helpful to the Committee and to the public understanding of our policy if you could arrange to be with us.

Very truly yours,

J. W. FULBRIGHT.

On May 2, 1967, Secretary Rusk replied to the chairman as follows:

MAY 2, 1967.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of April 27.

I would be glad to have a general discussion of our foreign policy, with special attention to Southeast Asia, with the Foreign Relations Committee. It seems to me, however, that the value of such a discussion could be greatly enhanced if it were held in *Executive session.* It is not easy for the Secretary of State to discuss particular situations in particular countries in public without risking considerable damage to our foreign relations. A public session would carry with it, therefore, many of the inhibitions which attend a press conference. An *Executive session would permit a candid exchange of views and could be valuable,* it seems to me, both to the Committee and to myself. I would see no objection to a mutual review of the transcript of an Executive session to determine whether substantial portions of it might be made public.

If the procedure is agreeable with the Committee, I would be pleased to appear on Tuesday, May 9, or Tuesday, May 16, whichever would be more convenient for the Committee.

With every good wish,
Sincerely yours,

DEAN RUSK.

And on May 3, the chairman replied as follows:

MAY 3, 1967.

The Honorable DEAN RUSK,
Secretary of State.

DEAR MR. SECRETARY: In reply to your letter of May 2, the Committee will be very pleased to have you in Executive Session on May 16 at 10:00 AM.

I regret that you do not wish to appear in public session, as I think the general public would benefit very much by a discussion of our present situation.

With best wishes, I am,
Sincerely yours,

J. W. FULBRIGHT.

There the subject rested until October 12, 1967. At that time the chairman wrote to Secretary of State Rusk as follows:

OCTOBER 12, 1967.

The Honorable DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: In view of recent discussion on the Senate Floor regarding the need for public enlightenment with respect to our policies in Vietnam, I take this occasion to renew my past invitations that you appear before the Committee on Foreign Relations in public session to discuss issues raised by our policies there.

I would be very happy to consult with your staff to work out an appropriate time for your appearance.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

On October 19, 1967, Secretary Rusk replied to the chairman as follows:

OCTOBER 19, 1967.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of October 12 in which you suggested I appear before the Committee on Foreign Relations in public session to discuss issues raised by our policy in Vietnam.

For the reasons I have mentioned to you in earlier exchanges, I believe our meeting would be of greater value and, at the same time, run less risk of damaging our foreign relations in this critically important time if it were held in executive session. An executive session would, of course, permit a more candid exchange of views which I believe would be valuable both to the Committee and to myself.

Following such a meeting I think it would be useful for us to review the transcript in order to reach agreement as to whether substantial portions of it could be made public. As you know, this procedure has been used many times in the past, and, it seems to me, would best meet the Committee's and our requirements.

With all best wishes,
Sincerely,

DEAN RUSK.

Not satisfied with the Secretary's letter of October 19, the full Committee on Foreign Relations discussed the subject at its business meeting of October 31. At that meeting I took the position, and so moved, that the Committee on Foreign Relations should instruct its chairman to communicate directly with the President of the United States, expressing the concern of the committee at the refusal of the Secretary of State to meet with the committee to discuss with it in public session the American involvement in southeast Asia.

I withdrew that motion, however, when another member suggested a course of action which I thought reasonable; namely, that the Secretary of State be invited to meet with the committee to explain why he was refusing to appear before the committee.

On October 31, therefore, the chairman of the commmittee, acting on the basis of its instructions, addressed the following letter to Secretary Rusk:

OCTOBER 31, 1967.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: The Committee on Foreign Relations has discussed your October 19 response to our letter of the 12th which invited you to appear before the Committee in public session to discuss issues raised by our policies with respect to Vietnam. Particular attention was given to your belief that you should instead appear at an executive session.

The Committee has agreed to invite you to attend an executive session designed primarily to elicit and consider your reasons for

preferring to avoid a meeting with Committee members before the public. At that session there would, of course, be ample opportunity for substantive discussion about Vietnam policy and other issues.

Assuming your concurrence, Mr. Marcy of the Committee staff will contact Assistant Secretary Macomber to determine an appropriate time for the meeting.

Sincerely yours,

J. W. FULBRIGHT, *Chairman.*

On November 1, Secretary Rusk replied to the chairman as follows:

NOVEMBER 1, 1967.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: I will be pleased to attend an Executive session of the Committee on Foreign Relations as discussed in our recent correspondence.

As you suggest, I will ask Mr. Macomber to arrange with Mr. Marcy a mutually convenient time for the meeting.

Sincerely yours,

DEAN RUSK.

On November 7, Secretary Rusk met with the Committee on Foreign Relations and for more than 3 hours discussed not only his reluctance to appear before the committee, but some aspects of American involvement in Vietnam.

At the end of that hearing the Secretary indicated that he wanted further time to consider whether he would comply with the committee's request for a public hearing on Vietnam and, when pressed for a time by which he might decide whether to comply with the committee request, he said he would reply promptly.

NOVEMBER 30, 1967.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: The Committee on Foreign Relations today discussed its invitation to you to testify in public on United States policies in Southeast Asia.

While Members were not unanimous in believing that such an appearance by you at this time would be desirable, it is fair to note that most of those present felt that a public exchange of views would be most helpful sometime before adjournment. There was a strong feeling that it was proper to discuss these policies in the legislative environment, inasmuch as they are unavoidably a part of public consideration.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

THE SECRETARY OF STATE,
Washington, D.C., December 8, 1967.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: I am replying to your letter of November 30, concerning the desirability of a public hearing with the Committee on Viet-Nam.

I wish to make it clear, Mr. Chairman, that I am always ready to consult with any appropriate committee of the Congress on Viet-Nam, or on other matters involving the foreign policy of the United States.

The question in this case is whether the hearing should be in open or in executive session.

Any thorough hearing on our involvement in Viet-Nam would necessarily deal with questions of military operations and war planning, as well as the most delicate relations with other governments. The Committee is entitled to know my views on these questions. But because of the extreme sensitivity of these matters, I am convinced that they should be fully discussed only in executive sessions of the Committee.

I would be glad to agree—as I have with all other Congressional committees where I have appeared to discuss matters of critical national importance and sensitivity—to the prompt release of all portions of my testimony that our security interests will permit.

As you know, Mr. Chairman, it has been the consistent policy of all previous Administrations to discuss matters of this kind in executive session, while an armed conflict is in progress. The single exception to this policy, which occurred early last year, does not in any way suggest that the consistent practice of the past should be abandoned.

To recapitulate, I am ready to come before the Committee in executive session whenever the Committee desires to discuss our policy in Viet-Nam with me. I am ready to respond fully to the Committee's questions. I am ready to agree to the release of those questions and answers that may be released without endangering our men in Viet-Nam, our security interests, or our diplomatic efforts to end this conflict—recognizing that our foes, as well as our friends, will carefully examine the record.

I hope that all the Members of the Committee will feel that my reply is sufficiently responsive. But as you point out, there are substantial differences of view on this matter among the Members of your committee, and I believe I would encounter significant disagreement whatever my reply.

I do hope that the Committee will understand the reasons for my view, even though not all of them may find it possible to agree with it.

Sincerely,

DEAN RUSK.

AMENDED EXPORT-IMPORT BANK ACT

Mr. BYRD of Virginia. Mr. President, a few moments ago the House by near unanimous vote approved the amended Export-Import Bank Act.

If I understand the House action correctly, it in substance combines both the Byrd amendment and the Mundt-Byrd amendment approved by the Senate last August.

Specifically, both House and Senate actions do these three things:

One, they eliminate the President's discretionary authority.

I believe that helps and it is a first step toward correcting the imbalance which has begun to exist between the three branches of Government.

Two, they prevent the use of Export-Import Bank funds—taxpayers' money—to finance the building of a Fiat plant in the Soviet Union. This measure ends any proposal to use tax funds of American taxpayers to build a Fiat plant for the Soviet Union, a fantastic proposal.

Three, they prevent the use of taxpayers' money to finance trade with any nations trading with North Vietnam.

Mr. President, I applaud the House action, as it sustains the view of the vast majority of the American people and the views of the Senate which accepted the Byrd amendment by a vote of 56 to 26 last August.

I said at the time, and I say frankly again today, that some American companies will have their profits reduced as a result of the action of the House of Representatives today and the action of the Senate last August. However, with the severe casualties which the American people are suffering in Vietnam we cannot concern ourselves about business profits if those profits come as a result of trading with our enemies.

Mr. President, I wish to applaud at this time and commend the distinguished senior Senator from South Dakota [Mr. MUNDT] for the effective and able work he did in regard to the amendment introduced by him, with me as a cosponsor, and the help which he gave me on the Byrd amendment last August.

It has been a long fight. It has taken 6 months to get this Export-Import Bank legislation through Congress with amendments which prevent the use of taxpayers' moneys to finance transactions with those nations which are trading with our enemy.

Mr. President, I applaud the action the House of Representatives took today.

ORDER FOR RECOGNITION OF SENATOR MONDALE TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that at the conclusion of morning business tomorrow, the distinguished junior Senator from Minnesota [Mr. MONDALE] be recognized for not to exceed 20 minutes.

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

THE PRESIDENT'S 1968 CRIME MESSAGE

Mr. KENNEDY of Massachusetts. Mr. President, we have today received the President's 1968 crime message. I believe it is a historic document as much for what it leaves out as for what it includes. In each of his annual crime messages, President Johnson has given the Nation a challenge and a program for dealing with the problem of crime effectively, and comprehensively, with a sense of rational priorities and of the separation of local and Federal responsibility, without panic, without seeking scapegoats, and without claiming that any of his proposals would be a panacea.

Once again the key feature of our anticrime program is passage of the Safe Streets and Crime Control Act which will provide massive assistance to State and local governments in their efforts to prevent and control crime and to rehabilitate offenders, and which will stimulate strong Federal leadership in the research and development efforts necessary to bring our criminal justice system fully into the 20th century. I am especially pleased to note that the President has again expressed his support for the establishment of a National Institute of Criminal Justice, a proposal which I introduced in the Senate last February as S. 992.

It is clear from the President's message and the description of the amendments to safe streets which he supports, that he is now placing the full weight and influence of the administration behind the so-called clean bill which Senator HART and I, in cooperation with the Department of Justice, presented to the Judiciary Committee last November. The clean bill synthesizes the original safe streets bill, the most constructive parts of the House passed version, and the reasonable parts of the Senate Criminal Law Subcommittee's revision. I believe the clean bill, the text of which can be

found in the CONGRESSIONAL RECORD, volume 113, part 26, page 35716, is a bill which will receive the support of a majority of the Senate and will be found acceptable by a majority of the House, once its provisions are fully understood. Despite the fact that there were sufficient votes in the Senate Judiciary Committee to report that bill in the last session, those of us who support it were obstructed in our efforts to achieve passage last year by those who wish to hold it as a hostage, which can be ransomed only through acceptance of their own theories of crime control, all of which, apart from the question of merit, are totally irrelevant to the focus and substance of this bill. I am hopeful that with the President's personal backing for our approach, we will now be able to break the logjam in the Judiciary Committee and report the clean bill with dispatch. I would point out that if we are not successful in obtaining action in this committee, there are other committees considering related legislation to which the addition of safe streets would be most appropriate, especially since much of this measure has been passed by the House and since this bill has been in the Judiciary Committee for nearly a year now.

Much the same can be said for the State Firearms Control Assistance Act, designed to help control the largely unfettered flow of deadly firearms which contributes so much to crime and violence in the Nation. Here, too, I am hopeful that we can achieve prompt and effective action in the Judiciary Committee, but if the traditional obstructionist attitude fostered by certain interests—or should I say self-interest—groups continues, we shall have to seek other avenues to assure that the Senate will be allowed to work its will on this subject.

I can be much more optimistic about the progress of the Juvenile Delinquency Prevention Act. We are polishing this bill right now in the Manpower Subcommittee, and we expect to meet next week in executive session to report the bill to the full committee, where I am sure it will receive immediate consideration.

I have not yet seen the text of the antiriot bill mentioned in the President's message, and I will examine it with great care and interest. It was my own conclusion that the hearings we had in the Judiciary Committee on this subject demonstrated that there was no real need for Federal legislation in this field, that State and local governments were fully empowered and willing to punish rioters, arsonists, and looters, and that there existed a real danger that the passage of such legislation would mislead the American people by representing that we had dealt adequately with the riot problem when in fact we were doing nothing of substance. Perhaps, after we have passed a strong civil rights bill demonstrating our continued dedication to equality and justice for every American, and after we have passed the two bills which really hold hope for helping to prevent and control riots; namely, the safe streets and gun control bills, and after we have considered and passed bills providing new programs and new appropriations to deal with the real problems of our urban areas, the poverty, ignorance, disease, and deprivation which lead to the tensions and hostility that lie at the root of riots, perhaps then we consider an antiriot bill. But I have serious doubts that such a measure, even if its passage can ultimately be justified, deserves any priority in the 90th Congress.

Again, Mr. President, I want to express my congratulations and respect for President Johnson's approach to the crime problem. When the history of this decade is written, I think his leadership in the fight against crime will be well noted by a grateful nation.

CONSUMER CREDIT PROTECTION ACT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Chair lay before the Senate the amendment of the House of Representatives on S. 5.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 5) to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit, which was, strike out all after the enacting clause and insert:

SECTION 1. This Act may be cited as the "Consumer Credit Protection Act".

TITLE I—CREDIT TRANSACTIONS

SEC. 101. (a) The Federal Reserve Act is amended by striking the first sentence and inserting:

"TITLE I—THE FEDERAL RESERVE SYSTEM

"SECTION 1. SHORT TITLE AND DEFINITIONS

"This title may be cited as the Federal Reserve Act."

(b) Title I of the Federal Reserve Act is amended by changing "Act", wherever that word is used with reference to title I of the Federal Reserve Act (as so designated by subsection (a) of this section) to read "title".

(c) The Federal Reserve Act is amended by adding at the end:

"TITLE II—CREDIT TRANSACTIONS

"DECLARATION OF PURPOSE

"SEC. 201. The Congress finds that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in the extension of consumer credit would be strengthened by the informed use of credit. The informed use of credit results from an awareness of the cost thereof by consumers. It is the purpose of this title to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and avoid the uninformed use of credit.

"DEFINITIONS

"SEC. 202. For the purposes of this title—

"(a) 'Board' means the Board of Governors of the Federal Reserve System.

"(b) 'credit' means the right granted by a creditor to a person other than an organization to defer payment of debt or to incur debt and defer its payment, where the debt is contracted by the obligor primarily for personal, family, household, or agricultural purposes. The term does not include any contract in the form of a bailment or lease except to the extent specifically included within the term 'consumer credit sale'.

"(c) 'consumer credit sale' means a transaction in which credit is granted by a seller in connection with the sale of goods or services, if such seller regularly engages in credit transactions as a seller, and such goods or services are purchased primarily for a personal, family, household, or agricultural purpose. The term does not include any contract in the form of a bailment or lease unless the obligor contracts to pay as compensation for use a sum substantially equivalent to or in excess of the value of the goods or services involved, and unless it is agreed that the obligor is bound to become, or for no other or a merely nominal consideration has the option of becoming, the owner of the goods upon full compliance with the provisions of the contract.

"(d) 'finance charge' means the sum of all the mandatory charges imposed directly or indirectly by a creditor, and payable directly or indirectly by an obligor, as an incident to the extension of credit, including loan fees, service and carrying charges, discounts, interest, time price differentials, investigators' fees, costs of any guarantee or insurance protecting the creditor against the obligor's default or other credit loss, and any amount payable under a point, discount, or other system of additional charges, except that

"(1) if itemized and disclosed under section 203, the term 'finance charge' does not include amounts collected by a creditor, or included in the credit, for

"(A) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to a credit transaction, or the premium, not in excess of those fees and charges, payable for any insurance in lieu of perfecting the security; or

"(B) taxes; and

"(2) where credit is secured in whole or in part by an interest in real property, the term does not include, in addition, to the duly itemized and disclosed costs referred to in clauses (A) and (B) of paragraph (1) the costs of

"(A) title examination, title insurance, or corresponding procedures;

"(B) preparation of the deed, settlement statement, or other documents;

"(C) escrows for future payments of taxes and insurance;

"(D) notarizing the deed and other documents;

"(E) appraisal fees; or

"(F) credit reports.

"(e) 'creditor' means any individual, or any partnership, corporation, association, cooperative, or other entity, including the United States or any agency or instrumentality thereof, or any other government or political subdivision or agency or instrumentality thereof, if such individual or entity regularly engages in credit transactions, whether in connection with the sale of goods and services or otherwise, and extends, or arranges for the extension of, credit for which the payment of a finance charge is required.

"(f)(1) 'annual percentage rate' means, for the purposes of sections 203(b), 203(c), and 203(d), the nominal annual rate determined by the actuarial method (United States rule).

"(2) The Board may prescribe methods other than the actuarial method, if the Board determines that the use of such other methods will materially simplify computation while retaining reasonable accuracy as compared with the rate determined under the actuarial method.

"(3) For the purposes of section 203(d), the term 'equivalent annual percentage rate' means the rate or rates computed by multiplying the rate or rates used to compute the finance charge for any period by the number of periods in a year.

"(4) Where a creditor imposes the same

finance charge for all balances within a specified range, the annual percentage rate or equivalent annual percentage rate shall be computed on the median balance within the range for the purposes of sections 203(b), 203(c), and 203(d).

"(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.

"(h) 'installment open end credit plan' means an open end credit plan which has one or more of the following characteristics: (1) 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), (2) 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 twelve months, or (3) provides that amounts in excess of required payments under the repayment schedule are applied to future payments in the order of their respective due dates.

"(i) 'organization' means a corporation, government or governmental subdivision or agency, business or other trust, estate, partnership, or association.

"(j) 'State' means any State, the Commonwealth of Puerto Rico, or the District of Columbia.

"DISCLOSURE OF FINANCE CHARGES; ADVERTISING

"SEC. 203. (a) Each creditor shall furnish to each person to whom credit is extended and upon whom a finance charge is or may be imposed the information required by this section, in accordance with regulations prescribed by the Board.

"(b) 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,

"(1) the cash price of the property or service purchased;

"(2) the sum of any amounts credited as downpayment (including any trade-in);

"(3) the difference between the amounts set forth in paragraphs (1) and (2);

"(4) all other charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(5) the total amount to be financed (the sum of the amounts disclosed under (3) and (4) above);

"(6) the amount of the finance charge (such charge, or a portion of such charge, may be designated as a time-price differential or as a similar term to the extent applicable);

"(7) the finance charge expressed as an annual percentage rate;

"(8) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness;

"(9) the default, delinquency, or similar charges payable in the event of late payments; and

"(10) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the contract or other evidence of indebtedness to be signed by the obligor. Where a seller receives a purchase order by mail or telephone without personal solicitation by a representative of the seller and the cash price and deferred payment price and the terms of financing, including the annual percentage rate, are set forth in the seller's catalog or other printed material distributed to the public, the disclosure shall be made on or before the date the first payment is due. Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any sale to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d)(3) of this section, except that if the credit is extended for a period of five years or more, the items described in subsection (d)(3) need not be set forth more than once in each calendar year. If a credit sale is one of a series of credit transactions made pursuant to an agreement providing for the addition of the deferred payment price of that sale to an existing outstanding balance, and the person to whom the credit is extended has approved in writing both the annual percentage rate or rates and the method of computing the finance charge or charges, and the creditor retains no security interest in any goods sold as to which he has received payments aggregating the amount of the sales price including any finance charges attributable thereto, then the disclosure required by this subsection for the particular sale shall be made on or before the date the first payment for that sale is due.

"(c) This subsection applies to extensions of credit other than consumer credit sales or transactions under an open end credit plan. Any creditor making a loan or otherwise extending credit under this subsection shall disclose, to the extent applicable,

"(1) the amount of credit of which the obligor will have the actual use, or which is or will be paid to him or for his account or to another person on his behalf;

"(2) all charges, individually itemized, which are included in the amount of the credit extended but which are not part of the finance charge;

"(3) the total amount to be financed (the sum of items (1) and (2) above);

"(4) the amount of the finance charge;

"(5) the finance charge expressed as an annual percentage rate;

"(6) the number, amount, and due dates or periods of payments scheduled to repay the indebtedness;

"(7) the default, delinquency, or similar charges payable in the event of late payments; and

"(8) a description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates.

Except as otherwise hereinafter provided, the disclosure required by this subsection shall be made before the credit is extended. Compliance may be attained by disclosing such information in the note or other evidence of indebtedness to be signed by the obligor. Where a creditor receives a request for an extension of credit by mail or telephone without personal solicitation by a representative of the creditor and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, the disclosure shall be made on or before the date the first payment is due. Where a creditor mails or otherwise transmits monthly or other periodic bills or statements in connection with any extension of credit to which this subsection is applicable, each such bill or statement shall set forth, to the extent applicable, the items described in subsection (d)(3) of this section, except that if such credit is extended for a period of five years or more, the items described in subsection (d)(3) need not be set forth more than once in each calendar year.

"(d)(1) This subsection applies to open end credit plans.

"(2) Before opening any account under an open end credit plan, the creditor shall, to the extent applicable, disclose to the person to whom credit is to be extended—

"(A) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(B) the method of determining the balance upon which a finance charge will be imposed;

"(C) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), the annual percentage rate of the finance charge to be imposed, if any, and, in the case of an installment open end credit plan, the equivalent annual percentage rate;

"(D) the conditions under which any other charges may be imposed, and the method by which they will be determined; and

"(E) the conditions under which the creditor may retain or acquire any security interest in any property to secure the payment of any credit extended under the plan, and a description of the interest or interests which may be so retained or acquired.

"(3) For each billing cycle at the end of which there is an outstanding balance under any such account, the creditor shall disclose, to the extent applicable,

"(A) the outstanding balance in the account at the beginning of the billing period;

"(B) the amount and date of each extension of credit during the period and, if a purchase was involved, a brief identification (unless previously furnished) of the goods or services purchased;

"(C) the total amount credited to the account during the period;

"(D) the amount of any finance charge added to the account during the period, itemized to show the amount, if any, due to the application of a percentage rate and the amount, if any, imposed as a minimum or fixed charge;

"(E) the finance charge expressed as an annual percentage rate;

"(F) the balance on which the finance charge was computed and statement of how the balance was determined. If such a balance is determined without first deducting all payments during the period, that fact and the amount of such payments shall also be disclosed;

"(G) the outstanding balance in the account at the end of the period; and

"(H) the date by which, or the period (if any) within which, payment must be made to avoid additional finance charges.

"(4) If a creditor adds to this billing under an open end credit plan one or more installments of other indebtedness from the same obligor, the creditor is not required to disclose under this subsection any information which has been disclosed previously in compliance with subsection (b) or (c).

"(5) 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.

"(e) In the case of any extension of credit in connection with which a security interest is to be retained or acquired in any property which is used or is expected to be used as a residence by the person to whom credit is extended, the disclosures required under this title shall be made at least three days before the transaction is consummated or before any agreement to consummate the

transaction is entered into by the party to whom the credit is extended, whichever is earlier. The Board may, if it finds that such action is necessary in order to permit homeowners to meet bona fide personal financial emergencies, prescribe regulations authorizing the modification or waiver of this requirement to the extent and under the circumstances set forth in such regulations.

"Notwithstanding any other provision of this Act, written acknowledgment of receipt by a person to whom a statement is required to be given pursuant to this paragraph shall provide only a rebuttable presumption of proof of delivery thereof.

"(f) Written acknowledgment of a receipt by a person to whom a statement is required to be given pursuant to this section shall be conclusive proof of the delivery thereof and, unless the violation is apparent on the face of the statement, of compliance with this section in any action or proceeding by or against an assignee of the original creditor without knowledge to the contrary by such assignee when he acquires the obligation, unless the assignee, its subsidiaries, or affiliates, are in a continuing business relationship with the original creditor. Such acknowledgment shall not affect the rights of the obligor in any action against the original creditor.

"(g) If there is more than one obligor, a creditor may furnish a statement of required information to only one of them. Required information need not be given in the sequence or order set forth in this section. Additional information or explanations may be included. So long as it conveys substantially the same meaning, a creditor may use language or terminology in any required statement different from that prescribed by this title.

"(h) If applicable State law requires disclosure of items of information substantially similar to those required by this title, then a creditor who complies with such State law may comply with this title by disclosing only the additional items of information required by this title.

"(i) If information disclosed in accordance with this section and any regulations prescribed by the Board is subsequently rendered inaccurate as the result of a prepayment, late payment, adjustment, or amendment of the credit agreement through mutual consent of the parties or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures, the inaccuracy resulting therefrom shall not constitute a violation of this section.

"(j) If a creditor, in order to aid, promote, or assist directly or indirectly, any consumer credit sale, loan, or other extension of credit subject to the provisions of this section, other than an open end credit plan, states or otherwise represents in any advertisement

"(1) the rate of the finance charge, the advertisement shall state the rate of the finance charge expressed as an annual percentage rate; or

"(2) the amount of an installment payment or the dollar amount of finance charge, the advertisement shall state:

"(A) the cash price or the amount of the loan, as applicable;

"(B) the downpayment, if any;

"(C) the number, amount, and due dates or period of payments scheduled to repay the the indebtedness if such credit were extended; and

"(D) the rate of the finance charge expressed as an annual percentage rate.

The provisions of this subsection shall not apply to advertisements of residential real estate except to the extent that the Board may by regulation require.

"(k) No creditor, in order to aid, promote, or assist, directly or indirectly, the extension of credit under an open end credit plan may state or otherwise represent in any advertisement any of the specific terms of that plan unless the advertisement clearly and conspicuously sets forth

"(1) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;

"(2) the method of determining the balance upon which a finance charge will be imposed;

"(3) the method of determining the amount of the finance charge (including any minimum or fixed amount imposed as a finance charge), and the annual percentage rate; and

"(4) the conditions under which any other charges may be imposed, and the method by which they will be determined.

"(l) No creditor may state or otherwise represent in any advertisement

"(1) that a specified periodic credit amount or installment amount can be arranged, unless the creditor usually and customarily arranges credit payments or installments for that period and in that amount; or

"(2) that a specified downpayment is required, unless the creditor usually and customarily arranges downpayments in that amount.

"(m) For the purposes of subsections (j), (k), and (l), a catalog or other multiple-page advertisement shall be considered a single advertisement if the catalog or other multiple-page advertisement clearly and conspicuously displays a credit terms table on which the information required to be stated by subsections (j), (k), and (l) is clearly set forth.

"(n) The prohibitions and requirements of subsections (j), (k), (l), and (m) of this section shall apply only to a creditor or his agent directly or indirectly causing the publication or dissemination of an advertisement and not to the owner, employees, or distributors of the medium in which the advertisement appears or through which it is disseminated.

"(o) The provisions of this section shall not apply to

"(1) credit transactions involving extensions of credit for business or commercial purposes, or to governments or governmental agencies or instrumentalities, or to organizations;

"(2) transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission; or

"(3) credit transactions other than real property transactions, in which the total amount to be financed exceeds $25,000.

"REGULATIONS

"SEC. 204. (a) The Board shall prescribe regulations to carry out section 203, including provisions

"(1) describing the methods which may be used in determining annual percentage rates under section 203, including, but not limited to, the use of any rules, charts, tables, or devices by creditors to convert to an annual percentage rate any add-on, discount, or other method of computing a finance charge;

"(2) prescribing procedures to insure that the information required to be disclosed under section 203 is set forth clearly and conspicuously; and

"(3) prescribing reasonable tolerances of accuracy with respect to disclosing information under section 203.

"(b) In prescribing regulations with respect to reasonable tolerances of accuracy as required by subsection (a)(3), the Board shall observe the following limitations:

"(1) The annual percentage rate may be rounded to the nearest quarter of 1 per centum for credit transactions payable in substantially equal installments when a creditor determines the total finance charge on the basis of a single add-on, discount, periodic, or other rate, and such rates are converted into an annual percentage rate under procedures prescribed by the Board.

"(2) The use of rate tables or charts may be authorized in cases where the total finance charge is determined in a manner other than that specified in paragraph (1). Such tables or charts may provide for the disclosure of annual percentage rates which vary up to 8 per centum of the rate as defined by section 202(f). However, any creditor who willfully and knowingly uses such tables or charts in such a manner so as to consistently understate the annual percentage rate, as defined by section 202(f), shall be liable for criminal penalties under section 206(b) of this title.

"(3) In the case of creditors determining the annual percentage rate in a manner other than as described in paragraph (1) or (2), the Board may authorize other reasonable tolerances.

"(4) In order to simplify compliance where irregular payments are involved, the Board may authorize tolerances greater than those specified in paragraph (2).

"(c) Any regulation prescribed under this section may contain such classifications and differentiations and may provide for such adjustments and exceptions for any class of transactions as in the judgment of the Board are necessary or proper to effectuate the purposes of section 203 or to prevent circumvention or evasion of, or to facilitate compliance by creditors with, section 203 or any regulation issued under this section. In prescribing exceptions, the Board may consider, among other things, whether any class of transactions is subject to any State law or regulation which requires disclosures substantially similar to those required by section 203.

"(d) In the exercise of its powers under this title, the Board may request the views of other Federal agencies which in its judgment exercise regulatory functions with respect to any class of creditors, and such agencies shall furnish such views upon request of the Board.

"(e) The Board shall establish an advisory committee, to advise and consult with it in the exercise of its functions with respect to section 203 and this section. In appointing the members of the committee, the Board shall seek to achieve a fair representation of the interests of sellers of merchandise on credit, lenders, and the public. The committee shall meet from time to time at the call of the Board, and members thereof shall be paid transportation expenses and not to exceed $100 per diem.

"EFFECT ON STATE LAWS

"SEC. 205. (a) This title shall not be construed to annul, alter or affect, or to exempt any creditor from complying with, the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that such laws are inconsistent with the provisions of this title, or regulations issued thereunder, and then only to the extent of the inconsistency. This title shall not otherwise be construed to annul, alter or affect in any manner the meaning, scope or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of charges, or any element or elements of charges, permissible under such laws in connection with the extension or use of credit, nor to extend the applicability of such laws to any class of persons or transactions to which such laws would not otherwise apply, nor shall the disclosure of the annual percentage rate in connection with any consumer credit sale as required by this title be evidence in any action or proceeding that such sale was a loan or any transaction other than a credit sale.

"(b) The Board shall by regulation exempt from the requirements of section 203 any class of credit transactions which it determines are subject to State law or regulation substantially similar to the requirements under that section, with adequate provision for enforcement.

"(c) Except as specified in section 206, section 203 and the regulations issued there-

under do not affect the validity or enforcibility of any contract or obligation under State or Federal law.

"CIVIL AND CRIMINAL PENALTIES

"SEC. 206. (a)(1) Any creditor who, in connection with any credit transaction, knowingly fails in violation of section 203 (except sections 203(i), 203(j), and 203(k)), or any regulation issued thereunder, to disclose any information to any person to whom such information is required to be given shall be liable to such person in the amount of $100, or in any amount equal to twice the finance charge required by such creditor in connection with such transaction, whichever is the greater, except that such liability shall not exceed $1,000 on any credit transaction. Any action which may be brought under this subsection against the original creditor in any credit transaction involving a security interest in real property may be maintained against any assignee of the original creditor where such assignee, its subsidiaries, or affiliates were in a continuing business relationship with the original creditor either at the time the credit was extended or at the time of the assignment, unless the assignment was involuntary, or the assignee shows by a preponderance of evidence that it had no knowledge of any reasonable likelihood of violation by the original creditor and that it maintained procedures reasonably adapted to apprise it of the existence of any such violations.

"(2) In any action brought under this subsection in which it is shown that the creditor disclosed a percentage rate or amount less than that required to be disclosed by section 203 or regulations prescribed by the Board (after taking into account permissible tolerances), or failed to disclose information so required, there shall be a rebuttable presumption that such violation was made knowingly. The presumption is rebutted if the creditor shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. A creditor has no liability under this subsection if within fifteen days after discovering the error, and prior to the institution of an action hereunder or the receipt of written notice of the error, the creditor notifies the person concerned of the error and makes whatever adjustments in the appropriate account as are necessary to insure that the person will not be required to pay a finance charge in excess of the amount or percentage rate so disclosed.

"(3) Any action under this subsection may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation. In any such action in which a person is entitled to recover a penalty as prescribed in paragraph (1), the defendant is also liable for reasonable attorneys' fees and court costs as determined by the court.

"(b) Any person who knowingly and willfully gives false or inaccurate information or fails to provide information required to be disclosed under the provisions of this title or any regulation issued thereunder, or who otherwise knowingly and willfully violates any provision of this title or any regulation issued thereunder, shall be fined not more than $5,000 or imprisoned not more than one year, or both. The Attorney General shall enforce this subsection.

"(c) No punishment or penalty provided for a violation of section 203 or any regulation issued under section 204 applies to the United States, or any agency thereof, or to any State, any political subdivision thereof, or any agency of any State or political subdivision.

"(d) No person is subject to punishment or penalty under this section solely as the result of the disclosure of a finance charge or percentage which is greater than the amount of such charge or percentage required to be disclosed by such person under section 203, or regulations prescribed by the Board.

"ADMINISTRATIVE ENFORCEMENT

"SEC. 207. All of the functions and powers of the Federal Trade Commission are applicable to the administration and enforcement of this title to the same extent as if this title were a part of the Federal Trade Commission Act, and any person violating or threatening to violate any provision of this title or any regulation in implementation of this title is subject to the penalties and entitled to the provisions and immunities provided in the Federal Trade Commission Act, except as follows:

"(1) The exceptions stated in section 5(a)(6) of the Federal Trade Commission Act (15 U.S.C. 45(a)(6)) are not, as such, applicable to this title.

"(2) No bank or thrift institution is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title if the bank or institution is subject to section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)), section 407 of the National Housing Act (12 U.S.C. 1730), or section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818). The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) shall enforce this title and regulations in implementation thereof with respect to banks and other institutions under their respective jurisdictions.

"(3) No common carrier subject to the acts to regulate commerce is subject to the jurisdiction of the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Interstate Commerce Commission shall enforce this title and regulations in implementation thereof with respect to such carriers.

"(4) No air carrier or foreign air carrier subject to the Federal Aviation Act of 1958 is subject to the Federal Trade Commission or to the provisions of the Federal Trade Commission Act with respect to this title. The Civil Aeronautics Board or the Federal Aviation Administration, as may be appropriate, shall enforce this title and regulations in implementation thereof with respect to any such carrier.

"(5) Except as provided in section 406 of the Act of August 15, 1921 (7 U.S.C. 227)—

"(A) no person, partnership, or corporation subject to the Packers and Stockyards Act, 1921, is subject to the jurisdiction of the Federal Trade Commission or to the provisions of that Act with respect to this title, and

"(B) the Secretary of Agriculture shall enforce this title and regulations in implementation thereof with respect to persons, partnerships, and corporations subject to the Packers and Stockyards Act, 1921.

"REPORTS

"SEC. 208. Not later than January 3 of each year commencing after the effective date of this title, the Board of Governors of the Federal Reserve System and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, reports of the Board of Governors of the Federal Reserve System shall include the Board's assessment of the extent to which compliance with the provisions of this title, and regulations prescribed thereunder, is being achieved.

"EFFECTIVE DATE

"SEC. 209. The provisions of this title shall take effect on the first day of the ninth calendar month which begins after the date of enactment of this title, except that section 204 shall take effect immediately."

SEC. 102. (a) The Congress makes the following findings:

(1) Organized crime is interstate and international in character.

(2) Organized crime is engaged directly in interstate and foreign commerce, as well as intrastate commerce, in loaning money and other valuable things at excessive rates of interest, often in conjunction with the use of force, violence, and fear. This so-called loan sharking business of organized criminals and other criminals involves billions of dollars each year.

(3) The stability of the Nation's economy is affected by loan sharking activities.

(4) The use of legitimate credit channels would be enhanced by the prevention of loan sharking activities.

(5) The production and flow of goods in the Nation's economy is hindered by the diversion of money into excessive and confiscatory credit payments.

(6) Federal programs designed to aid the poor in the United States are rendered less effective by loan sharking activities.

(7) The diversion of money and assets into organized crime nullifies the purposes and benefits of a free enterprise economy and hinders the operations of Federal statutes and regulations designed to preserve that economy.

(8) In order to protect commerce, benefit the national economy and assure the full effects of Federal programs designed to aid the poor and maintain a free enterprise system, it is the purpose of this Act to prohibit loans at excessive and prohibitive rates of interest.

(9) Loan sharking activities directly impair the effectiveness and frustrate the purposes of the laws enacted by the Congress on the subject of bankruptcies.

(10) Loan sharking activities impair the stability of the national economy and thereby interfere with the regulation of the value of money.

(b)(1) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce by loan sharking or attempts so to do shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(2)(A) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with the intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of loan sharking, and (B) thereafter performs or attempts to perform any act described in the preceding clause, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

(3) As used in this section—

(A) The term "loan sharking" means the lending of money at a rate of interest prohibited by the statutes of the State where the loan transaction takes place.

(B) The term "commerce" means commerce within the District of Columbia, or any territory or possession of the United States; all commerce between any point in a State, territory, possession, or the District of Columbia and any point outside thereof; all commerce between points within the same State through any place outside such State; and all other commerce over which the United States has jurisdiction.

(4) Whoever knowingly participates in any way in a wrongful use of actual or threatened force, violence, or fear in connection with a loan or forbearance in violation of subsections (1) and (2) of this section, or attempted violation thereof, shall be fined

not more than $10,000 or imprisoned not more than twenty-five years, or both.

(5) Whoever knowingly possesses, maintains, or exercises control over any paper, writing, instrument, or other thing used to record any loan or forbearance or any part of such transaction in violation of subsections (1) and (2) of this section shall be fined not more than $5,000 or imprisoned not more than five years, or both.

(c) The provisions of subsection (b) of this section do not apply to any extension of credit by a creditor which is both—

(1) licensed or chartered as a banking or lending institution by the United States or any State, and

(2) regulated and supervised as a banking or lending institution by the United States or any State.

(d) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving any violation of this section, or any conspiracy to violate such section, is necessary to the public interest, such United States attorney, upon the approval of the Attorney General, or his designated representative, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section.

(e) This Act shall not be construed as indicating an intent on the part of Congress to occupy the field in which this Act operates to the exclusion of a law of any State, territory, Commonwealth, or possession of the United States, and no law of any State, territory, Commonwealth, or possession of the United States, which would be valid in the absence of the Act shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this Act.

TITLE II—RESTRICTION OF GARNISHMENT OF WAGES

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.

SEC. 202. (a) Except as provided in subsection (b) of this section, not more than 10 per centum of the excess over $30 per week, or its equivalent for any pay period of a different duration, of any wages, salary, or earnings in the form of commission or bonus as compensation for personal services may be attached, garnished, or subjected to any similar legal or equitable process or order. No court of the United States or of any State may make, execute, or enforce any order or process in violation of this section.

(b) The prohibition contained in subsection (a) of this section does not apply in the case of any debt due—

(1) under the order of any court for the support of any person; or

(2) for any State or Federal tax.

(c) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

SEC. 203. (a) No employer may discharge any employee by reason of the fact that, on one occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

(b) The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this section.

(c) Whoever willfully violates subsection (a) of this section shall be fined not more than $1,000, or imprisoned not more than one year, or both.

SEC. 204. This title shall not be construed to annul, alter, or affect, or to exempt any creditor from complying with, the laws of any State relating to the garnishment of wages, salary, or earnings in the form of commission or bonus, as compensation for personal services in connection with credit transactions, where such laws—

(1) prohibit such garnishments or provide for more limited garnishments than are provided for in section 202(a) of this title, or

(2) prohibit the discharge of any employee by reason of the fact that, on any occasion, wages or other compensation due the employee for personal services have been subjected to attachment, garnishment, or any similar legal or equitable process.

TITLE III—COMMISSION ON CONSUMER FINANCE

SEC. 301. ESTABLISHMENT.—There is established a bipartisan National Commission on Consumer Finance (referred to in this title as the "Commission").

SEC. 302. MEMBERSHIP OF THE COMMISSION.—(a) The Commission shall be composed of nine members, of whom—

(1) three are Members of the Senate appointed by the President of the Senate;

(2) three are Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) three are persons not employed in a full-time capacity by the United States appointed by the President, one of whom he shall designate as Chairman.

(b) A vacancy in the Commission does not affect its powers and may be filled in the same manner as the original appointment.

(c) Five members of the Commission constitute a quorum.

SEC. 303. COMPENSATION OF MEMBERS.—(a) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Each member of the Commission who is appointed by the President may receive compensation at a rate of $100 for each day he is engaged upon work of the Commission, and shall be reimbursed for travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

SEC. 304. DUTIES OF THE COMMISSION.—(a) The Commission shall study and appraise the functioning and structure of the consumer finance industry, as well as consumer credit transactions generally. The Commission, in its report and recommendations to the Congress, shall include treatment of the following topics:

(1) The adequacy of existing arrangements to provide consumer credit at reasonable rates.

(2) The adequacy of existing supervisory and regulatory mechanisms to protect the public from unfair practices, and insure the informed use of consumer credit.

(3) The desirability of Federal chartering of consumer finance companies, or other Federal regulatory measures.

(b) The Commission may make interim reports, and shall make a final report of its findings, recommendations, and conclusions to the President and to the Congress by December 31, 1969.

SEC. 305. POWERS OF THE COMMISSION.—(a) The Commission, or any three members thereof as authorized by the Commission, may conduct hearings anywhere in the United States or otherwise secure data and expressions of opinions pertinent to the study. In connection therewith the Commission is authorized by majority vote

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

(2) to administer oaths;

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

(4) in the case of disobedience to a subpena or order issued under paragraph (a) of this section to invoke the aid of any district court of the United States in requiring compliance with such subpena or order;

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

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

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

(c) The Commission is authorized to require directly from the head of any Federal executive department or independent agency available information deemed useful in the discharge of its duties. All departments and independent agencies of the Government are hereby authorized and directed to cooperate with the Commission and to furnish all information requested by the Commission to the extent permitted by law.

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

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

(f) The Commission is authorized to delegate any of its functions to individual members of the Commission or to designated

individuals on its staff and to make such rules and regulations as are necessary for the conduct of its business, except as herein otherwise provided.

SEC. 306. ADMINISTRATIVE ARRANGEMENTS.—(a) The Commission is authorized, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or to classification and General Schedule pay rates, to appoint and fix the compensation of an executive director and the executive director, with the approval of the Commission, shall employ and fix the compensation of such additional personnel as may be necessary to carry out the functions of the Commission, but no individual so appointed shall receive compensation in excess of the rate authorized for GS–18 under the General Schedule.

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

(c) The head of any executive department or independent agency of the Federal Government is authorized to detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its work.

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

(e) Ninety days after submission of its final report, as provided in section 304(b), the Commission shall cease to exist.

SEC. 307. AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated such sums not in excess of $1,500,000 as may be necessary to carry out the provisions of this title. Any money appropriated pursuant hereto shall remain available to the Commission until the date of its expiration, as fixed by section 306(e).

TITLE IV—SEVERABILITY

SEC. 401. If any provision of this Act is judicially held to be invalid, that holding does not necessarily affect the validity of any other provision of this Act.

And amend the title so as to read: "An Act 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 restricting the garnishment of wages; and 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."

Mr. BYRD of West Virginia. Mr. President, I call up this matter at the request of the distinguished Senator from Alabama [Mr. SPARKMAN]. At his request, I move that the Senate disagree to the amendment of the House and request a conference with the House thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SPARKMAN, Mr. PROXMIRE, Mr. MUSKIE, Mr. BENNETT, and Mr. HICKENLOOPER conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p.m.) the Senate adjourned until tomorrow, Thursday, February 8, 1968, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate February 7, 1968:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Thomas O. Paine, of California, to be Deputy Administrator of the National Aeronautics and Space Administration.

EXTENSIONS OF REMARKS

U.S. Dilemma in Vietnam

HON. THRUSTON B. MORTON

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1968

Mr. MORTON. Mr. President, not long ago Dr. James S. Brashear, of Central City, Ky., returned after 2 years' service in Vietnam. His impressions of that service, as related to Dr. M. David Orrahood, were contained in an article published in the Owensboro, Ky., Messenger and Inquirer of February 1, 1968.

I commend it to all Senators, and ask unanimous consent that it be printed in the Extensions of Remarks.

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

MUHLENBERG DOCTOR SPEAKS ON U.S. DILEMMA ON VIETNAM

(By Dr. M. David Orrahood)

"The U.S. dilemma (in Vietnam) stems from a rice-growing peasant who make $1.00 a month in a country that has been at war for 20 years or more and who is thus fiercely indifferent to his plight."

So stated Dr. James S. Brashear, a Muhlenberg County physician who completed two years of active duty with the Army Medical Corps January 29.

Dr. Brashear, a captain in the Medical Corps, finished a year of duty in Vietnam in September, 1967. He finished his active duty at Ft. Campbell and has returned to Central City to resume general practice.

The physician said the U.S. government is confronted in South Vietnam with three main problems:

Unsolvable weakness in the central government in Saigon.

Tough guerrilla forces in rural areas.

Aggression and support of guerrilla forces from Hanoi.

The government weakness and the effect of the war extend into and disrupt all facets of civilian life in Vietnam.

For instance, a prostitute makes several times as much money as a college professor, physician, soldier or government official.

WON'T WORK ON WEEKENDS

"The Vietnamese lack personal pride and respect for life," explains Dr. Brashear. "The Viet Cong can severely beat a South Vietnamese Army unit on Friday noon, but come Saturday, they (the South Vietnamese) still take off for the weekend and do no work or fighting until Monday."

Dr. Brashear pointed out that the village chief, as the only arm of authority for the Saigon government, collects the taxes and pays his own expenses by taking a "cut", which could average as much as $700 a month, a veritable fortune there.

With this money, the chief buys loyalty for himself, the Saigon government and the U.S. government. And, according to the Muhlenberg physician, the more ruthless and corrupt a village chief the more effective he is.

"A virtual dictator," Dr. Brashear explained, "the chief is able to keep power so long as he is not killed by a rival, V.C., or what is worse, becomes so corrupt and so overbearing that he is rounded up by the Viet Cong and killed in the village square to the hand clapping of every peasant in the district."

INNOCENT SUFFER

The chief, if he is effective, keeps the Viet Cong population down by offering a bounty to informers—The going rate was reported as high as $150 per Viet Cong. The problem here was identifying the V.C. Thugs were known to take advantage of this situation and who was to say whether the people they killed were Viet Cong or not?

Most of Dr. Brashear's time in Vietnam was spent at the 12th Evacuation Hospital at Cu Chi district about 30 miles northwest of Saigon. Considered a model example of the U.S. pacification program, the area is designated militarily secure. Yet it was the site of a recent mortar attack that killed 20 people and wounded many others. The Viet Cong sustained no losses. Thus, despite two years of major effort, the U.S. and Saigon governments have not been able to say to the peasant: "You are safe to go about your daily affairs." It is the same situation in the rest of the country.

FRUSTRATION COMPOUNDED BY SNIPERS

Seeing comrades fall as a result of sniper fire or hidden land mines in relatively "secure" areas is another source of frustration to the military. This is especially true since it is impossible to tell the friendly villager

from the deadly Viet Cong, and search operations are almost always fruitless.

Observing casualties taken in this manner day after day frustrates the military and disturbs the peasants. As a result, the population is extremely slow to rally to either Saigon or the U.S. cause.

Yet, concludes Dr. Brashear, "Our presence in Vietnam has made a Viet Cong victory impossible. They live and fight under unbelievable conditions. It is impossible to understand their motivation to continue the conflict."

MEDICAL CARE IMPROVING

Over 6,000 in-patients and countless outpatients were treated at the 12th Evacuation Hospital at Cu Chi in the ten month period Dr. Brashear served. Patients included American military, Vietnamese military and civilian and Viet Cong. Treatment was mainly limited to acute illnesses, the majority of which were injuries sustained as direct result of war.

Dr. Brashear said the surgical capabilities of the doctors serving with him were excellent, and that the service rendered by the helicopter pilot and crew in evacuating the wounded was "excellent beyond belief."

He recalled that the lives of three young men with heart injuries were saved while he was there. All three were in surgery within 15 minutes of being wounded. "These and many others would have died had their treatment been delayed even a few minutes longer," the physician stated.

SUPPLIES A PROBLEM

Dr. Brashear said supplies were always a problem, and that laboratory and X-ray facilities were very poor when the hospital started operation, but improved slowly as time went on.

The Central City physician was in the original group that reactivated and set up the 12th Evacuation Hospital at Cu Chi. The unit had not treated any war casualties since World War II.

When he left the unit in September of 1967, he said hospital facilities were still below what could be expected, but he emphasized that the situation was "undoubtedly better" than in any previous war.

South Dakota House Concurrent Resolution 3

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BERRY. Mr. Speaker, it is my privilege to call to the attention of my colleagues in this body, House Concurrent Resolution 3, passed by the South Dakota State Legislature.

The resolution memorializes Congress to authorize and appropriate funds for a feasibility study for construction of a pipeline from Lake Sharpe to transport water eastward to the Lower James Conservancy Subdistrict and adjacent areas.

I heartily endorse this resolution and its goal of developing the land and water resources in South Dakota.

The Bureau of Reclamation is now conducting a broad reconnaissance survey in eastern South Dakota to evaluate the land and water resources of the area. This will serve as a basis for seeking congressional authorization for a detailed feasibility study of piping water from Lake Sharpe eastward to enhance the future development of the natural resources in this area.

The resolution passed by the South Dakota Legislature is filed.

The resolution follows:

HOUSE CONCURRENT RESOLUTION 3

Concurrent resolution memorializing the Congress of the United States to provide sufficient funding for a study to be made of the possibility of the construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas

Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

Whereas, one of the objectives of the Lower James Conservancy Sub-District is the complete development of the land and water resources within its boundary; and

Whereas, future development of the natural resources in the Sub-District will be dependent on the importation of water which may be used for irrigation purposes, to augment present inadequate municipal water supplies, to aid in the recharge of ground water, to furnish that which is needed for recreation, and to sustain fish and wildlife habitat; and

Whereas, there is considerable acreage of arable land within the Sub-District which are highly productive for agricultural purposes; and

Whereas, the stability of the economy within the Sub-District is dependent on its agricultural production which is subject to climatic influences and variable rainfall, thus contributing to its economic instability; and

Whereas, the need for supplemental water during the critical growing season has been amply demonstrated, particularly in years of short rainfall, at a time when one or more applications of water, through irrigation, would have meant the difference between a bumper crop and one of complete failure; and

Whereas, portions of the Conservancy Sub-District have received only a reconnaissance survey made by the Bureau of Reclamation prior to the preparation of Senate Document 191 which was included in the Flood Control Act of 1944; and

Whereas, even though the Bureau of Reclamation is making a river basin reconnaissance survey in eastern South Dakota, there is still need for a more complete study of the drainage areas covered by the Lower James Conservancy Sub-District and of that area lying between the Sub-District and the Missouri River by an appropriate federal agency to determine the areas of potential multi-purpose water use and development; and

Whereas, it is believed that a pipeline, if built eastward from Lake Sharpe on the Missouri River to serve the Conservancy Sub-District and adjacent areas, would minimize maintenance costs and evaporation losses in transporting water for delivery to a modern distribution system when designed and built to supply water for various purposes including municipal water supply, domestic and industrial use, recreation development, irrigation, incidental recharge of ground water, and other uses; and

Whereas, the cost and feasibility of constructing a pipeline such as envisioned for the transportation of water from the Missouri River to an area of potential use has not been determined; and

Whereas, the United States government, since its inception, has recognized its responsibility to encourage the economic development of the nation—one area of modern activity being found in the Reclamation Act of 1902 and subsequent legislation relating to the development and construction of multi-purpose water use projects; and

Whereas, the officers and directors of the Lower James Conservancy Sub-District recognize the inherent right and obligation of the people within the Sub-District, with or without the assistance of the United States government, to develop fully their water and land resources in accordance with sound basic principles of conservation development; and

Whereas, the problem of proper land use and water supply, quality, distribution, and reuse are of considerable importance to the arable areas that may be served by a properly planned water distribution system; and

Whereas, a sound water resources development program is dependent, in large measure on continued and coordinated investigation, planning, research, and construction programs by the several federal agencies concerned with water resource development; and

Whereas, the accomplishment of these programs calls for adequate appropriation by the Congress of the United States and the use of other funds from whatever sources available;

Now, therefore, be it resolved, by the Forty-third Session of the South Dakota Legislature, that it memorialize the Congress of the United States to provide sufficient funding for a study to be made of the possibility of construction of a pipeline from Lake Sharpe, including construction costs involved, and a determination of the amount of all arable lands which may be served through the transportation of water to the Lower James Conservancy Sub-District and adjacent areas; and

Be it further resolved, that copies of this resolution be transmitted to the Governor of the State of South Dakota, the members of the South Dakota Congressional delegation, the Secretary of the Department of Agriculture, the Secretary of the Department of the Interior, the Commissioner of the Bureau of Reclamation, and the Corps of Engineers.

Adopted by the House of Representatives January 17, 1968. Concurred in by the Senate January 16, 1968.

JAMES D. JELBERT,
Speaker of the House.

Attest:

PAUL INMAN,
Chief Clerk of the House.

LEM OVERPECK,
President of the Senate.

Attest:

NIELS P. JENSEN,
Secretary of the Senate.

Science Policy Confrontation

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. KARTH. Mr. Speaker, in the middle of January a highly important international meeting was held in Paris under the auspices of the Organization for Economic Cooperation and Development—OECD. As most Members know, this organization, consisting of representatives from all of the world's developed countries—21 of them—outside the Iron Curtain, is one of the most important and effective existing today. While its primary mission is the promotion of international economic well-being, much

of its work necessarily deals with the utilization of technology toward that end.

The recent OECD meeting involved a confrontation of the U.S. delegation with respect to the application of technology to economic matters. It followed a long study by a team of OECD examiners, who spent weeks in the United States last year studying American science policy.

The chairman of the Committee on Science and Astronautics, the gentleman from California [Mr. MILLER], served as the congressional representative on the American delegation. His work there has been reported as of the highest order. Mr. Speaker, I include for the RECORD an editorial published in the February 2, 1968, issue of Science magazine, which deals with this matter:

SCIENCE POLICY CONFRONTATION

On 11 and 12 January, at the Paris headquarters of the Organization for Economic Cooperation and Development, the science policies of the United States were critically examined by the 20 other OECD countries. OECD science policy reviews have two purposes: to help the country being reviewed assess its own policies and to build up a useful body of knowledge concerning science policy for its member countries.

In preparation for the January confrontation, U.S. officials had to examine our own science policies and help the OECD secretariat prepare a descriptive account. Four external examiners then visited this country and prepared reports of their findings (*Science*, 12 January).

At the culminating confrontation, a team of American experts (Donald Hornig, Ivan Bennett, William Carey, Philip Handler, Congressman George Miller, Herman Pollack, and James A. Shannon) explained and defended American policies and discussed 20 issues on which they were quizzed by the four external examiners (H. G. B. Casimir, director of the Philips Research Laboratories; Théo Lefêvre, former Prime Minister of Belgium; Pierre Masse, chairman of the board of Electricité de France; and C. H. Waddington, professor in the Institute of Animal Genetics, Edinburgh) and other representatives of the OECD countries.

From the review the U.S. has gained the benefit of an objective and candid analysis of how its science policies look to a group of knowledgeable foreign critics. Much of what they had to say was complimentary. Some of it was envious. And some was fairly sharply critical. Disagreements, among the reviewers or between the reviewers and the U.S. representatives, provided points for fruitful discussion at the confrontation.

The role of science in governmental and economic affairs is basically much the same in all developed countries, but the forms of government of these countries differ and so do the details and the manner of development of their science policies. Much of the January discussion took shape from the fact that Europeans often do not appreciate the diversification of responsibility that exists in the U.S. and do not fully understand how Congress differs from the parliaments with which they are more familiar. Fellow delegates especially praised Congressman Miller's explanations of the way Congress works, and comments following the confrontation indicated that the American delegation had explained U.S. policies effectively and had cleared away some of the confusion and misinterpretation concerning these policies. *Le Figaro*, for example, quoted M. Lefevre as saying that the American policies were an example to Europe and not a threat (as was implied in the written report) unless Europe chose not to understand their meaning.

When OECD was still the Organization for European Economic Cooperation it used the confrontation technique as a powerful instrument for securing cooperation in the use of Marshall Plan funds in the postwar restoration of the European economy. The technique has since been used to exchange information and criticisms concerning policies and practices in scientific and technical education. The January confrontation was the eighth in a series of science policy reviews. It provided an influential group of policy makers with an intensive seminar on U.S. policies and on their interpretation by different examiners. The published records will be available to a wider audience. The policy reviews are one of the means OECD is using to help member countries understand each other and their interrelationships more clearly.

Youthful Gift of Perception

HON. BENJAMIN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BLACKBURN. Mr. Speaker, it has been said that youth has wisdom and perception which far exceeds that of the older generation. At times, we allow our thoughts to become decadent and old. We fail to see things that are happening to us and our great Nation.

Recently, I received a letter from Miss Lynn Pope, a 16-year-old girl who has a gift of perception which exceeds that of persons three times her age. I believe that my colleagues and the American people should read this letter. I therefore insert the following letter into the RECORD:

DECATUR, GA.,
January 29, 1968.

DEAR CONGRESSMAN BLACKBURN: I just finished reading the Feb. 5 issue of *U.S. News and World Report*, and I found an article, "New Decisions on Prayer and Anarchy", quite disgusting. I always felt the United States would fall and now I know it will.

Years ago, when Pilgrims came to America, they thanked God for this wonderful and prosperous land. George Washington prayed to God for guidance so that he would lead the nation in the right way. Great men like Nathan Hale and John Paul Jones died for this country. Men fought for independence leading the way for other countries and they created and built a constitution which became a pattern for other constitutions. Men have built this country, stood for it, and died for it, and we are slowly tearing it down. This great country is truly God-given and we should be thankful for our rights as citizens in a great country, but we are not. We continue protesting and asking for more freedom and burning draft cards and flags, and we are destroying the nation men have lived and died to build.

Is Congress really going to take "In God we trust" off the U.S. money? Is the word "God" going to be taken from the pledge to the flag and out of school books and out of important U.S. addresses? Will the Lord's Prayer not be taught to my younger brothers and sisters as it was taught to me? Will people stop saying grace and praying for the boys in Vietnam? When will they ever realize that this nation was borne of God and will perish without Him?

As a teenager in the Mormon Church, I see this all as a big waste. The words "United States" has always represented to me, a great democracy where people have the right to say what they wish and worship how they want. How can we worship at all without being discriminated against when we say the name of God in public? How can we truly practice our American rights if a restriction is put on religion and prayer? How can we learn history in school without learning about the God who began this history? How can a nation exist without a God to help it? How can this God help us if we do not even recognize Him? Is the United States being ruled by the minority?

I read that the word "God" has been withdrawn from a popular kindergarten poem:

"We thank you for the flowers so sweet,
We thank you for the food we eat;
We thank you for the birds that sing;
We thank you God for everything"

Thank who? God is dead. We are killing Him and now there is no one left to thank. When God dies, the nation dies also. I would gladly give my life for my country because I love it, but I love my God more. Please, try to help me and millions of other people who feel the same way.

Sincerely,

LYNN POPE,
Gordon High School.

P.S. Thank you for reading this letter. I realize that it will take more than just a few letters to help change laws, but please, tell me if there is anything else I can do to help. I know that the people must be pleased, but God is more important than all the people put together. Thank you once again.

Legislation To Provide Flexible Interest Rates for Mortgages Insured by the Federal Housing Administration

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ST GERMAIN. Mr. Speaker, on Monday, February 5, I introduced legislation to provide flexible interest rates for mortgages insured by the Federal Housing Administration.

This action was predicated upon and stimulated by the glaring necessity to minimize high discounts and attract more mortgage money to FHA-VA loans.

A very pertinent article appeared in the February 6 edition of the Washington Post which I insert into the RECORD. As the article notes, private money to finance veteran mortgages "will dry up unless Congress removes the 6-percent interest limit on such loans."

I commend this article to the attention of all my colleagues that they may become more aware of the seriousness of this matter and will, I hope, consequently lend their support to my legislation:

[From the Washington (D.C.) Post, Feb. 6, 1968]

GI LOANS RATE RAISE ADVOCATED

A spokesman for home builders warned yesterday that private money to finance government backed mortgages for veterans will dry up unless Congress removes the 6 percent interest limit on such loans.

Lloyd E. Clarke, president of the National Association of Home Builders, also told a House veterans affairs subcommittee hearing that the $7,500 maximum mortgage that the

government will guarantee should be raised to $10,000.

Lifting of the interest rate and the increased guarantee level were both recommended to President Johnson in a recent message to Congress on proposed veterans legislation.

CITES HIGHER MARKET

Clarke said the market rate for home mortgages is now about 7 percent, which has created a competitive disadvantage for government backed home loans for GI's.

"To continue the existing ceiling in the face of today's credit market will not only prevent many veterans from buying homes, it may also result in permanently disaffecting many leading institutions from the program," said Clarke.

Rep. Charles E. Bennett (D.-Fla.), also urged the subcommittee to act favorably on three bills he has introduced to liberalize a veterans, liability when he sells his home and the purchaser assumes the GI's Government-backed mortgage.

URGES GREATER EFFORT

Meanwhile, Rep. Wright Patman (D.-Tex.) told savings and loan representatives here that they would have to put forward a greater effort to win passage of the Federal Chartering Bill (H.R. 13718).

The bill would allow S & Ls and state-chartered mutual savings banks to apply for Federal charters under which they would enjoy broader investment and lending powers.

Patman told a conference of the U.S. Savings and Loan League that "your enemies—the American Bankers Association and its big bank members—are already at work . . . Under the ABA plan, the bill would never see the light of day."

Commercial banks have complained that entry of S & Ls into the consumer loan business, under Federal charters, would constitute unfair competition.

The World Looks at the United States

HON. PAGE BELCHER

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BELCHER. Mr. Speaker, I would like to call to the attention of my colleagues a very interesting commentary on our American way of life and its social and industrial significance in world society. It is in the form of a book review published in the January issue of Atlas, and asserts that America is the world's driving force. It attributes this not to material wealth, as those who would deprecate us are often wont to do, but to our philosophy and unique rapport between Government and industry.

What is most interesting to me is that the review is a translation from the Paris L'Express and the book being reviewed is bestseller in France: "Le Defi Americain"—"The American Challenge"—by editor Jean-Jacques Servan-Schreiber. The book is planned for spring publication here, and in the midst of the current pessimism as to our country's moral and social fiber, this reassurance from a foreign observer should be most welcome. I include the review, entitled "The World Looks at the United States of America: America's Amazing Power To Create," by Jean Fourastie, at this point in the RECORD:

THE WORLD LOOKS AT THE UNITED STATES OF AMERICA: AMERICA'S AMAZING POWER TO CREATE

(By Jean Fourastie, translated from L'Express, Paris)

(NOTE.—Although it sharply criticizes the French and praises the U.S. almost fulsomely, the book Le défi américain ["The American Challenge"], by editor Jean-Jacques Servan-Schreiber, hit the top of the French best-seller lists just days after publication. Atheneum plans early spring publication in the U.S. For the competitive European it could be a stirring call to action. For the concerned American battered by Vietnam and urban upheaval it may come as a startling morale booster. Below ATLAS prints a review by France's greatest economist, Jean Fourastie, from Servan-Schreiber's own magazine L'Express.)

I have just finished Jean-Jacques Servan-Schreiber's Le défi américain [1] ["The American Challenge"]. It reads like a novel, like one of those novels of adventure and history that ravish us when we are young and want action, which lead us to discover something about men and ourselves, which multiply tenfold our desire to live. In a word, it is a story, our story: what is happening to us while we think about other things and satisfy ourselves with other pastimes.

Raymond Aron recently observed that we are rapidly changing our image of the United States from that of a sleepy country, digesting old wealth, entangled in reactionary alliances, brought to a standstill by long-festering conflicts, on the verge of being overwhelmed and outclassed by the U.S.S.R. and China; to a new image, that of an awakening adolescent youth, master of an immense heritage, possessing above all a virile energy, instrument of a surprising future. But what is it really like? What are the consequences for us Frenchmen, for us Europeans who in the course of the last decade hoped to maintain or regain the front ranks of civilization?

Servan-Schreiber's book is, first of all, a documented report, secondly a judgment and a call to action. . . . To begin with, we learn from this book that Europe is regressing, not advancing. The great national projects (the computer plan, rockets, the atom) and the great European projects (the Concorde, Euratom) are not merely partial in character but too narrow in scope, and because they lack breadth they are doomed to instability instead of consistent progress. . . . Europe, which should devise "a unified policy of science and technique," is only lowering tariffs and increasing interest rates.

Yet, the large-scale actions which the Europeans do not undertake are possible: "The Americans are executing them." Furthermore, if we do not begin them in the next few years the Americans "will do so." Right now, "the Americans are landing in Europe," a terrain on which they can evolve advanced techniques while the Europeans still develop classical methods. . . . But then, "why them and not us?" Many Frenchmen, epitomizing our country and period, immediately answer: "because they are rich." One of the book's primary merits is that it proves something quite different. The Americans do not act like "capitalists," as our old Marxist formulae would have us believe; they act like "entrepreneurs," like innovators; they have the "power to create." The power to create does not come from money; on the contrary, money is a product of the power to create. It is not with their money, but "with ours" that the Americans are establishing themselves in Europe. What is the source of this creative power today? I refer the reader to the book. . . .

Today, "he is rich who knows how to invent and accomplish." Success is an enterprise, the power to create, is taken for granted by the man who knows the art of "organizing," that is, of establishing the material and human processes capable of transforming nature to meet the needs of mankind. This creative power, the basic generator of wealth, is nothing but "informed decision." The man capable of deciding takes command; this is the "seizure of power."

Servan-Schreiber bases his judgment on these facts. First, concerning the seriousness of the facts: it is probable that the few years separating us from 1975 will be decisive. If the gap between the United States and Europe which began appearing around 1962 is not stabilized, if the Europeans continue to let the Americans take the initiative in the "big operation," the two civilizations will begin to diverge not quantitatively but qualitatively. We will reach the point where information will be available to us long after it has become only trivia to them, and even worse, if we do get our hands on such material, it will be incomprehensible. . . .

Given this grave situation, Servan-Schreiber believes the problem is essentially "a political problem." He is right. The processes of ignorance, indifference and inertia which separate us from the Americans cannot be overcome by a small elite, by the initiative of a few corporation heads, not even by the entire employer class together with the French trade unions.

This can be demonstrated by examining education or "management." If the executive function, as we now say, is the key to the economic revolution, how are we to put an end to the low regard in which it is generally held in France? How can we restore the employer to his proper role? How to absolve him of the fundamental charge that he exploits his fellow man? There is only one way: through a genuine revolution in political thought.

The publisher-editor of *L'Express* then turns to a study of the French Left which I would consider severe if it were not balanced by his even harsher view of the Right. . . . Servan-Schreiber is justified in appealing to the Left. If it comes to hold power, it will have the job of renovation. Now its duty is to awaken an ignorant public opinion and a government which still believes in a Europe made up of Fatherlands.

What actually must be accomplished? First, a real Europe must be created, a Europe made of units capable of large-scale operations; a federated Europe, able to accept "a unified policy of science and technique." "This integration," states Servan-Schreiber accurately, "will be subject to the constraints of a total strategy on the part of the big American firms if Europe does not gain control of the process itself."

It is impossible for me in a brief review to give an adequate account of a book which poses such important questions. It is equally impossible to predict that the appeal it makes to the politicians first, and then to the nation as a whole, will be heard quickly enough to inspire the renovations that can spare us from subjugation. . . . More generally, we should ask ourselves what dominates all these factors of progress now exploding in the United States, in a revolution more brilliant than the previous revolutions of steam, electricity, and the atom? Organization of the firm? Yes, of course. "Cross-fertilization"? Certainly. The electronic and information industries? Computers? Yes! Yes! Education? Permanent training? Research? Of course.

But I believe there is a method that brings this all to life, that dominates the ferment of Western civilization, that distinguishes it from all other civilizations that have existed or exist on the face of the earth, that gives it its efficiency and guarantees its success: the experimental, scientific mentality. The "post-industrial" society should have a new name—"the scientific society." The condition of economic development is the acquisition of the experimental scientific spirit.

[1] Le Defi Americain by Jean-Jacques Servan-Schreiber Denoël: Paris.

Servan-Schreiber's book describes this new society and provides us with the means of understanding it and thereby taking action.

Labor News Conference

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BURKE of Massachusetts. Mr. Speaker, in a recent interview on the Mutual Broadcasting System, Andrew J. Biemiller, legislative director for the AFL–CIO and a former Member of this House, from Wisconsin, said that one of the biggest disappointments for the labor movement in the last session was severe curtailment of welfare programs—particularly aid to dependent children. Many of us agree. Possibly even more of us would agree with Mr. Biemiller that effective answers to the urban crisis—job creation, housing, education, civil rights, and all the rest—are major challenges that must be faced this year. Mr. Biemiller's views would, I think, be interesting and informative to all of us. Therefore, I include at this point in the RECORD the transcript of "Labor News Conference," as broadcast on the Mutual network, as follows:

LABOR NEWS CONFERENCE

Revival of the conservative coalition in the House of Representatives last year halted new progressive legislation and even forced some retreats in appropriations for existing programs.

That's the AFL–CIO appraisal of the first session of the 90th Congress, given to reporters by Andrew J. Biemiller, organized labor's chief lobbyist.

The AFL–CIO director of legislation, interviewed on Labor News Conference, broadcast Tuesday at 7:35 p.m. EST on the Mutual Radio Network, said labor was forced on the defensive in 1967, recalling that the biggest fights were to save existing programs rather than shape new ones.

Biemiller said that "in terms of the general welfare," the Social Security welfare amendments were "one of the biggest disappointments" for labor. "We think that they set back the welfare system of the country by about 100 years," he said. He took sharp issue with the cutback of funds for aid to dependent children, which, he said, means that the states will now decide "whether they are going to sterilize mothers or starve children."

Biemiller said that, despite official GOP claims to the contrary, there was a revival of the Southern Democrat-Republican coalition in the House. "The Senate has saved this Congress from being the real throwback that the House leadership of both the Southern Democrats and the Republicans would like it to be," he asserted, adding, "the Senate still has a working liberal majority."

Job creation in both urban and rural areas, a major attack on housing problems, stronger education programs and additional civil rights legislation will be areas of major Capitol Hill battles in the second session that opens January 15, Biemiller said.

The AFL–CIO "will be in there fighting to pass the soundest legislation that we can," he declared.

Biemiller was questioned by Kenneth Crawford, contributing editor and columnist for Newsweek magazine, and Neil MacNeil, chief congressional correspondent for Time magazine.

[Transcript of "Labor News Conference," Mutual Broadcasting System, Jan. 2, 1968]

THE 90TH CONGRESS, FIRST SESSION

Guest: Andrew J. Biemiller, Director, AFL–CIO Department of Legislation.

Panel: Neil MacNeil, chief congressional correspondent for Time magazine; Kenneth Crawford, contributing editor and columnist for Newsweek magazine.

Moderator: Frank Harden.

HARDEN. Labor News Conference. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL–CIO. Labor News Conference brings together leading AFL–CIO representatives and ranking members of the press. Today's guest is Andrew J. Biemiller, director of the AFL–CIO's Department of Legislation.

The first session of the 90th Congress—one of the longest sessions in recent years—adjourned a little over two weeks ago. Here to question Mr. Biemiller about how the AFL–CIO rates this session of Congress and what he sees as major issues in the second session, which convenes January 15, are Neil MacNeil, chief congressional correspondent for Time magazine, and Kenneth Crawford, contributing editor and columnist for Newsweek magazine. Your moderator, Frank Harden.

And now, Mr. Crawford, I believe you have the first question?

CRAWFORD. Mr. Biemiller, President Johnson seems to be of two minds about the first session of this Congress. He has criticized it for what it did not do, but at the same time, he has called it a medium-productive Congress. How do you view it?

BIEMILLER. I'd say, Mr. Crawford, that the President is a little more charitable in his estimate of the achievements of the first session of the 90th Congress than is the AFL–CIO.

In our opinion, the first session of the 90th Congress was primarily a defensive one in which the Administration and people like the AFL–CIO were attempting to defend the gains that were made during the 89th Congress.

This became particularly true in the continuing fight over appropriations. And, very frankly, I think that in that area, we lost ground.

MACNEIL. Mr. Biemiller, what, in labor's view, would be the biggest failure—what would you count as the biggest failure for labor in the session?

BIEMILLER. In terms of a rather narrow definition of labor's aims, we would have to say that the biggest failure was the fact that Congress took no action on the Situs Picketing Bill—the bill which would give the building trades union members equal picketing rights with industrial union members.

MACNEIL. What happened to 14(b)—the repeal of that section of the Taft-Hartley Law? Have you abandoned that?

BIEMILLER. No effort was made to push the repeal of 14(b) in this session of the Congress, because we knew, very frankly, that we didn't have the votes. There is no point in trotting out a bill that you know is foredoomed to failure—doomed before you start on it.

Now, I'd like, though, to say that in terms of the general welfare of the country, I think one of the biggest disappointments that the labor movement had was the welfare provisions of the Social Security legislation that passed.

We are very disturbed by those provisions. We think that they set back the welfare system of this country by about 100 years. We certainly don't like the idea that we now have to, as President Meany put it, let the states make a decision as to whether they are going to sterilize mothers or starve children, as a result of the cutback of the funds for aid to dependent children.

MACNEIL. May I ask you a follow-up question on that? Again in terms of labor, what were the biggest successes for labor in the last Congress—the last session of Congress?

BIEMILLER. Well, I would say that there was great success on some matters that most people may not have recognized of importance.

For example, the passage of the sound Meat Inspection Bill. Now, for the first time, we are really going to inspect all meat in the United States. This was a sleeper in one sense It was a bill that most people didn't think had very much chance. All of a sudden, the bill got rolling and hurrah, we've got a good, sound bill.

A comparable thing that happened during the closing days of the Congress was the relatively good Poverty Bill that came out of this Congress. That, though, was the kind of victory that I was talking about when I said that it was a defensive Congress, because there was a stage of this Congress in which I frankly despaired of any Poverty Bill coming out—particularly from the House of Representatives.

But, we did manage to salvage a bill that is, if anything, better than the old law, and with a slightly higher appropriation.

CRAWFORD. Mr. Biemiller, overall, wouldn't you say that the difficulty—the principal difficulty with this Congress—was that the old programs were not fully funded? Is that true?

BIEMILLER. That is what I was getting at a few moments ago, when I said that in the appropriations field, we actually lost ground. The authorizations that we were so proud of that were passed in the 89th and previous Congresses never became fully funded.

You know, I think the American people forget that to win permanent possession of a law in the Congress of the United States, you have to win it 10 times. You have to win, first of all, in the substantive subcommittees and full committees in both Houses. Then you have to go through the same thing in the appropriations committees. Then you have to win in conference and on the floor. Then you have to get the bill signed.

I suppose it could best be explained as something like the trophies in some bowling tournaments or golf tournaments—you have to win the trophy 10 times to get permanent possession.

CRAWFORD. I think you are right that most people don't recognize that what is authorized is frequently not what is appropriated. You are apt to take the authorization figure and say that is what you have. But you don't have it until you get the appropriations.

MACNEIL. There are some Congressmen who vote for all authorizations and against all appropriations.

Mr. Biemiller, let me follow this up a little. You mentioned the Meat Inspection Bill. It seems to me that a great deal of consumer-oriented legislation was passed this year, and that this was a new phase in the Congressional attitude toward things. For example, the Fabrics Bill—the Flammable Fabrics Bill—interest rates, and so on.

BIEMILLER. On interest rates, we've still got trouble.

MACNEIL. It's not finished, but it is a long way along the road. I am just wondering if you think there is a new attitude on Capitol Hill toward the consumer?

BIEMILLER. Yes, I think that is a fair statement, Mr. MacNeil. I think there is a growing attitude that we had better pay some attention to consumer problems.

This is one of the reasons why President Johnson is reasonably generous in his assessment of this Congress. He is proud of the fact that it became consumer-oriented in many ways.

However, I will be completely convinced that it is a good consumer-oriented Congress when I see final action on the Truth-in-Lending Bill.

You are aware, I am sure, Mr. MacNeil, that is the bill that former Senator Paul H. Douglas (D-Ill.) started many years ago. It's a very simple little bill.

All it says is that those people who have dealings with the public—dealings that involve interest rates—must give the public the full, true annual interest rates they are paying.

Now, this year, the Senate did pass a rather good bill. But, it has been hung up in the House—in the House committee. In the Senate, too, for that matter. We found that the committees knocked out coverage of department stores revolving accounts. This happens to be, in our opinion, the key to the whole matter, because this is where all of the difficulties show up. I have found, time after time, in asking my friends who have revolving accounts at department stores, "Do you know what interest rate you are paying?" that they say, "Yes, we are paying one-half of one percent, a very reasonable rate." I ask, "Do you realize that is one-half of one percent per month, and, that in many cases, it is one-and-one-half percent?"

That is what it usually is, in fact. The one-half percent rate is a very rare thing: that would come out to a six percent annual rate. The one-and-one-half percent rate comes out to 18 percent per year. That is the thing we would like people to understand—that they are being charged that kind of interest.

CRAWFORD. Mr. Biemiller, you spoke of your apprehensions about getting any Poverty Bill through the House. The House has been the sticky point here. How do you account for that? Why is it, in these days, that the Senate seems so much more liberal than the House?

BIEMILLER. Well, two days after the election in 1966, I sat down with AFL–CIO President George Meany and Al Barkan, the head of our Committee on Political Education. We counted the House that had just been elected. We came to the conclusion that we had a net loss of 41 liberal Congressmen. And that, in the boldest terms I can put it, is what's wrong with the House of Representatives today.

The 89th Congress had an actual working majority of good, sound, liberal Congressmen. That has been cut way down—it is down to about 185 now—about 185 people whom we feel we can count on in the House of Representatives.

And, I'm not talking about only labor issues. I mean broad social issues as well. Each time, you have to reach out and pick up a considerable number to get the 218 it takes for a majority. This is exactly what the problem was on the Poverty Bill.

CRAWFORD. Well, in other words, the old Southern Democrat-Republican coalition has been reconstituted in the new House of Representatives. Right?

BIEMILLER. That is precisely what I said in the statement I made in the AFL–CIO News a few weeks ago.

MACNEIL. Mr. Biemiller, do you really believe that—that this is the old, working conservative coalition? The House Republican Leader, Congressman Gerald R. Ford, Jr., (Mich.) has specifically alienated his party from the Southerners. The thing that strikes me—for example, on the Poverty Bill—is that the real reason for the success there for the Administration was the breakdown of any real coalition. They were stumbling—they were fumbling—they made a terrible mess of it. As a result, the bill came through.

BIEMILLER. They made a terrible mess of it, because the Republicans in charge of that bill insulted the Southerners on the opening day and they became very angry. I think that far from proving my thesis incorrect, it proves it correct, because this is the one outstanding example of where the Southerners did stick with the Administration in considerable numbers. As a result, the coalition couldn't cut the Poverty Program way down.

MACNEIL. The point I am trying to get to, Mr. Biemiller, is that the Southerners in the House no longer have a real leader. Judge Smith (former Congressman Howard W. Smith, D-Va.) is gone, and there is no man who has the tactical and parliamentary skill that he had—nor the prestige. I just wonder if that played a major role in various successes? The Poverty bill is one, and the Education Bill is another.

BIEMILLER. I am quite willing to admit that the disappearance of Judge Smith from the House of Representatives has weakened the Southern bloc—there isn't any doubt of that. Judge Smith was, without any question, one of the ablest legislators of our time. I don't mean to infer that I wish he were back. I'm delighted he is no longer there as an opponent.

But, on the other hand, when you start talking, for example, about the Education Bill, we think there was some retrogression there this year. And, it was largely a result of the Southerners being unwilling to go along with the original bill, which gave more power to the Office of Education than the bill which just passed the House.

MACNEIL. It was a remarkable bill, in terms of the loss of your liberal Congressmen in the '66 elections, wasn't it?

BIEMILLER. But, it was saved in large part by the Senate. I would go one step further—it was saved in large part by Senator Wayne Morse (D-Ore.), who handled that bill very skillfully. He did an excellent job on it.

CRAWFORD. Mr. MacNeil, I wonder if the difference between the coalition now and the old coalition is that it now isn't a conscious working relationship—rather it is that "Ike and Mike think alike"—and when you come to voting, they vote alike?

MACNEIL. I see another difference, and I'm going to ask Mr. Biemiller about it. That is, it seems to me that the Republican leaders in the House—traditionally a very conservative group—have changed their strategy on bills. For example, in the education fight, they sort of gave up the question of whether or not the federal government should be involved, did they not? They are really fighting over how it should be involved. They are trying to put the programs onto the state level, which, I think, is the thing you are complaining about, isn't it?

BIEMILLER. Well, I think this is partially true, yes. Melvin Laird, for example, the Chairman of the Republican Conference—Congressman Melvin R. Laird from Wisconsin—is trying his level best to send federal revenue back to the states without any strings, or with very few strings, on the money. The argument has been that the states can do it better.

Well, this plays right into the hands of the Southern bloc, after all. The Minority Leader, Jerry Ford, can talk all he wants to about not wanting to have a coalition, but I would agree with Mr. Crawford—as a practical matter, there is a coalition.

As evidence of that, I would suggest that you take a look at the roll call on the first session, which the AFL–CIO has gotten out. I'll be glad, by the way, to send a copy of that to anybody who wants it, if they will write the AFL–CIO. You will find that on the key votes, particularly on appropriation matters, the Southerners and the Republicans are voting almost solidly together.

And that's where the trouble has been—cutting appropriations. Rent supplements, for example, is one illustration. Originally, the House wouldn't vote a penny. Well, the Senate came back with the $40 million which the President had requested, and it finally wound up around $15 million.

Now, that is the result of the jockeying.

The Senate has saved this Congress from being the real throwback that the House leadership of both the Southern Democrats and the Republicans would like it to be. The Senate still has a working liberal majority.

MACNEIL. May I turn to the other side of appropriations, which is taxes, and get your judgment on just where that stands at this point?

BIEMILLER. I still have grave doubts that the House Ways and Means Committee is going to act. The AFL–CIO, at its recent convention, again urged the Congress to pass a surtax bill. We have some ideas on how we think the President's bill ought to be rewritten, in part. But, we do believe that it is very important to pass a surtax bill.

MACNEIL. Isn't there a paradox here? This Congress—particularly the House—has been voting for the appropriations they have approved, while complaining about the size of the deficit, and because of that, partially, are refusing to increase taxes until they get the President, of all people, to cut the appropriations still further. Do you agree?

BIEMILLER. I think that is correct. I found it a great paradox. But, this happens to be the attitude which the Chairman of the Ways and Means Committee, Congressman Wilbur D. Mills (D.) of Arkansas, has adopted. And, I don't know a more powerful person in the House of Representatives than the Chairman of the Ways and Means Committee.

MACNEIL. May I ask you for a political judgment here? What would be the price the President would have to pay, if he met the conditions that the conservatives in the House are demanding—the price for his tax bill, in cutting appropriations?

Presumably, they would come in the domestic area.

BIEMILLER. Well, about a $4 billion cut has now been made, as a result of actions by the Congress acceded to by the Administration. Another couple of billion dollars were shaved off some of the original estimates.

I think that what the conservatives in the House want is to double that—to get the cuts up to around a $10 billion figure, instead of this $4 to $6 billion figure that seems to have been reached.

Furthermore, I think they want some kind of a promise that in future budgets, there will be curtailment. I think that too many people read just the first two paragraphs of Mr. Mills' statement. In the third and fourth paragraphs he went on to say that he also wants some assurance that the constant expansion of government programs will come to a halt.

MACNEIL. If the President paid this price to get his tax bill, wouldn't this cost him enormously in his own effort toward re-election—and the efforts of his fellow Democrats—the liberal Democrats you are so anxious to get back?

BIEMILLER. That is certainly our view. This is what we have been advising the Administration all year long. We were delighted when the President took out, at our convention, on the Republican leadership and most of the Republican members of the Congress. A handful of Republicans, we think, have been voting in the peoples' interests. But, the great bulk of them haven't.

CRAWFORD. I take it, Mr. Biemiller, that the AFL–CIO has just about the same view as the President—that the failure to get a surtax was one of the great failures of this Congress?

BIEMILLER. Yes, indeed we think it was.

We think, for example, that just one area in which the surtax is important, is in keeping down interest rates. We are very disturbed by the constant upping of interest rates in the country. We think there is a direct relationship here.

Furthermore, we would agree with the point that Mr. MacNeil made a moment ago, that if you're as serious as we are about funding the great social programs, they have to be paid for. We recognize that. We have always said it.

And, our third point, not to be overlooked, is that this is the only war in history in which there hasn't been a special tax levied to prosecute that war. We feel very strongly that there ought to be a special tax to prosecute the war.

CRAWFORD. This is also the only war in which you have not had wage and price controls, which I take it, you are not in sympathy with?

Mr. BIEMILLER. We have said repeatedly that if the President believes that controls

are needed, we will back him in a program that would put controls across-the-board—not only wages and prices, but also corporate salaries, interest rates and all the other phases of our economy.

If he comes up with a program that has true equality of sacrifice, we will back him.

MACNEIL. Mr. Biemiller, just what do you see as the major issues of the next session and what is the outlook for those fights?

BIEMILLER. Well, I think that the next session of Congress has to face, very seriously, the urban crisis.

It has to face, first of all, the creation of jobs. There is still a hard core of unemployed in our urban areas—and in our rural areas, as well—for whom jobs are not available. We strongly favor the effort that has been made by Congressman James G. O'Hara (D.) of Michigan, and some 70 or so other members of the House—which was picked up in part by Senator Joseph L. Clark (D–Pa.) and others in the Senate—to try to get job creation by the federal government for these people who are otherwise unemployable in the various services.

Secondly, we think there has to be a very serious attack made on housing. We would like to see a program of 2½ million units a year, including at least 300,000 units of public housing a year for the next two years, and 500,000 a year after that, for another five years.

We think that until this attack is made, we are going to have trouble in our cities.

MACNEIL. What about civil rights?

BIEMILLER. I'm coming to that.

Now, it also means that in the urban crisis, you've got to strengthen the education programs—the vocational education system needs further strengthening.

In civil rights, President Meany has testified for the full Housing Bill, and for the right of protection of person for anyone trying to exercise his civil rights. The Senate will start on that latter bill as soon as it gets back and we expect to see a real civil rights fight start in the Senate of the United States. We'll be in there fighting to pass the soundest legislation that we can.

CRAWFORD. But, realistically, Mr. Biemiller, you wouldn't expect very much more of the second session of this Congress than you got out of the first?

BIEMILLER. In the Senate, you can't get anything more, as long as Senator EVERETT M. DIRKSEN (R-Ill.) takes his intransigent attitude. With the Minority Leader saying he will not help break a filibuster, it's almost impossible to break one in the Senate.

But, I am delighted that the Majority Leader, Senator MIKE MANSFIELD (D-Mont.) is bringing the bill up. We will find out who is who on the question of civil rights in the Senate of the United States.

MACNEIL. Mr. Biemiller, I'd like to ask you another question on election possibilities—the kind of men you would like in Congress. What is the effect of Senator EUGENE MCCARTHY'S (D-Minn.) campaign for the presidency? Isn't this hurting the Northern liberals?

BIEMILLER. Well, I am told by many of the members of the Congress that they do not welcome the McCarthy campaign, particularly in those states where he will be involved in primaries. It is going to cause trouble for some of them, without any question.

CRAWFORD. It's conceivable that it will lead to the defeat of six or seven Senators, is it not?

BIEMILLER. It could, although I have a strong feeling that the country will rally more and more during the coming months behind the Johnson program and behind the Senators who have supported the Johnson program—particularly the domestic aspects of it.

MACNEIL. Is the war the big issue, or is it the domestic scene?

BIEMILLER. I think the domestic side is going to emerge as a bigger issue than the war.

Now, on the war, you know our position—we are behind Johnson all the way. We are not flinching on it.

But, we have a strong feeling that the domestic issues are going to get a tremendous amount of attention during the second session of this Congress.

HARDEN. Thank you, gentlemen. Today's Labor News Conference guest was Andrew J. Biemiller, director fo the AFL–CIO's Department of Legislation. Representing the press were Kenneth Crawford, contributing editor and columnist for Newsweek magazine, and Neil MacNeil, chief congressional correspondent for Time magazine. This is your moderator, Frank Harden, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL–CIO, produced in cooperation with the Mutual Radio Network.

Federal Labor-Management Relations

HON. ROBERT V. DENNEY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. DENNEY. Mr. Speaker, today I am introducing legislation designed to give the benefit of law to a long-established administrative practice. Under Executive Order No. 10988 issued on January 17, 1962, postal unions and the unions of other Federal employees were recognized. However, as my colleagues know, continued recognition is subject to the whim of the President unless sanctified by statute.

Mr. Speaker, since taking office in January of 1967, several cases involving Federal employees have been called to my attention. In some of these cases, serious doubts were raised in my mind as to whether the individuals involved had received a fair and equitable adjudication of their rights and grievances. Take for example the Post Office Department. Under existing procedures, they act as prosecutor, judge, jury, and executioner. Although additional relief can be secured through the Civil Service Commission, it also is an arm of the executive branch. As a former trial attorney, my sense of fairness is offended by such a system designed to handle employer and employee grievances.

My bill, H.R. 15185, is entitled the "Federal Employee Labor-Management Act of 1968." Many times I have heard some of my colleagues state that the Federal Government should be a model for the rest of the country in the field of labor-management relations. But, in practice, it has been the private sector who has been the leader in the areas of wages, working conditions, and labor-management relations. The time has come for us to recognize that fact and to put Federal Government labor policies into the 20th century.

H.R. 15185 would set up an orderly procedure under the Department of Labor to handle grievances between management and employees. In addition, it would set up penalties that would make it necessary for management to carry out its side of the bargain also.

Many people feel that such an approach would encourage Federal employees to strike. This bill has nothing to do with the right to strike but merely allows union officers to present grievances on behalf of their members without restraint or reprisal and sets up an orderly procedure for so doing.

Mr. Speaker, it would be my hope that this legislation could be considered by the appropriate committee as soon as possible. It is time to make a long-given promise a reality.

Guns, Butter, and Whipped Cream, Too

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MICHEL. Mr. Speaker, in the early days of this current session, it seems to me that the word "priorities" has appeared in a great deal of the writing and conversation regarding the expenditure of Federal funds.

Unfortunately, talking about establishing priorities and actually doing so are two different things and I have seen no real interest or inclination on the part of the administration to impose a meaningful and realistic schedule of priorities in assigning funds for the various departments and agencies of Government for fiscal year 1969.

This whole question of ever-increasing Federal budgets resulting from approval of a never-ending series of programs by the Congress is a problem which I know has troubled a good many of my colleagues—and especially those of us who have opposed some of these programs on the basis that while they may be desirable, they are not vitally necessary and could be set aside until our fiscal picture is a bit more clear than it is at present.

Along those lines, a column by Mr. Jenkin Lloyd Jones appeared in the Washington Evening Star, Saturday, February 3, 1968, and I include that article at this point in my remarks:

GUNS, BUTTER, WHIPPED CREAM, TOO

If most of us keep insisting on getting what we want regardless of the consequences, we're all going to get it—in the neck. We can wreck this broad, beautiful and rich country. We have all made a pretty good start at it.

The dollar is in trouble. Washington is at last alarmed at the draining away of our gold reserves. The President has urged Congress to pass legislation that would discourage travel outside the Western Hemisphere, dry up further foreign investments by American corporations and make the profits of subsidiaries abroad immediately taxable. These measures would help—a little.

But almost simultaneously, Vice President Humphrey was making a speech to African nations in Addis Ababa, excoriating American "isolationists" who are trying to cut back foreign aid. Was he saying that private spending abroad is evil and government spending holy? There seems to be a bit of confusion.

Dealers in international currencies—the so-called "gnomes of Zurich"—are cashing dollars for gold for a simple reason. They do not see how the dollar can maintain its value in the face of perpetual annual deficits of staggering proportions. No point in shaking our fists at them. These men are simply realists. They regard the dollar with no more sentiment than they regard the pound, the krone or the yen. They merely abhor baloney money.

Nor does it do to blame the Vietnamese war, colossal as its cost is. America has the resources to conduct a major war and still produce a vast amount of butter. But America cannot produce guns, butter and unprecedented quantities of whipped cream and caviar, too. That is what we are attempting. Our system of priorities has broken down.

Mike Wright, chairman of the board of the Humble Oil and Refining Co., has remarked that the essential difference between business spending and government spending is this: business surveys its resources and then considers "needs"; and only incidentally considers resources.

Business is disciplined. It can't print money. So when outgo begins exceeding income it has to do something. But government can print money. It can sustain deficits for a long time by simply creating its own credit.

Yet both can go broke, and for the same reason: loss of confidence. When business can no longer float loans to make up deficits it goes under. And when the people lose confidence in the currency and bid tangibles up to fantastic prices, you have runaway inflation. Who wins?

Insurance policies, annuities and pensions are paid off in worthless bills. Labor cannot get wage increases as fast as wages depreciate. Government bonds on which the banks depend for their stability join the "securities" of the late Confederacy. Business and agriculture creep along on a barter basis. The economy is ruined.

I was talking recently to a congressman. "Every time I vote against new programs that I know we can't afford," he says, "my opponents shout for joy. 'He's against the poor,' they say. 'He doesn't want you to have good roads. He'd cost local industry contracts and union members jobs.' I like being a congressman. I ask myself if bucking the trend is worth it."

Of course it's worth it. If it's worth putting on your country's uniform and taking your chances in a foreign war, it's worth trying to preserve your country from its own folly.

But it's going to be hard to expect integrity from our lawmakers if we, the people, punish them for it.

We're all guilty. Business loves those government orders and bucks the higher taxes. Labor likes to convince itself that ever-higher wages will mean prosperity for all, regardless of productivity. Farmers dream of riskless agriculture. Many college professors are fascinated with government grants that often relieve them of the irksome business of teaching students and support them in pleasant, if sometimes frivolous, research programs.

Of course the gigantic bureaucracy feeds upon itself. It sees "unmet needs" everywhere. And bigger programs mean larger staffs, faster promotion and higher pay grades.

Let us not point accusing fingers at New Deals. New Frontiers and Great Societies. The immoral business of charging today's apple pie to our unborn grandchildren would not exist without our connivance.

We better begin to have the intelligence to support men in public office who will have the courage to say: "Nope! You can't have it—not all of it, not right now. And you can't put it on the cuff."

Otherwise, we'll all go over the falls.

Tired of Excuses About Vietnam

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BERRY. Mr. Speaker, I received a letter from a young man in my district this week which I felt made more sense to me than anything I have heard from State Department spokesmen and administration leaders. I thought it should be read by every Member.

His letter follows:

Please forgive me if I sound mad. The truth is I am.

I'm tired of the same excuses about Vietnam. I'm tired of seeing our men killed all over the world. They are the best fighting men in the world but if we tie one hand behind them and furnish the weapons to our enemies to kill them, we are going to lose to the Communists not only in Vietnam but in our own wonderful country.

I think it's time to let our military men win just as soon as we can and stop worrying about how many civilians we will kill and worry about how many Americans we will save.

I fought in Korea with the 5th Marines so I know what those men are going through.

Public Relations in the Jungle

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. GROVER. Mr. Speaker, those of you who have grown weary of the overworked epithet "Ugly American" will share the pleasure I experienced in recognizing the antithesis of the prototype commonly identified thus, during my recent field inspection of the feasibility studies for a sea-level canal. In the steaming jungles of Panama and Colombia, Col. Alex Sutton, Jr., C.E. field director of the Atlantic-Pacific Interoceanic Canal Study Commission, has demonstrated ingenuity, leadership, and down-to-earth diplomacy, which is, I am sure, more typical of our Government representatives overseas than the fictional character which, unfortunately has become a national byword.

A team surveying in a foreign country with the known objective of ultimately building a sea-level canal, possibly with nuclear power is, obviously, a target for suspicion and hostility. The respect and affection shown to Colonel Sutton and his men at every point we visited has been earned by steadfast employment of patience, consideration and sound judgment. Because of the goodwill that has been established, and the professional competence of the team, the technical accomplishments are impressive.

The inspection trip started at Albrook Air Force Base in the Canal Zone. Accompanied by fellow Congressmen JOHN MURPHY, HENRY C. SCHADEBERG, Brig. Gen. Charles C. Noble, Engineering Agent, Office of the Chief of Engineers, Mr. John P. Sheffey, executive director of the Canal Study Commission, Colonel Sutton and others, we flew in two U.S. Army Huey helicopters down the rugged coastline of Panama to our first stop at Curiche in North Colombia. Curiche, a beach located on the edge of the jungle, is the site of the principal camp on Route 25, and the port for supplies and personnel brought from the Canal Zone by landing craft. From this base, which now has many of the trappings of civilization, dozens of engineers, geologists, drillers, and technicians go back and forth to jungle outposts. Most of the activity in the camp centers at present on preparations for the geological drilling program.

Leaving the camp, we flew up to the weather station at Alto Curiche which is on a hill overlooking the beach. Here ESSA—Environmental Science Services Administration—is conducting meteorological studies. Every 6 hours, rain or shine, a weather balloon is released and tracked to a height of 60,000 or 70,000 feet and up to a hundred miles out. From this data, predictions will be made of fallout patterns from nuclear excavation.

From Alto Curiche we traveled over the mountainous jungle of the Continental Divide to Camp Teresita which lies inland just 15 minutes flying time from the weather station. Enroute we flew over the drilling site of Quiparado. From the air we could see that the site will work here for weeks at a time, completely dependent on helicopters for supplies. They will drill the first of many NX holes to a depth of about 1,300 feet to verify subsurface geology.

After landing at Camp Teresita, an auxiliary base camp and landing strip located on the Truando River, we inspected the camp and had lunch. We were impressed by this oasis of civilization which had been constructed in the depths of the Colombian jungles.

From Teresita we embarked for Loma Teguerre Weather Station located at the Atlantic end of Route 25. En route the thick jungle below gradually gave way to flat swampland which characterizes the Atrato River Delta. Here the marshes stretch for miles with the Atrato, which appears to be as wide as the Mississippi River, meandering through on its way to the Atlantic Ocean.

In the distance, rising out of the flat lowlands we could see the Atlantic meteorological station for Route 25. Here in the midst of hundreds of square miles of swampland is the Loma Teguerre Weather Station, located on a small hill.

Following a briefing by Colonel Sutton we boarded two fast fiberglass boats for a short trip up the Atrato to a hydrology metering station. Near the station a scientific party was gaging the Atrato River to determine water runoff data. This seemed to be quite an undertaking considering the size of the river which rules out the use of a cable car.

The trip continued from the metering station to the floating camp located at Sautata. This camp is a surplus Navy barge which has been converted into a barracks with kitchen and other necessary facilities. It is anchored to the shoreline of a Hacienda Sautata, a privately owned cattle ranch.

This was the end of the official tour, but Colonel Sutton felt it was important that the party make a courtesy call on the cattle ranch, Senor Mercedes de Yamhure, who, he told us, has always been most helpful to the studies. Doña Mercedes, a dignified middle-aged lady of Puerto Rican descent lives at the Hacienda Sautata attempting to manage the ranch in order to provide an estate for her children.

The ranch had once been a sugar plantation run by emigrant Puerto

Ricans, and a narrow gage railroad had been built from the hacienda to the river to transport the cane to a sugar mill which was located on the banks of the Atrato where the floating camp is now located. We rode this railroad up to the hacienda, but the flatcars were not pulled by a locomotive. Instead we used genuine horsepower—one mule and one horse.

Upon arriving at the hacienda, Doña Mercedes greeted Colonel Sutton with an "Abrazo" crying, "Alex, my son. Where have you been so long?"

After we had entered the house, Doña Mercedes told us how Colonel Sutton had come to her house as a stranger in 1965, requesting her support for the survey work in that area. She made available the only airfield in the area and has permitted a floating camp to be tied in her front yard. It was obvious that her regard for Colonel Sutton was high and that her sentiments were strong in favor of the United States.

The cooperation Colonel Sutton had received from the Yamhure family was just one example of his people-to-people program which has assisted him in carrying out his work. Following a policy of explaining the purpose and objectives of his project to key persons in remote villages, he has offset most of the opposition and resentment he has encountered.

In Turbo, a small town near the mouth of the Atrato River, initial courtesy calls made on officials assisted reconnaissance parties by insuring their freedom of movement in and out of the area. The frequent rotation of mayors, and customs officials have caused problems from time to time, but most of these situations have been anticipated and have been counteracted by simple gestures such as taking a group of local VIP's up the river to show them the latest developments in the survey. This type of consideration inevitably led to better understanding and improved relations.

While surveying Route 17 in the Darien, Indians presented many problems which had to be resolved before progress could be made. There are actually two types of Indians in this area: the San Blas, who inhabit the islands on the Atlantic terminus of Route 17 and the interior Cuna Indians.

The San Blas have become reconciled to missionaries, educators, and occasional visitors; however, they still do not wish to have their way of life disturbed, and were alarmed when they first heard of the impending studies.

The interior Cuna Indians live in the most remote and isolated regions of the Darien jungles and, to this day, resent and actively resist the encroachment of any outsider on their area. In the past, their reaction to the visit of a stranger has often been to lead him to the edge of their "reservations" and turn him loose in the jungle on his own.

When the survey team first arrived in this area they encountered just such an attitude. In the village of Morti, they were informed that the permission they had received from the Panamanian Government was worthless and that the land there belong to the Indians. All kinds of conflicting monetary demands were made of them, and obstacles were put in their way. However, the initial meeting was terminated with the minimum of ill will because of the determination of Colonel Sutton to recognize and respect, insofar as possible, the customs and wishes of the Indians, up to and including cheerfully drinking fermented corn "chica" with the chief.

A major breakthrough was made when the chief of the village of Uala was persuaded to come to Colonel Sutton's office for a briefing on the overall studies. The chief had been told that the Yankees were coming into the area with nuclear bombs, would not ask permission from anyone, but would blast a canal which would displace and cause damage to the Indians. Hence this overt discussion of the proposed program helped greatly to reassure him, and he in turn reassured the others.

Because the chief of Uala had gained confidence in Colonel Sutton, he looked to the colonel for assistance when his village was swept with an epidemic of measles. Shortly thereafter he sent word to Colonel Sutton that 20 people had died and asked if he could send medical assistance.

Colonel Sutton contacted the Panamanian Minister of Public Health, Sr. Abraham Pretto, who is also the Darien representative to the Panamanian National Assembly. Sr. Pretto said that he could provide doctors but had no way of getting them into the area. With the cooperation of both U.S. Forces Southern Command and the Air Force, Colonel Sutton managed to get a medical team down to take care of the suffering Indians. More than 100 people were treated at that time, and it was later discovered that this was the first time that a doctor had ever visited that village.

Later, when measles broke out in another village, Colonel Sutton took a medical team down once more. This time he also heard of a man in the area being bitten by a fer-de-lance. Treating him with antivenom serum, Colonel Sutton took a calculated risk and had the dying man evacuated to La Palma Hospital where he could receive proper care. Fortunately, the Indian recovered, and members of the sea-level canal survey team found that they had gained a modicum of popularity in the jungle.

The good will engendered by these rescue missions was solidified by reaching a clear understanding and agreement with the Indians which would provide for fair and just treatment. The signed agreement stated that the OICS would:

First. Respect and not interfere with the civilization, customs, and people of the Indian villages.

Second. Respect and leave alone the animals, birds, and plants which the Indians considered essential to their existence.

Third. Hire Indian men for all general and unskilled labor required in the area.

Fourth. Promptly pay for any actual damage done during the course of the studies to property of the Indians.

Fifth. Respect the authority of the Indian chief in all relations with the tribe.

Colonel Sutton has found that the most effective method of winning the confidence of the Indians has been by attending innumerable council meetings or pow-wows, listening patiently to the complaints and fears of members of the tribe, and attempting to allay those fears by explaining time and time again what would take place under the studies, and assuring them that their rights would be respected.

During the course of these council meetings, Colonel Sutton often finds himself countering the allegations of professionally trained agitators, who are even found in remote Indian villages.

As well as overcoming difficulties with the natives, the party initially faced many technical and logistical problems which were compounded by the remoteness of the area and the environment.

Transportation of the heavy equipment needed was hampered by the fact that there were no roads, or ports, or adequate landing fields, and no landing craft which could discharge cargo on the beaches or go up rivers at high tide. Aircraft, particularly helicopters, were, and still are, in extremely short supply because of the situation in Vietnam.

Movement to and within the routes involved cayucos, foot trail, cutting through virgin jungle, and using what helicopters and light aircraft were available.

Beaches, cleared jungle strips, or paths hacked out of the jungle were used as landing fields.

All materials, food, and skilled labor had to be brought from the Canal Zone.

The climate proved to be another obstacle. For 9 months of each year, torrential rains hampered the work and made aerial resupply difficult. A flexible attitude had to be maintained to keep the work moving and personnel supplied.

I am told that on Route 17, in the Darien region of Panama, the technical programs are near completion. Topographic surveys have been carried out along the proposed alinement to verify map distances and elevations. To determine the effect of existing drainage systems discharging into a sea-level canal, 15 rainfall and combination rain and hydrology stations were established as well as two tide-gage stations, one at each end of the proposed route.

Extensive surface geologic mapping was carried out over the entire area, and approximately 11,000 feet of subsurface geological exploration, entailing 20 drill holes, was completed.

To collect data on human disease vectors and reservoirs of diseases, and venomous and otherwise harmful animals, insects, and plant life, representative specimens were collected by the medico-ecology teams at several areas along Route 17. This material has been submitted to the Gorgas Memorial Laboratory in Panama for cataloging and processing.

The scientific and engineering data which has now been obtained should provide the basis for an engineering study to determine the feasibility of this route.

Similar work is still underway in Colombia. However, Colonel Sutton advises me that an increase in funding is highly desirable to insure a similarly valid study

of this area. We should take advantage of our opportunity to complete the Colombian surveys, using people now on the job. The field work in Colombia should extend until June 1969. I am told that the Commission needs until December 1970 to complete its final report and that an amendment to the study legislation is to be submitted for the additional time and money required. In my opinion, this amendment should be provided so that the Congress gets the full picture of the canal options which are available.

Silver Anniversary of the Women Marines

HON. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FRELINGHUYSEN. Mr. Speaker, on Tuesday, February 13, the Women Marines will observe the 25th anniversary of their founding. Although relatively few in number—their strength currently stands at 2,700—the Women Marines will observe their silver anniversary against a proud background of patriotism and esprit de corps.

This observance, Mr. Speaker, carries a special significance for me since it is my good fortune to have as one of my constituents, Mrs. Ruth Cheney Streeter, of Morris Township, the first director of the Marine Corps Women's Reserve.

I include in the RECORD at this time a history of the Women Marines as well as a newspaper article written by staff writer Anna Nagy and published in Morris County's Daily Record, Morristown, N.J., concerning Mrs. Streeter.

The history and news article follow:

WORLD WAR I

To look back to their earliest beginnings . . . 305 women served briefly, but efficiently, in the Marine Corps during World War I. These were the "Reservists (Female)" popularly referred to as "Marinettes"—who were enrolled to perform clerical jobs, thus freeing men in those billets for combat duty. First of these forerunners of today's Women Marines, Mrs. Orpha May Johnson, enlisted in Washington, D.C., on the day after the Honorable Josephus Daniels, then Secretary of the Navy, authorized the Navy and Marine Corps Reserves to accept women for service. The date of that authorization—August 12, 1918—has a special significance for today's Women Marines, who realize that the dedicated service of their World War I predecessors eased the way for their own later acceptance by the Corps.

Opening the ranks of the proud Corps to distaff Marines was based on a government estimate that "40 percent of the work at Headquarters Marine Corps could be performed by women as well as men." Recruiters were instructed to enlist only women of excellent character and neat appearance, with business and office experience. The greatest demand was for competent stenographers, bookkeepers, and typists, but women who possessed a working knowledge of correspondence and basic clerical skills were also eligible.

Less than a month after the initial recruiting call, 31 Reservists (Female) had signed up, and by September 1918 the Commandant of the Marine Corps had called them to active duty. Most of them were assigned duties at Headquarters Marine Corps, in the offices of the Paymaster, Quartermaster, Adjutant and Inspector, or the Commandant. A handful were stationed in recruiting offices outside the Washington area, some as far away as San Francisco and Portland, Oregon.

The Marinettes in Washington, D.C., performed their regular duties and also participated in victory parades and other ceremonies in the Nation's Capital. A month prior to disenrollment in 1919, the entire unit was in the Guard of Honor, facing the Presidential Reviewing Stand at the White House, for a parade of troops just returned from the front. The showing was pronounced "creditable to the girls and to the Marine Corps."

On July 30, 1919, Major General Commandant George Barnett issued orders for the separation of all women from the Reserve. Those on active duty were immediately trasferred to inactive status. Gradual disenrollment continued until, by 1922, all of the Marinettes had packed away their uniforms and returned to civilian life. Many of them accepted Civil Service appointments at Headquarters Marine Corps, thus retaining their contact with the Corps. But—from a military standpoint—for the next two peaceful decades, the Marine Corps remained strictly a man's world: the woman's touch was a matter of memory.

WORLD WAR II

Americans were still remembering Pearl Harbor, but the war in the Pacific was almost two years old before the men of the Marine Corps—hearkening back to the service of the World War I Marinettes—again looked to woman-power to meet the new war's unprecedented demands for man-power. On November 7, 1942, under legislative authority sponsored by Congressman Melvin J. Maas of Minnesota (the late Major General Maas, USMCR), the wartime Commandant of the Marine Corps, General Thomas Holcomb, approved the formation of the United States Marine Corps Women's Reserve.

Prior to public announcement of the new Women's Reserve, Mrs. Ruth Cheney Streeter of Morristown, New Jersey, had been selected to head it. On January 29, 1943, Mrs. Streeter was quietly commissioned a Major, USMCWR, and sworn in as its first Director by the Honorable Frank Knox, Secretary of the Navy.

Major Streeter was not, however, the first woman to go on active duty in the Women's Reserve in World War II. That distinction—and the first commission in the new Reserve—went to Mrs. Anne A. Lentz, WR representative for Clothing. A civilian clothing expert who had helped outfit the Army's WAAC's, Mrs. Lentz had originally come to the Marine Corps in December 1942 on a 30-day assignment to help design the uniform for the Women Reserves, and wound up wearing one herself.

Along with Major Streeter and Captain Lentz, six other women whose abilities and civilian experience fitted them for priority billets were subsequently selected for "direct commissions" to aid in setting up the new women's program. One of these, Captain Lilliam O'Malley Daly, WR representative for West Coast activities, was a former Marinette. Another, Captain Helen C. O'Neill, WR Assistant to the Director, had been one of the Navy's Yeomanettes in World War I. The other four—and their respective assignments—were:

First Lieutenant E. Louise Stewart, WR representative for Public Relations;

Captain Charlotte D. Gower, WR representative for Training;

Captain Cornelia D. T. Williams, WR representative for Classification and Detail; and

Captain Katherine A. Towle, WR representative for Recruit Depot.

Public announcement of the Marine Corps Women's Reserve program was made by General Holcomb on February 13, 1943.

From the beginning, recruiters throughout the country found themselves swamped with women who wanted to be Marines. In the Nation's Capital alone, more than a hundred volunteers appeared during the first two days. From all walks of life they came: widows of Marines, high school girls, office workers, grandmothers, and college students—all wanting to do something for their country.

Since the Marine Corps had no facilities for training women, the Navy offered the use of its training schools: Hunter College for enlisted women, Mount Holyoke College for officer candidates.

Seventy-five women (the first officer class) entered Mount Holyoke on March 13; they were commissioned on May 11. On March 26, the first enlisted class (722 women) arrived at Hunter. They graduated the following month.

Women Marine Reserves continued to train with the Navy until July 1943, when a newly constructed training complex for both officer candidate and enlisted schools and Women's Reserve specialist schools was opened at Camp Lejeune, North Carolina.

The Women's Reserve had received an "official frown" from high Marine Corps sources in the beginning; however, once the women came aboard, both they and the men worked to make the program a success. Two major morale factors contributed to this end. First, the Marines shared their own proud name, making the Women Reserves the only service women who did not answer to an alphabetical designation or quasi-official nickname. They were accepted as a full-fledged part of the Corps—not an auxiliary in any sense. Second, the men's distinctive uniform was followed closely, with requisite feminine modifications for the Women Marines. As a Director of the Reserve at the time expressed it, the men wanted the women to wear the traditional forest green of the Corps, in a design "sufficiently like the Marine Corps uniform to permit no possibility of doubt as to the branch of the service to which the Women Reservists are attached."

"Free A Marine To Fight!" was their recruiting slogan, and the women lived up to it. Within a year of activation, Women Reserves were serving at every major post and station and in recruiting districts all over the United States. An original prediction of 30 jobs had grown into over 200 assignments. Besides the usual clerical jobs, specialist billets for which women had been trained were being turned over to them. In significant numbers, they were assigned to such fields as communications, quartermaster, post exchange, motor transport, food services, personnel, intelligence, administration, recruiting, community relations, education, legal assistance, and photography. In aviation, their skills ranged from parachute rigger, to Link trainer instructor, to aerologist, to control tower operator.

By June 1944, Women Reserves constituted 85 percent of the enlisted personnel at Headquarters Marine Corps, and from one-half to two-thirds of the personnel manning all major posts and stations in the United States.

In September 1944, Navy regulations were modified to permit women of the Naval Service to serve on a volunteer basis anywhere in the Western Hemisphere, including Alaska and Hawaii. On January 28, 1945, the first contingent of Women Reserves (160 enlisted and 5 officers) arrived in Hawaii. Before the war was over, nearly a thousand women, making up two detachments, served with Marine Garrison Forces, Pearl Harbor, and at Marine Corps Air Station, Ewa.

Exactly how many Marines the Women Reserves freed to fight was often a subject for speculation. Their peak strength—nearly 19,000—approximated the strength of a Marine Corps division. General Alexander A. Vandergrift, the second wartime Command-

ant, once remarked that the Women Reserves could "feel responsible for putting the 6th Marine Division in the field; for without the women filling jobs throughout the Marine Corps there would not have been sufficient men available to form that division."

With the close of hostilities, the women's units were demobilized rapidly. By December 7, 1945, two-thirds of the Women Reserves had been separated from the service or transferred to inactive reserve status. Those who remained were scheduled for release by September 1, 1946.

THE POSTWAR YEARS (1946–49)

Early in 1946, when total demobilization of the Women's Reserve was imminent, the Marine Corps elected to retain a small nucleus of trained women to set up a postwar Reserve, so that never again would it be necessary to "start from scratch." Accordingly, a few selected Women Reserves were assigned to Headquarters Marine Corps, to work out plans for the postwar Reserve. Some others remained on duty at major posts and stations and in the recruiting districts.

In all, from the end of 1946 through early 1948, there were no more than a hundred volunteer Women Reserves on active duty with the Marine Corps. Few though they were, these were the women whose continuity of service bridged the gap between the wartime Women's Reserve and a permanent war-and-peacetime women's component of the Corps. Thus, it was they who, in effect, established the 13th of February 1943 as the true birth date of Women Marines.

With the passage of the Women's Armed Services Integration Act on June 12, 1948, Congress authorized the acceptance of women into the Regular Marine Corps. Initially, appointment or enlistment was limited to women then on active duty or with previous honorable Reserve service, but in January 1949 recruiting was opened to women without prior military service.

Early in 1949, basic ("boot") training for women was moved from Camp Lejune to the Third Recruit Training Battalion at Parris Island, South Carolina. In June of the same year, training for women officers was set up as a part of the Marine Corps Schools at Quantico, Virginia; and a program similar to that offered to men was opened to qualified undergraduate college women and outstanding enlisted women.

Within that same period (in April 1949), the first Organized Women Reserve Platoons were activated. Beginning with units in Kansas City, Missouri and Boston, 13 of these Reserve platoons were established as part of the men's Organized Reserve units in major cities throughout the country. Women members attended regularly scheduled drill sessions, and participated in the 2-week Reserve summer field training program, just like the men.

KOREA

Reservists joining the women's platoons certainly could not have foreseen that they would soon be living up to the World War II motto, "Free A Marine To Fight." But, in the summer of 1950, when the Korean War broke out and the Marine Corps Reserve was called up, Women Reserves were mobilized—for the first time in history—to answer their country's call to the colors.

By August 1950, all 13 Organized Woman Reserve Platoons had reported—as units—for duty at major posts and stations. In numbers, they did not approach the strength of the Women Reserves of World War II; but, they accomplished their mission by stepping into jobs for which their reserve training had prepared them. Like the women of two previous wars, they freed Marines for combat duty.

POST-KOREA

Following the Korean War, 7 new Organized Woman Reserve Platoons were added to the original 13, bringing their total to 20. These platoons continued as the backbone of Reserve training for women until 1958, when budget limitations forced their disbandment. About a third of the women who were attached to the deactivated platoons affiliated with their parent men's Organized units. Of the remainder, who were transferred to inactive reserve status, many continued their Marine Corps service as active participants in the Reserve Volunteer Training units.

On the Regular side, the number of Women Marines remained small, their legal limit set at two percent of the strength of the Corps. But, their selection and training continued to provide a source of well trained, professionally minded women, ready for emergency mobilization needs.

VIETNAM

Today, with the Marine Corps heavily committed in Southeast Asia, its women continue in their traditional role of freeing Marines for combat—not only in stateside jobs, but in overseas assignments undreamed of by those who set the tradition.

Within the past three years, Women Marines have seen duty in England, France, Germany and Italy; in Panama; and in the Dominican Republic, where an unexpected turn of events in April 1965 brought Master Sergeant Josephine S. Davis recognition as the first Woman Marine to undergo hostile fire. Hawaii, long their farthest outpost, has become a stopover for women on the way to duty in the Philippines, and beyond.

More recently, on September 6, 1966, authority came down from the Commandant of the Marine Corps permitting Women Marines to volunteer for service in the Far East. Within a month, Captain Marilyn E. Wallace was on her way to the Marine Corps Air Station, Iwakuni, Japan—the first of some one hundred Women Marines currently stationed in Japan, Okinawa, and South Vietnam.

Distinction of being the first Woman Marine ordered to a combat zone goes to Master Sergeant Barbara J. Dulinsky, who volunteered for Vietnam duty and reported, as ordered, to the Military Assistance Command in Saigon on March 18, 1967. That Sergeant Dulinsky—and six other Women Marines who followed her—are fulfilling their mission competently is evidenced by requests for assignment of yet more Women Marines to the Command in Saigon.

White House recognition of Women's military value came on November 8, 1967, when President Johnson signed into law a bill giving women in the Armed Forces equal promotion opportunity with their male counterparts. Attending the East Room ceremony were servicewomen of the past and present, including Colonel Barbara J. Bishop, Director of Women Marines, and all but one of her predecessors. Significant among the President's remarks that day was the statement:

"Our Armed Forces literally could not operate effectively or efficiently without our women. . . . So, both as President and as the Commander in Chief, I am very pleased and very proud to have this measure sent to me by the Congress."

Such high tribute to their worth stands as inspiration to all Women Marines as they enter their Silver Anniversary Year. But, with or without recognition—and this truth they have already proved—so long as today's Marines must defend freedom by force of arms, today's Women Marines will stand fast in the tradition that is as old as their service, freeing Marines to fight!

PROUD TO BE JUST MARINES

(By Anna Nagy)

MORRIS TWP.—The Army had its WACS; the Navy, its WAVES; and the Coast Guard, its SPARS.

"We were proud to be called just Marines," said Mrs. Ruth Cheney Streeter, the first director of the Marines Corps Women's Reserve. "They gave us no fancy name, which pleased us very much."

In 1943 women were called to the corps to "Free a Marine to Fight." On Tuesday, Feb. 13, the Women Marines will be 25 years old.

Even before public announcement was made of the new Women's Reserve, Mrs. Steeter, 215 Sussex Ave., had been selected to head it. She was commissioned a major and sworn in as its first director on Jan. 29, 1943.

"To this day I'm not exactly sure why I was chosen," said Mrs. Steeter, who still shows slight Marine authority when she speaks. Her name was submitted by Basil O'Connor, who had been a law partner of President Roosevelt. She had had no experience in administration, except as a volunteer. "Perhaps this is what they were interested in," she added.

"I did not personally command the women, as some people think," she said. "They were under the orders of the commanding general at each base."

As director, her duties involved public relations, speech making and staff work. Her base of operations was at Headquarters Marine Corps in Washington, D.C., where 90 per cent of the enlisted personnel were women.

"We were subject to the same military discipline as were the men," said Mrs. Streeter, admitting "it took some getting used to."

"A 40-hour week was unheard of," she added. "We worked from 8 a.m. to 4:30 p.m. weekdays and a half day on Saturday or until the work was done.

"Women Marines held all jobs except combat duty and heavy lifting," said Mrs. Streeter. These included everything from telephone linesmen to airplane mechanics. "There was nothing frivolous about our work," she said. "We were devoted to winning the war and felt in order to wear a uniform, we had to earn it."

Mrs. Streeter served as director throughout World War II. She retired with the rank of colonel, and was awarded the Legion of Merit for outstanding service.

Born in Brookline, Mass., she was graduated from Bryn Mawr College. She has lived on Sussex Avenue for 46 years.

A long time interest in aviation led her to receive her commercial pilot's license in 1942. For many years, she was the only woman member of the Committee on Aviation of the New Jersey Defense Council.

Widow of Thomas W. Streeter, she has three sons, Frank S. of New York City, Henry S. of Boston, Mass., Thomas W. of Plainfield, and a daughter, Mrs. Britton Chance of Philadelphia.

Celebrations will be held throughout the country in observance of the Women Marines' 25th anniversary. A luncheon is planned for Saturday, Feb. 10, at the Freehold Battleground Country Club by the Women's Marines Assn.

A collection of personal correspondence and other papers of Women Marines will be added to the manuscripts' collections of the Marine Corps Museums at Quantico, Va. The dedication ceremonies will take place on Feb. 12 with Mrs. Streeter making the first presentation.

Simultaneous religious services will be held Sunday, Feb. 11, with Mrs. Streeter participating in the principal service at Headquarters Marine Corps in Washington, D.C.

To some, the Women Marines are approaching their 50th birthday. During World War I, 305 women served briefly in the Marine Corps, but after the war turned in their uniforms and returned to civilian life. Ladies disappeared from the military scene until Nov. 7, 1942, when the formation of the U.S. Marine Corps Women's Reserve was approved.

Congressman Cahill's Leadership

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. McDADE. Mr. Speaker, recently our colleague, the gentleman from New Jersey [Mr. CAHILL], appeared in Hartford, Conn., to speak before the bar association of that State.

The subject of his presentation was "A Call for Public Dialog: Auto Insurance."

The gentleman from New Jersey is the first Member of Congress of the United States to point out the need for reform in this area.

His leadership in this field has led to action in the other body, in the Judiciary Committee of this body, and most recently by the President of the United States.

The gentleman from New Jersey's statement in Hartford outlines the problem, discusses its causes, and suggests a method of solution for those interested in the problems confronting the consumers of this country in relation to automobile insurance, I recommend the gentleman's speech.

I salute him for showing the way to both Congress and the President in this important area.

The address referred to follows:

AUTO INSURANCE—A CALL FOR PUBLIC DIALOG

(Statement by WILLIAM T. CAHILL)

It is indeed an honor to be present here today. As the Representative of New Jersey's 6th Congressional District and a member of the House Judiciary Committee, it is my hope that this dialogue, debate and forum will ultimately contribute to the solution of the grave problems confronting the Nation with respect to automobile liability insurance.

The importance of this subject is perhaps best illustrated by the rare agreement of the Bar, the insurance industry, and Representatives of government that a crisis presently exists in the automobile insurance system.

Such agreement has been widely evidenced. Consider, for example, the statement of Bradford Smith, Jr., Chairman of the Insurance Company of North America, which has appeared in a nationally circulated advertisement:

"For the past several years, it has become clear that the present automobile insurance system in America is not working to the satisfaction of anyone, neither the consumer, the insurance companies, nor the State and Federal Government."

In the informative and comprehensive coverage of the problem in The American Trial Lawyers Association magazine of October 1967, Craig Spandenberg was quoted as follows:

"Automobile insurance has become a national problem . . . (which) . . . has developed into a severe national headache." Moreover, in a report on automobile insurance which was approved by the full House Judiciary Committee, staff investigators reported:

"By any objective standard, the performance of the automobile insurance business in the United States is unsatisfactory. The system is slow and expensive and the companies involved are doing a poor job."

Any remaining doubt that a problem does indeed exist, that it is national in scope, that it is of deep concern to the American public and that some solution is mandatory, should be dispelled by a recognition of the attention automobile insurance is now receiving in the Congress.

The Judiciary Committee, on which I have the honor of serving in the House of Representatives, has already published and approved its staff report, and I, along with several other members, have urged the Chairman to appoint a special investigative subcommittee to commence hearings forthwith. Chairman Cellar, however, has agreed that investigation is called for but has indicated a preference for assigning this important task to the Federal Trade Commission.

In the Senate, Senator Hart, Chairman of the Senate Subcommittee on Anti-Trust and Monopoly, has announced his intention of scheduling hearings in early 1968. At the same time, Senator Magnuson, Chairman of the Senate Commerce Committee has requested the recently established Department of Transportation to examine the present system of traffic accident compensation, the effectiveness of existing governmental regulation of automobile insurance, and the possible alternatives to the existing system of compensation.

In addition to these major efforts, subcommittees of the House Commerce and Senate Judiciary Committees have become involved in aspects of the automobile insurance problem. However, the enormity and importance of the problem is perhaps best demonstrated by the specific inclusion of this subject in the recent State of the Union Address by the President of the United States.[1]

What has happened in the United States to bring about such universal concern and concentrated effort in the area of automobile liability insurance? In my judgment, there can be no precise and specific answers to this question. Unlike a mathematical equation which follows quantitative laws, the automobile insurance system depends on social and economic pressures as well as human error.

Thus, like care for the elderly, education for the young, and job opportunities for our adult population, automobile liability insurance presents a social problem which must be resolved in accordance with modern realities. And in 1966, the realities principally involved were as follows: 102 million licensed drivers operated 96 million registered vehicles 935 miles. During this operation, 14 million accidents resulted in 53 thousand deaths, 3.7 million injured and 24 million vehicles damaged, with a total loss to the American public running into the billions of dollars.

Despite the difficulties inherent in specifying the problem, however, it has been my observation that it has been brought into sharp focus and has merited national attention for the following reasons:

First, the cost of automobile liability insurance to the consumer has soared during the past few years. Nationwide, average premium rates for "regular" liability coverage have increased a staggering 55% during the past decade. Moreover, disproportionate rate increases in urban and other areas of the country have made it increasingly difficult for motorists to afford insurance protection.

Second, arbitrary and selective risk classification practices of the insurance industry have developed tremendous public hostility towards the industry. During the course of investigating complaints of constituents, my office discovered numerous instances where the elderly, the young and members of minority groups had their policies cancelled or otherwise terminated for reasons unrelated to individual driving abilities.

Such classification practices have not only required motorists to pay costly "high risk" rates but have critically affected the operation of State assigned risk plans. As recently indicated by North Carolina's insurance commissioner:

"Something is wrong with the automobile assigned risk plan. Seventy-five percent (75%) of the people in it are safe drivers, and there is no excuse for packing people into assigned risk at the rate the insurance companies are packing them in."

Third, in the past decade, despite State licensing and capital reserve laws, more than 100 companies writing automobile liability insurance have become insolvent. The results have been tragic for more than 300 thousand policyholders and victims of automobile accidents who hold pending claims in excess of one-half billion dollars against total assets of the insolvent companies of less than $25 million. One State alone, Pennsylvania, has had more than 20 insolvencies in the past several years. What good, therefore, to pay premiums for protection throughout the years only to find when coverage is needed, it is not available. What answer is given to the legless victim of a negligent driver when the insurance carrier has no assets. The factual situation argues more forcefully than my words that supervision has been inadequate.

Fourth, delays in receiving compensation under the present automobile insurance system have provided another major dissatisfaction. Protracted settlement negotiations and congested court dockets generally require that an injured claimant wait from two to six years before compensation is granted.

Every practicing lawyer in the United States is thoroughly aware of the major congestion in our crowded Court calendars. While the backlog varies according to area, in most states a period of at least two years elapses between the filing of the complaint and assignment of the case for trial. As a result, many injured victims, recognizing the delay, settle their cases for inadequate amounts without, or against, the advice of counsel. On the other hand, insurance companies find the delay to their advantage and decline to pay a realistic value in settlement until they are at the courtroom steps. Additional judges have not solved the problem.

The previously described aspects of the automobile insurance crises, however, do not exhaust the number of defects which might be presented. In my judgment, they do suggest the major reasons for the present widespread effort and concern.

Having indicated the nature and dimensions of this social problem, it would be well to present an indication of its origins and causes. I think it is fair to say that the problem had its inception in 1944 as a result of the decision of the United States Supreme Court in the case of *U.S.* v. *Southeastern Underwriters Assn.*, 322 U.S. 533. This case originated in 1942 when the attorney general of Missouri commenced an investigation that resulted in a criminal indictment in Georgia against the Southeastern Underwriters Assn., 27 of its officers and 198 member companies. Two violations were charged, price fixing and agreement to monopolize. The United States District Court, following precedent established in 1869, dismissed the case on the ground that insurance business was not commerce and thus was not subject to regulation under the Sherman Anti-Trust Act. On appeal, the United States Supreme Court, by a four to three decision, reversed and affirmed the supremacy of the power of Congress to regulate insurance in the public interest. The Supreme Court said:

---

[1] The day following the presentation of this speech in Hartford, the President, in his message to the American consumer, stated:

"While many proposals have been made to improve the [automobile insurance] system, many questions remain unanswered. The search for solutions must be pressed.

"I propose legislation to authorize the Secretary of Transportation to conduct the first comprehensive study of the automobile insurance system. He will undertake this review with the full cooperation of the Federal Trade Commission and other appropriate agencies of the Executive Branch."

"Our basic responsibility in interpreting the commerce clause is to make certain that the power to govern intercourse among the states remains where the constitution placed it. That power as held by this Court from the beginning is vested in the Congress, available to be exercised for the public's welfare as Congress shall deem necessary. No commercial enterprise of any kind which conducts its activities across state lines has been held to be wholly beyond the regulatory power of commerce under the commerce clause. We cannot make an exception in the business of insurance."

Immediately, the insurance industry and State commissioners were presented with a decision. That decision was to either change completely existing practices or to obtain legislation in the Congress negating the Court's decision. Actually, the decision had been anticipated and legislation was, in fact, pending in Congress when the decision was announced. Thus, to nullify the Supreme Court's decision, the National Association of Insurance Commissioners immediately undertook action to obtain enactment of that legislation and, as a result, on August 29, 1944, the hurriedly and inadequately debated McCarren-Ferguson Act became Public Law 84 of the 79th Congress. In effect, the McCarren-Ferguson Act, by vesting primary responsibility for insurance regulation in the states and by exempting the insurance industry from Federal Anti-Trust jurisdiction, reestablished the legality of the practices successfully challenged in the *Southeastern Underwriters* case.

However, the effect of this monumental legislation on the public interest was not immediately apparent. Unlike today, automotive transportation during wartime 1944 was extremely limited. Cars were not being produced and those pre-war vehicles available for civilian use were not capable of the 300 horsepower of modern machinery. Similarly, highway construction projects were limited to providing defense and economic infrastructure. Thus accidents were at a minimum. With the tremendous increase in America's dependence on automotive transportation, however, the problems inherent in the McCarren-Ferguson Act of 1944 have become evident:

First, State Governments generally have proved ill-prepared, incapable or unwilling to effectively regulate insurance in the public interest. Under the McCarren-Ferguson Act's delegation of supervisory authority, the several states have established diverse systems of insurance regulation and licensing requirements.

However, with respect to ratemaking procedures, a majority have adopted some form of the 1947 All Industry Commissioners model bill drafted by the NAIC. Generally, this approach permits individual companies or, alternatively, rating organizations to file applications for rate increase. The standard applied by the state supervisory authority is to determine whether rate increases are "excessive, inadequate or unfairly discriminatory." Under this fragmented system of regulation, separate determination of the "reasonableness" of rate increases by individual state authorities has proved a vexatious and inconsistent procedure. Generally, the state insurance commissions have been ill-equipped in terms of budgets, staffing and expertise to gather and analyze the data indicating the "reasonableness" of premuim increases. Largely this inability results because under conditions of modern-day automotive transportation, rate reasonableness depends on the nationwide profit and loss experience of insurance companies, their internal corporate structure and overhead, and the frequency and seriousness of interstate automotive accidents. Certainly, the state commissions have been at a disadvantage in dealing with centralized insurance rating bureaus which employ specialized personnel and impressive nationwide statistical intelligence and data gathering systems. Apart from the inadequacies of state administrative and supervisory agencies, in many states, state officials have proved unduly responsive to the interests of the insurance industry and, for political reasons, seem to have substituted cooperative arrangements for arm's-length dealings. It has only been in recent years that public rate increase hearings have been held and public defenders appointed to cross-examine the experts, to present arguments against the application and to represent the public. I would thus caution, in the words of the House Judiciary Committee:

"All these factors add up to inadequate protection to public interest and too great a reliance on an industry that is all too willing to assist the processes of its own regulation."

A second major effect of the McCarran-Ferguson Act is that the exemption of the insurance industry from Federal Anti-Trust jurisdiction has proven contrary to the best interests of the public. As national concern with the automobile insurance industry increases, it has become apparent that the industry has frequently attempted to maximize profits without regard to the public interest. Under exemption from the Sherman and Clayton Acts, the industry has preferred to request rate increase through collaborative rating bureaus rather than on the basis of the individual competitive performance of companies. Accounting methods designed to indicate operational losses rather than the true earnings picture and general marketing inefficiencies have also been characteristic.

Further, it is my understanding that insurance companies without exception have resisted any effort by State Commissioners to include investment income in the consideration of rate increase applications. I have personally argued before the New Jersey Commissioner that two elements of investment income are essential for inclusion in fixing premium rates. These are the incomes earned on the investment of prepaid-unearned premium reserves and of claims reserves. It is impossible, in my judgment, to argue with any logic that this income should be eliminated from the consideration of State Commissioners in their determination of what is a reasonable profit for companies. The day is coming, in my opinion, when insurance companies who are licensed and, therefore, have a privilege granted on the basis of public need, must recognize that all income must be considered in determining whether or not a price increase is necessary.

These, then, are the apparent effects of the McCarran-Ferguson Act. While the impact on the motoring public cannot be measured with precision, it is clear that the results of this legislation and its implementation have been higher premium costs, arbitrary classification of motorists as "high risks" and insurer insolvencies. However, in my judgment, it would be unfair to place the blame for these results solely with the insurance industry. The contention of the industry that higher jury verdicts, more costly repair expenses, and soaring hospitalization and physician fees contribute to the problem seems well founded. Likewise, increased accident rates, inadequate safety design of cars, and inadequate high way safety engineering undoubtedly provide contributing causes. Yet, despite these higher costs and causes of claims, in my judgment, there is no justification by the insurance industry of its performance. Similarly, there is no justification for the apparent ineffectiveness of the present regulatory structure.

Throughout this discussion, it has been noted that the problem and its causes are imprecise. Yet, since the first automobile collision occurred, the problem of accident compensation has, to some degree, been recognized. However, the first major nationwide effort to change the existing system of negligence liability has occurred only in recent years as the result of the study of Professors Keeton and O'Connell. The widespread discussion of their plan obviates the need for further discussion by me. Suffice it to say that the Kemper Insurance Group, which originally retained Professors Keeton and O'Connell as consultants, is now the chief critic of their recommendations. While the obvious defects of the plan have been articulated by persons more knowledgeable than myself, I am convinced that Professors Keeton and O'Connell have rendered an outstanding service to the country, to the insurance companies, to the plaintiff's lawyers and to the general public by focusing the searchlight of publicity on the problem and developing a dialogue, of which this forum is but a single example, which hopefully will develop a workable, feasible and equitable solution to the problem.

The present system of adversary proceedings for the establishment of fault and the jury verdict have been in effect in this country since the first claim for injuries was filed. To say that it is without defect would be ridiculous. To say that it should be replaced by another system because it has faults is equally ridiculous. I recall my first term in Congress. I was appalled by the seniority system. I determined to criticize it publicly and to urge its complete elimination. Fortunately for me, I confided my intention in an older member. He said to me:

"What is your alternative? Will your alternative be better than the present system? How do you know it won't create more problems than it eliminates? Don't you believe that a system that has been in existence for generations must have merit? Wouldn't it be wiser to fight to eliminate the abuses than to eliminate the system?"

I would, therefore, urge upon those who would completely change the system that serious thought and mature judgment is indicated lest more problems, at more cost, at greater injury to the public result. Yet, reform and improvement is absolutely necessary. The cost of insurance must be kept within the reach of the average man's pocketbook. The injured victim must be given speedy, just compensation. The insurance companies must make a reasonable profit. Our courts must operate more efficiently and more expeditiously and, therefore, we must act now!

I determined when I came to Hartford today that I would follow the suggestion of the well-known Father Keller and that I would attempt "to light a candle rather than curse the darkness." Therefore, in order to promote and develop the dialogue, I suggest some personal views on this problem. I have become personally convinced that Federal jurisdiction is essential because of the nature of the problem. It is just as foolish to expect the States to regulate automobile insurance as to regulate airplanes, railroads, trucks and busses in interstate business—for truly the automobile is a vehicle engaged in interstate commerce.

I, therefore, favor immediate Federal legislation along the lines of the Federal Deposit Insurance Corporation to insure against insolvencies of insurance companies, laws requiring minimum national standards of coverage so that a Connecticut resident will be protected by the negligent driver of an out-of-state car, laws requiring minimum standards in regard to capitalization and reserves with Federal authority to make certain they are maintained, laws spelling out basis for cancellation and refusal to renew policies, and legislation eliminating discrimination in relation to age, nationality, and color.

And now, so that the dialogue begun by Professors Keaton and O'Connell may be continued, I should like to propose a plan to which I have given some thought and consideration. I have become convinced in an active practice in the trial courts that a basic problem lies with the small claim. It is neither profitable for the claimant, the at-

torney nor the insurance company to litigate. It clutters the court calendars. The small claim is costly to the insurance carrier and a losing proposition for the practicing attorney. I am, therefore, persuaded that one of the first steps indicated is to find some way of removing the small claim from litigation.

Any defense lawyer will concede that he charges an insurance carrier approximately the same fee per hour for discovery proceedings and for court appearances in the small case as he does in the large case. Any plaintiff's lawyer will admit that, with rare exceptions, the small case in his office is unprofitable and is nothing more than a service to an established client or one whom it is hoped will become an established client. If the public, therefore, can be provided a way to adjust satisfactorily and quickly and cheaply the small claim, everyone should profit. There are several methods available which provide substantial promise of success.

The first which I would suggest is the arbitration of claims which is working successfully in many areas of the country. Bar Associations, either on a voluntary or paid basis, under a rotating appointment system by the courts, have demonstrated a substantial capability to dispose of small claims with equity and dispatch.

The second alternative suggested is the widespread availability of insurance coverage which would compensate policyholders without regard to fault for their own injuries and losses arising out of automobile accidents. Surely the resources and imagination of the insurance industry can provide an innovative coverage which would promptly compensate the policyholder for his medical expenses, loss of wages and perhaps even his pain and suffering.

The third suggestion is one to which I have given some thoughtful consideration, and which I submit not with any pride of authorship but with the hope that it will further develop the dialogue now taking place. I would thus urge careful investigation and analysis of a plan establishing a Federal agency that would compensate victims of automobile accidents regardless of fault for their out-of-pocket expenses. Claims would be limited to a maximum of $2,500. Thus, unencumbered with questions of fault, the agency in *ex parte* proceedings could expeditiously treat the minor claims that presently comprise a major portion of the court's dockets. The present court system would then be able to devote its attention to the refined and deliberate process of adversary trial in major causes of action where the plaintiff's claims of pain and suffering and loss of future earnings require such careful scrutiny.

Under the plan, claimants could recover for hospital, medical and drug bills, loss of earnings and other out-of-pocket expenses to be specified in the legislation. There would be no award for pain and suffering and, since most automobiles are covered by collision insurance which currently provides adequate protection, property damage to automobiles would not be included.

While it appears that Congress has the power to take the automobile accident problem out of the courts (*The Moses Taylor*, 4 Wall. 411 (1867), and *NLRB* v. *Jones and Laughlin Steel Corp.*, 301 U.S. 1, 48 (1937)), and proclaim an exclusive Federal administrative remedy insulated from judicial review, (*Switchmen's Union* v. *National Mediation Board*, 320 U.S. 297 (1943)), such coercive action seems unnecessary. The anticipated superiority of the agency relief should allow the plan to operate efficiently on a voluntary basis. Thus, submission of a claim to the Federal agency would be completely elective under the plan and the claimant would lose no presently-held negligence recovery rights. Rather, the agency would be established in addition to present court remedies and would be given concurrent jurisdiction with the State and Federal courts.

The determination of the agency would not be conclusive on the claimant. No appeal would be provided for from the Federal agency. Thus, the claimant could take the award, which would foreclose him from any further proceedings, or he could refuse the award and go to the State court. However, the converse would not be true. A claimant disappointed in a State court by a judgment which is *res judicata* could not enter the Federal forum.

An accident victim would therefore be confronted with a choice of remedies. If his claim of injuries is minor, it is unlikely that he will choose the State court system where recovery depends upon negligence, compliance with rules of evidence and stringent proof as to damages. Rather, it is believed that the many traffic victims with small claims who are now forced into the State court system would choose the easier, quicker, surer and cheaper route to compensation.

Financing the plan would require careful investigation and development of actuarial data and statistics in order to determine both the initial and operating funds necessary. However, as demonstrated by the recent Federal legislation with respect to flood insurance, the cooperative efforts and resources of the Federal Government and private industry would seem the best method of funding and operation. Several methods recommend themselves for development of the Federal share of the costs. These include, *inter alia*, an annual Federal tax on motor vehicle registration, use of gasoline taxes and other sources which further dialogue might prove feasible.

Admittedly, there remain many questions with respect to the establishment and the operation of such a plan. However, I would hope its presentation will at least bring about further discussion and that it may have some contribution to make in the ultimate solution of the overall problem. There remain too many questions, too many unknown variables and too little objective data in the present search for solution to this major social problem to suggest any definitive solutions.

However, as one who has a strong belief in society's ability to determine its best directions and course, I believe that thoughtful and considered public dialogue will indicate such solutions.

In conclusion, let me say I am equally convinced that, initially, implementation of indicated reforms will depend on the imagination and initiative of the parties concerned.

However, if the Bar refuses to discuss the possibility of some loss of clients and income; if the industry fails to clearly and objectively discuss investment income on reserves and its underwriting and risk classification practices; if insurance agents and companies fail to discuss marketing procedures; if State insurance commissioners fail to do their job; then, I am certain more severe action will be demanded by the public and ultimately legislated by its Representatives in government.

I am further convinced that solution to the problems of automobile insurance can come only after full discussion before a single public forum, presided over by qualified and impartial arbiters aided by specialized staff and adequate funds. Only in such a forum, where all interested parties may present their views and the subject considered on a priority basis, can their differences be justly resolved. That forum is the Congress of the United States.

The Department of Transportation is not the answer; the Federal Trade Commission is not the answer. These routes to solution are dilutory in nature, will produce statistics not dialogue, observations not legislation, avoidance not decision. At best, consideration of the problem by these agencies gives the insurance industry an opportunity to put its house in order prior to effective public hearings being convened. Those seeking a solution should urge their Representatives in Congress to insist on an early public hearing by an appropriate committee of the United States House of Representatives or the Senate.

Mrs. Clark Thompson Is Honored

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BROOKS. Mr. Speaker, Dr. Truman Blocker, president of the University of Texas Medical Branch in Galveston, recently disclosed that the university will name its new Basic Sciences Building after Libbie Moody Thompson.

Mrs. Thompson, wife of our former colleague, Clark W. Thompson, is known by many of us, therefore, we know how well deserved is this honor. She has over the years distinguished herself in many civic and philanthropic causes.

As the wife of my highly respected predecessor as Representative of the Ninth Congressional District of Texas, she earned the esteem and affection of all of my constituents. Those of us who have the pleasure of knowing Libbie Thompson, know that this is a fitting tribute to a great and lovely lady.

An article which appeared in the Galveston Daily News on February 1, follows:

BASIC SCIENCES BUILDING NAMED FOR MRS. THOMPSON

The new Basic Sciences Building at The University of Texas Medical Branch will be named for Libbie Moody Thompson, known to many as "the first lady of Galveston."

The building is now under construction.

Mrs. Thompson, Galveston native, is the wife of Clark W. Thompson, longtime U.S. Congressman, and daughter of the late Mr. and Mrs. W. L. Moody Jr.

Commenting on the new building, she said, "Dr. Truman Blocker and I have worked many months to perfect the transaction which brings about the Libbie Moody Thompson Basic Sciences Building."

In announcing the new building, Frank C. Erwin Jr., chairman of the board of regents, said Mrs. Thompson has provided an initial gift of $1 million in memory of her daughter Libbie to The University of Texas for the use of the Medical Branch at Galveston.

"Mr. Thompson and I plan to erect a suitable plaque, probably in the auditorium of this new building, to commemorate this memorial gift," Mrs. Thompson said.

"Our Libbie, in whose memory this gift to the University of Texas was made, was a native Galvestonian, educated in the public schools of Galveston, and during her entire life a worker in behalf of the betterment of the community. I feel that this gift to the Medical Branch is a fitting memorial to her."

The facility will be located across from the Gail Borden Building between Avenues B and C, and will house the departments of physiology, biochemistry, medical electronics, medical photography, medical illustration, audio visual service, and the print shop.

Also included in the one-half block structure will be teaching laboratories for biochemistry, physiology, and pharmacology and a completely equipped closed circuit teaching television studio.

The building is being constructed at a cost of approximately $4.4 million, including architects fees, equipment and miscellaneous expenses.

Many of the teaching facilities are being

made available by a $731,000 National Institutes of Health Grant.

Commenting on the new facility, Dr. Blocker, UTMB president, said, "This building will enable the Medical Branch at Galveston to continue and to expand its program of basic science in research and teaching. I am especially pleased that it will carry the name of Mrs. Libbie Moody Thompson—a gracious lady who has contributed much of her charm to the city and The University of Texas Medical Branch at Galveston."

The Thompson's daughter is survived, in addition to her parents, by her son, John Walker of Galveston, two granddaughters, Margaret and Libbie Thompson Walker, and a brother, Clark W. Thompson Jr., of Houston.

National School Safety Patrol Week

HON. RICHARD FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FULTON of Tennessee. Mr. Speaker, it has been my pleasure today to introduce a joint resolution calling for the designation of the second week of each May as "National School Safety Patrol Week."

My colleagues, I am sure, are aware of the tremendous work done by the school safety patrols—66 of them introduced resolutions similar to mine. I hope they will join with me in adding their names to the growing list of sponsors for the resolution I have introduced this afternoon.

The school safety patrol movement has grown tremendously since its origin in the early 1920's. Today, it is a national institution—a vital force in the important work of protecting America's children from the hazards of modern traffic.

More than 900,000 boy and girl patrol members in the United States daily help to protect 19 million schoolchildren enrolled in thousands of schools. In cities and towns, in rural areas, and on schoolbuses, the school safety patrol serves to remind schoolchildren of hazards of street and highway crossings on their way to and from school.

This "nation on wheels" can well be proud of the work that these young citizens are doing.

Educators regard the patrol movement as an excellent school activity, as well as a method to help develop a sense of responsibility, character, and positive usefulness for community living. Commendation for patrol work is universal. It comes from parents, educators, police, and other outstanding public officials, all of whom, along with the American Automobile Association, contribute so much to the program.

One of the biggest recognition ceremonies is held here in the Nation's Capital each May. I am speaking of the school safety patrol parade down Constitution Avenue by over 20,000 boys and girls from more than 20 States.

It is a proud day for the youngsters. It should be a day for saying "thanks" by the people of this country to a group which has been at least partially responsible for the improvement of the traffic death rate of children 5 to 14 years of age.

Since the time of the establishment of school safety patrols in 1922, the traffic death rate for this group has continued to decrease to nearly one-half, while the death rate of other age groups has practically doubled.

More Evidence for Need of Legislation To Curb LSD Use

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROGERS of Florida. Mr. Speaker, last year I introduced a bill with the sponsorship of 24 of my colleagues on the House Interstate and Foreign Commerce Committee that would establish criminal penalties for persons using or possessing LSD.

At that time there was evidence that the use of this dangerous drug had definite physical effects on the user as well as psychological effects.

In this morning's Washington Post, there is an article that further spells out the dangers of this drug. Primarily it points to the hazards passed to the offspring of women who have used the drug during pregnancy.

I would include the article for the information of my colleagues and urge that they join with me in calling for the fastest possible enactment of my proposed bill, H.R. 14096.

The article follows:

LSD Found To Deform Babies

(By Nate Haseltine)

Ten hippies, young women who became pregnant after or during "trips" on the mind-bending drug LSD, are under special care at George Washington University Hospital here.

Two of the ten have already given births to infants whose bodeis showed broken chromosomes. A third lost her deformed fetus the seventh week after conception.

The status of a special study on the effects of LSD was outlined at a staff meeting for hospital obstetricians and gynecologists on Monday night by Dr. Cecil B. Jacobson, a geneticist, Macy faculty fellow and clinical instructor at the Medical Center.

The two who gave birth to the babies with broken chromosomes were unmarried and had "only hazy recollections" of the identities of the fathers. Both conceived while under the effects of LSD, Jacobson said. The dangers of chromosomal disarrangements as effects of LSD effect are already well known, having been documented in animal tests and clinical experience.

Chromosomes are packets genes, the hereditary beads of life that direct every phase of body development from the womb to the grave. For every broken chromosome, Jacobson said, perhaps a hundred genes are lost or caused to malfunction.

In the case of the two babies, studies showed they possessed the "Philadelphia-L" chromosome derailment. The same derangement shows up in persons in the final phase of humans wtih fatal myelogenous leukemia.

Despite their broken chromosomes, found in a great variety of their body cells, Jacobson said, the infants showed no structural defects after the first three months of life. Both have been adopted and their adoptive parents were informed about the circumstances.

In contrast, the seven-week-old fetus had an encephalocele, a defect of the central nervous system, a herniation of the brain through a congenital opening in the unclosed cranium.

The study plan at GWU calls for selecting patients in five categories according to the following priorities: (1) Patients who are pregnant and who used LSD before conception; (2) Pregnant patients who used LSD during pregnancy; (3) LSD-using fathers of babies with no maternal exposure to the drug; (4) Fathers of babies with some maternal exposure to LSD; (5) Females with exposure who are planning to become pregnant.

The study protocol consists of the screening of patients for history and clinical confirmation of LSD exposure. Blood tests are made to determine if there is any chromosomal damage to either mother or father, or both. An attempt is to be made to obtain a sample of the LSD that was used and to identify the father.

The difficulty of finding the fathers and the unwillingness of hippies to disclose sources of the illegal drugs that were used are hampering the study, Jacobson said.

Besides blood samplings, skin biopsies are to be made of both parents if a cellular effect is found in the blood. Prenatal evaluations of electrocardiograms will be made bimonthly of the developing fetus.

And at delivery of the child or its abortion as series of many complicated tests will be made.

Jacobson said he expected that he and his colleagues will publish a full report by June, perhaps in the Journal of the American Medical Association.

Monday night's staff meeting was open to the press to further publicize the hazards of taking LSD.

In a previously reported case, Drs. Joseph Egozone and Samuel Erwin, of the University of Oregon Medical School in Portland, reported the first appearance of the "Philadelphia-L" chromosome disorder in the offspring of an LSD user. That baby had an inborn intestinal blockage. Another report on the effects by LSD on a hippie mother's baby showed the baby had an enormous skull, the two halves unclosed and a double row of front teeth.

My Flag and Country

HON. EDWIN D. ESHLEMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ESHLEMAN. Mr. Speaker, one of my constituents, and a former veteran, Mr. Harold F. Mohn of Myerstown, Pa., has been moved to compose the following poem to register his concern over recent demonstrations, draft card burnings, and refusals to serve our country in the crucial period of world history. I include it in the RECORD:

My Flag and Country

I hold two things above else
Most cherished and most dear.
There are my flag and country,
I treasure and revere.

I'd glady give this life of mine
To keep both always free,
And in this heart and mind of mine
I love them passionately.

I promise to defend and give
All that is part of me
No sacrifice will be too great,
An honor it will be.

Where'er in freedom's hallowed name
My country's forced to fight,
I willingly will take up arms,
Her cause is just and right.

National Maritime Needs: Opposing Views

HON. WILLIAM S. MAILLIARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MAILLIARD. Mr. Speaker, on Monday, February 5, I inserted in the body of the RECORD remarks entitled "American Shipping: Scuttled Again," in which I pointed out the substantial cuts made by the President in merchant-ship construction for fiscal year 1969. I included in those remarks portions of various press reports indicating that perhaps these reductions were made in a fit of pique by the administration over efforts to keep the Maritime Administration out of the Department of Transportation and without regard for our national interest.

Accordingly, I am inserting at this time two press reports—the first from the Oakland Tribune of January 21, carrying the syndicated column of the distinguished and senior Republican Senator from Illinois, pointing up the need to revitalize the American merchant marine; the second, an editorial from the Journal of Commerce of February 7, entitled "Budgeted to Death?" which raises some very thought-provoking questions concerning the apparent hostile attitude of this administration toward our maritime industry. Each speaks for itself in presenting its respective views on our maritime industry, its national importance, and support, or lack of support, for its much needed revitalization. I therefore commend to the attention of my colleagues the following articles:

[From the Oakland (Calif.) Tribune, Jan. 21, 1968]

A SENATOR'S NOTEBOOK

(By EVERETT MCKINLEY DIRKSEN)

What do we Americans want to do about the sad state of the out-of-date, lagging United States merchant marine?

Here is a mighty country with power and richness unsurpassed, whose ports ship and receive goods and products to and from everywhere on the globe. You would think, then, that our merchant fleet would also be unsurpassed. Well it is not.

During World War II it was the largest merchant fleet in the world. Where do you think we rank today in world ship construction? The Soviet Union, Japan, Germany, Great Britain, France, among others, are outsailing us and outbuilding us. We rank 14th as builders of ships.

When we were a new nation of 13 states, we were a truly maritime nation. Ocean commerce was brisk and our merchant sailing vessels navigated all of the Seven Seas. When pirate ships and the ships of other nations harassed or attacked our oceangoing commerce, American fighting ships hunted them down and put an end to it and we were respected. Substantial shipyards developed along the eastern coast and the whole nation was enriched by our maritime success.

Now look at us. Although the operations of the various American oil companies in foreign fields are enormous and require a huge fleet of tankers, and although our Navy must be supplied wherever it may be, the American merchant tanker fleet now averages about 15 years of age per tanker. It is the oldest tanker fleet in the world.

Of all the petroleum brought to the United States from the foreign oil areas of the world, U.S. flag tankers carry only three per cent of the total. Our waterborne commerce has increased by 31 per cent or more in the last six years, but our ship capacity has increased by only four and one-half per cent. There is an overlying reason for those melancholy facts, and that is the matter of cost.

It has been said that because of low labor costs abroad, three ships can be built in a foreign yard for the price of two in the United States. The result is that enterprises here at home can receive a subsidy from the federal government when they build vessels here that have installations of certain defense facilities. But only 13 vessels will be built in American shipyards this fiscal year. All of them must be subsidized.

There is the problem of the cost of operating American ships. By law our ships must hire a substantial percentage of American seamen. Foreign-flag vessels, by and large, can sign on anybody available in the seamen's market—Filipinos, Chinese, East Indian lascars—at lower wages and with lower living standards aboard ship. Their shipowners, therefore, can quote cheaper rates to shippers everywhere.

We must then ask ourselves, if in spite of such conditions of economics, we want to maintain an American merchant marine that comports with the prestige and the commerce of this country. Do we want to make certain that in time of international difficulty we will have an adequate merchant marine? Should we use public funds to subsidize it?

The answer must be, indeed, yes.

[From the New York Journal of Commerce, Feb. 7, 1968]

BUDGETED TO DEATH?

If maritime industry executives thought that when they won the battle to keep the industry out of the Department of Transportation they had won the war, they had a rude awakening last week. While the Maritime Administration is still part of the Department of Commerce, it is obvious that continuous pressure is to be applied to the industry to get it to "see the folly" of its ways and seek inclusion into DOT.

The pressure is the kind that really hurts—a slowdown in funds for new vessel construction, amounting to approximately $160 million. This newspaper has been calling for cuts in the budget and, as we stated last week, felt that President Johnson could, and should, have cut deeper into most spending plans. However, the cut in maritime funds raises a very serious question. Is the proposed cut a result of a legitimate desire to reduce spending? Or is it being used as a club to influence industry leaders? If the answer is the former, that is one thing. If it develops that the slowdown is a pressure move then we think that a grave injustice is being done both to the industry and the public. And unfortunately, there is growing evidence that it might be the latter.

At a major transportation industry meeting held a day after the President's budget message, Alan Boyd, secretary of transportation, and Senator Monroney indicated that the maritime industry might not have done so badly money-wise had it been in the Department of Transportation. Maybe so, but is the converse true? Did it get clobbered because it wasn't in?

Asked to comment on the transportation aspects of the budget, Mr. Boyd said the maritime industry "keeps saying things couldn't be worse . . . maybe now they ought to be willing to move over to DOT."

Senator Monroney said the maritime cutback was made because the industry is "completely disorganized" and "voluntarily blackballed itself" from DOT. That well may be, and perhaps the Department of Transportation could be a more efficient operation if the maritime industry were made part of it. But, and we think this is a big but, isn't something being missed? What about the industry needs? If the industry does not want to join DOT, and if Congress doesn't think it should, does this mean that it should be bled white? What about the public interest? The nation requires a strong maritime industry, be it a part of the Commerce Department or DOT, or an independent agency as many in the industry and in Congress want it to be. Let's not lose sight of the over-all needs of the nation.

As we said above, we really don't know the reason for the cut in maritime funds. It is interesting to note, however, that the total proposed budgetary reduction for the Commerce Department with all its diverse operations came to about $160 million, or just the amount that maritime is being sliced. It's difficult to believe that the Maritime Administration is the only segment of the Commerce Department that lends itself to cost reduction. Particularly at a time when the President is trying to get Congress to pass a tax surcharge and Congress balks until government spending is cut further.

Further, it is known that a couple of years ago when the industry and the administration were having a dispute over government plans, the industry was told that if it didn't get in line it would be "budgeted to death".

We can understand Mr. Boyd's desire to convince maritime leaders of the wisdom of joining DOT (some are on record as recommending such a move). It would bring the whole transportation system under one roof and facilitate planning. As Senator Monroney notes, "there can be no coordination of an over-all transportation system when one of the major segments is on the outside."

Yet, what would happen if the industry decides to stay out of DOT and can continue to convince members of Congress not to make any changes? We would hope that the administration would not forget the importance of the maritime industry to the nation. In or out of DOT, the nation cannot afford a weak maritime industry. It is an industry too important to be sacrificed to the expansionist political plans of Mr. Boyd and his associates.

President's Message on Veteran Benefits

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. McFALL. Mr. Speaker, in the February issue of the Torch, the official publication of the veterans of World War I, an article appeared by National Commander Philip F. O'Brien. I would like to commend the commander's comments to my colleagues, which are as follows:

PRESIDENT'S MESSAGE ON VETERAN BENEFITS

The President's message to Congress, contents of which I know you have read in the press, are of great benefit to the servicemen discharged from service, and certainly every World War I veteran is tremendously pleased with the program that the President has outlined. There isn't very much doubt but what Congress will go along with the program and wholeheartedly support such veterans' legislation.

It was my privilege to be briefed on this message before it was released to the press, and as I listened, my mind went back to 1919—discharged from the Army with the big sum of $60, no civilian suit to wear, and no job to come home to; signs in some restaurants read, "No soldiers or dogs allowed", and I could not resign myself to the fact that the Veterans of World War I never were given any consideration when they were discharged from the service. At the age of 73, even though they have been on the pension rolls many years prior, they are still forced to fill out an income questionnaire to receive a

small pension. Certainly no veteran at the age of 73 with the disabilities of old age, doctor bills and drug bills, would be able to increase his income. So, we as Veterans of Word War I ask the question, "Why impose these added hardships and worry onto these veterans when this will not cost the government one penny?" On the contrary, it will save the government many, many thousands of dollars in processing these income questionnaires.

We also ask the question, why a pauper's oath is required at the age of 73 to a veteran wishing to go into a Veterans Administration hospital when beds are available. Again, this would not cost the government much. If the generals and admirals can go into government hospitals at $1.00 a day, why should not the veterans at age 73 be allowed the same privilege. Again we say that these laws which have been on the books for many years, should be written off.

Also, the matter of drugs. It was advocated by the Members of Congress when the Social Security Bill was being debated, that drugs should be furnished free to those under Social Security. This was defeated by only two (2) votes. Again, we maintain that the Veterans of World War I should receive drugs free of charge. The amount of their drug bill in many, many cases eats up practically one third of the income they receive from pensions.

Decent Housing for All Americans

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MOORHEAD. Mr. Speaker, one of the major problems this Nation faces is the need for decent housing for all Americans. The problem is especially acute for families of low income who make their homes in the older inner city areas.

Typically these sections are blighted or deteriorating, and the hope of individual families for better housing is frustrated by the lack of adequate financing at terms these families can afford.

This is a problem which is receiving special emphasis from the Federal Housing Administration. Some encouraging early signs are indicated in a recent FHA report.

The Federal Housing Administration said that more than 50 percent of its home mortgage insurance on existing properties now is on homes in the cities. This is a signal that something is being done to alleviate the problems of housing in the inner city and that decent housing is being built, rehabilitated, and purchased.

I was especially gratified to note an article in the January 26 edition of the Philadelphia Inquirer which related a story of a woman and her family who were to move into their own home with the aid of FHA's 221(h) program.

This program, which offers homeownership to lower income families, helps nonprofit sponsors to salvage sound but rundown houses to upgrade neighborhoods, and to work with low-income families to achieve their goal of successful homeownership. Under the program, deteriorated homes are acquired by sponsors who refurbish them and sell them to low-income families.

The story in the Inquirer will, in time, be the story of thousands of people who will live decently in homes they can call their own.

I insert this story at this point in the RECORD:

[From the Philadelphia (Pa.) Inquirer, Jan. 27, 1968]

OLD HOUSE BECOMES A MODEL UNDER REHABILITATION PLAN

Carolyn Harris is coming home.

Not to the home she left eight years ago near Birmingham, Ala., but to the house at 523 Douglas st., in West Philadelphia, next to "Mom and Pop Fager," where she lived for three years until 1965.

The James D. Fagers of 521 Douglas st., are the same—except that they're three years older now. "I'm 74 and worked 50 years for the railroad," says Fager.

But the house is different. Much different.

DREARY STRUCTURE

When Miss Harris, 25, and a billing clerk for the Sears Roebuck and Co., on Roosevelt blvd., lived in the house a few years ago, the solid old brick row home was a dreary structure on a dreary street.

Paint was peeling from the walls, the wooden steps in the three-story house were rickety, the plumbing sometimes worked and sometimes didn't, and big cracks around the foundation, windows and doors made it impossible to heat properly.

"Sometimes in the winter we couldn't even come downstairs—it was horribly cold," explained Miss Harris, an attractively slender, self-assured young woman dressed in a light plaid suit. "I was living then with my sister, Jewel, and my niece, Cynthia (now 3), and we would go over to the Fagers a lot just to warm up."

NEW COAT OF PAINT

Sunday, however, the house at 523 Douglas st., and the corner Fager house next door, were sporting a coat of fresh pastel green paint on the brick exteriors.

Inside, unneeded partitions have been ripped out, ceilings plastered, steps repaired, wiring and plumbing improved, hardwood floors laid, and the walls covered with sparkling new paint.

"It was impossible to live in before," said Miss Harris, pointing to the attractively furnished house. "And now just look at it."

That's what people were doing. Looking at it, from 2 to 5 P.M., as executives and employes of the Philadelphia Housing Development Corporation showed visitors around the "model home" and first of a group of 18 rehabilitated houses to be readied for sale to low-income families.

"I WANT ONE"

There were people like the elderly woman, supporting herself with a cane as she walked in with her husband to sign a guest register. "I sure want me one of these houses," she said. "My, but they're pretty."

"Gorgeous, ain't it?" a younger woman whispered to her husband, nudging him with her elbow.

According to Augustus Baxter, director of Community Services, PHDC, Miss Harris will pay only a $200 down payment and $64.53 a month with a low 3 percent interest on the $11,600 home when she moves in about April. Financing is through the Federal Housing Authority.

Miss Harris' family will include her mother, Mrs. Alice B. Harris, and her niece.

COMMUNITY PRIDE

"One of the good things about all this," Baxter said, "is that the program doesn't stop just with helping a low-income family to buy its own home. It revitalizes the whole community—develops community pride."

He pointed out to several young men, some in tattered work clothes, standing about. "These fellows helped rehabilitate the property," he said. "They did the demolition, much of the carpentry work, the painting."

"It not only created jobs for them but it made them part of what's happening here. They're the interpreters of the change in their community."

While the Farmer Gets Less, the Housewife Pays More

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ANDREWS of North Dakota. Mr. Speaker, it is my custom from time to time to report to the people of my district on my activities as their Representative in Congress, and to express my views on a number of matters facing Congress. In the report I am sending today, I am discussing the farmers' diminishing share of the consumers' food dollar, and the budget for fiscal year 1969. Under unanimous consent, I place it in the RECORD at this point:

WHILE THE FARMER GETS LESS, THE HOUSEWIFE PAYS MORE

[From the Farmer]

Farm prices

JANUARY 1948

Hogs:		
Top of market	hundredweight	$27.75
Average, barrows and gilts	do	27.62
Steers:		
Choice	do	34.25
Good slaughter	do	29.25
Medium	do	23.00
Heifers:		
750 to 900 pounds, good to choice	do	29.50
Cows:		
Good	do	19.75
Canners:		
Cutters and common cows	do	14.50
Bulls:		
Good	do	21.50
Calves:		
Veal, good to choice	do	31.50
Stocker and feeder steers:		
Good to choice	do	23.75
Lambs:		
Good to choice	do	23.40
Wool:		
Bright, 3/8 comb., grease	pound	.51
Wheat:		
No. 1 dark northern	bushel	3.02¾
No. 1 amber durum	do	2.99¼
Corn:		
No. 4 yellow, nominal	do	2.49¾
Oats:		
No. 3 white	do	1.32¾
Rye:		
No. 2	do	2.79½
Barley:		
Nominal range	do	2.29
Flaxseed:		
No. 1	do	7.00
Soybeans:		
No. 2 yellow	do	4.16

JANUARY 1968

Hogs:		
St. Paul, barrow and gilt average	hundredweight	17.15
Steers:		
St. Paul, choice	do	25.75
Good	do	23.50
Heifers:		
St. Paul, good and choice	do	23.25
Cows:		
St. Paul, utility and commercial	do	17.00
Canner and cutter	do	15.00

Farm prices—Continued

JANUARY 1968—continued

Bulls:	
St. Paul, cutter to commercial ---hundredweight--	$20.50
Vealers:	
St. Paul, choice and prime_do----	32.00
Stocker and feeder steers:	
St. Paul, good and choice_do----	27.00
Slaughter lambs:	
St. Paul, choice and prime_do----	23.50
Feeder lambs:	
St. Paul, good and choice--do----	21.00
Wool:	
Minnesota farmers----pound----	----
Wheat:	
Minneapolis, No. 1 dark no. spring ---bushel--	1.60½
Minneapolis, No. 1 hard amber durum---do----	2.02
Corn:	
Minneapolis, No. 2 yellow--do----	1.12
Oats:	
Minneapolis, No. 2 extra heavy white---do----	.72
Barley:	
Minneapolis, No. 3 or better ---do----	1.15
Rye:	
Minneapolis, No. 2---do----	1.15

Farm prices—Continued

JANUARY 1968—continued

Flexseed:	
Minneapolis No. 1---bushel--	$3.14
Soybeans:	
Minneapolis, No. 1 yellow--do----	2.58½
Soybean meal:	
Minneapolis, 44 percent bulk, wholesale---ton---	75.30

According to the Chicago Tribune, food ads showed these meat prices:

	Pound
January 1948:	
Pork loin	$0.43½
Sirloin steaks	.69
Standing rib roast	.47
January 1968:	
Pork loin	.69
Sirloin steak	1.29
Standing rib roast	.89

All of us from agricultural areas sense in our bones the cost-price squeeze farmers are experiencing. The index of prices received by farmers dropped 14 points in 1967 and the parity index, showing the ratio between farm prices received and the farmers' cost, is at the lowest point since such records were started 30 years ago. The consumer price index continues to rise and is currently at 145% of the 1947–49 average, while the farmers' share of the food dollar has declined from 51¢ to below 40¢ over the same period. Indexes and such comparisons mean little to most Americans, however, and that's why I asked the Library of Congress to provide me with the records and advertisements reproduced above.

Clearly, to remain in business, farmers must get a fairer share of the consumers' food dollar. Also, since over half of the wheat we grow must be sold overseas, we must have an expanded and more aggressive Food for Peace Program and we must make sure that our farm products don't get frozen out of world markets by restrictive trade agreements entered into by our Government. (Wheat sells for $3.50–$4 per bushel in Europe, but restrictive import fees charged U.S. wheat were allowed to continue after the Kennedy Round of trade negotiations.) Finally, we must work for the approval of a workable national Agricultural Bargaining Act to give the farm segment of our economy the collective bargaining power enjoyed by the rest of our Nation's economy.

THE BUDGET

This is the time of budget decision, the time the President presents the budget to Congress. I felt you'd be interested in these actual budget figures as presented by the President. You can get an indication of the expansion of Federal spending and, to some degree, see where this expansion is concentrated.

BUDGET OUTLAYS BY FUNCTION

[In millions of dollars]

Description	Expenditures		
	1967 actual	1968 estimate	1969 estimate
National defense:			
Department of Defense—Military:			
Military personnel	19,787	21,800	22,793
Operation and maintenance	19,000	19,800	22,260
Procurement	19,012	21,470	23,445
Research, development, test, and evaluation	7,160	7,200	7,800
Military construction and other	2,650	3,590	508
Subtotal, military	67,608	73,860	76,806
Military assistance	1,943	1,675	1,853
Atomic energy	2,264	2,334	2,546
Defense-related activities	−14	115	242
Adjustments [1]	−1,706	−1,491	−1,654
Total, national defense	70,095	76,491	79,792
International affairs and finance:			
Conduct of foreign affairs	366	559	438
Economic and financial programs:			
Development loans	662	625	670
Supporting assistance	587	602	621
Alliance for Progress	511	465	516
Technical cooperation	224	203	216
Other	533	522	541
Foreign information and exchange activities	245	256	255
Food for Freedom	1,452	1,315	1,444
Adjustments [1]	−469	−217	−224
Total, international affairs and finance	4,110	4,330	4,478
Space research and technology:			
Manned space flight	3,649	3,166	2,993
Space science and applications	796	698	644
Space technology	440	420	425
Aircraft technology	89	113	120
Supporting activities	452	411	394
Adjustments [1]	−2	−4	−3
Total, space research and technology	5,423	4,803	4,573
Agriculture and agricultural resources:			
Farm income stabilization	2,267	3,428	3,459
Financing farming and rural housing	−10	26	32
Financing rural electrification and rural telephones	12	13	13
Agricultural land and water resources	353	362	350
Research and other agricultural services	570	623	662
Adjustments [1]	−37	−39	−42
Total, agriculture and agricultural resources	3,156	4,412	4,474
Natural resources:			
Land and water resources	2,335	2,465	2,536
Forest resources	482	518	493
Mineral resources	122	133	131
Fish and wildlife resources	136	153	158
Recreational resources	194	245	309
General resource surveys and administration	275	250	239
Adjustments [1]	−1,432	−1,348	−1,382
Total, natural resources	2,113	2,416	2,483

Description	Expenditures		
	1967 actual	3968 estimate	1969 estimate
Commerce and transportation:			
Air transportation	945	950	1,282
Water transportation	792	855	1,000
Ground transportation	4,050	4,385	4,420
Postal service	1,141	1,087	767
Advancement of business	189	160	153
Area and regional development	137	312	425
Regulation of business	101	100	107
Adjustments [1]	−48	−156	−157
Total, commerce and transportation	7,308	7,695	7,996
Housing and community development:			
Aids to private housing	−225	−539	−457
Public housing programs	251	297	350
Urban renewal and community facilities	504	865	1,432
National Capital region	66	90	104
Proposed legislation	----	----	14
Adjustments [1]	−19	−15	−14
Total, housing and community development	577	697	1,429
Health, labor, and welfare:			
Social insurance	27,117	29,946	33,706
Medicare and medical assistance	4,762	7,061	8,183
Other health services and research	2,010	2,393	2,497
Public welfare (excluding medical assistance)	3,041	3,484	3,605
Economic opportunity programs	1,485	1,853	1,997
Labor and manpower programs	1,069	1,326	1,492
School lunch, special milk, and food stamp programs	418	500	586
Other	365	479	593
Adjustments [1]	−755	−646	−714
Total, health, labor and welfare	39,512	46,396	51,945
Education:			
Elementary and secondary education	1,859	1,930	1,931
Higher education	711	1,057	1,065
Science education and basic research	415	456	480
Other aid to education	628	730	905
Adjustments [1]	−11	−15	−16
Total, education	3,602	4,157	4,364
Veterans benefits and services:			
Veterans service-connected compensation	2,310	2,435	2,461
Veterans non-service-connected pensions	1,893	2,063	2,101
Veterans hospitals and medical care	1,391	1,458	1,546
Veterans education	280	502	604
Other veterans benefits and services	999	843	931
Proposed legislation	----	----	−18
Adjustments [1]	−508	−502	−494
Total, veterans benefits and services	6,366	6,798	7,131
General government:			
Legislative and judicial functions	254	280	300
Executive direction and management	25	31	35
Central fiscal operations	968	1,007	1,104
General property and records management	620	629	648

Footnote at end of table.

BUDGET OUTLAYS BY FUNCTION—Continued

[In millions of dollars]

Description	Expenditures		
	1967 actual	1968 estimate	1969 estimate
General government—Continued			
Central personnel management	191	212	218
Law enforcement and justice	426	462	529
Other general government	213	203	205
Adjustments [1]	−246	−207	−211
Total, general government	2,452	2,618	2,827
Interest	12,548	13,535	14,400
Allowances for:			
Civilian and military pay increase	.....	.....	1,600
Contingencies	.....	100	350
Undistributed intragovernmental payments:			
Government contributions for employee retirement	−1,735	−1,913	−2,007
Interest received by trust funds	−2,287	−2,678	−3,042
Total, expenditures and net lending	153,238	169,856	182,797

[1] Adjustments are for interfund and intragovernmental transactions and proprietary receipts.

As usual, however, the figures don't tell the entire story.

Anticipated Federal income, for instance, will be $8 billion short of covering these expenditures, even assuming the President's 10% surtax request is approved by Congress to become effective January 1, 1968 for corporations and April 1, 1968 for individuals. The deficit for the current fiscal year is now estimated at $20 billion.

The figures don't reveal the fact that, in this time when our government needs to tighten its financial belt, the budget provides for an increase of 45,600 full time federal employees—as many new federal employees as there are farmers in the entire state of North Dakota. In the four years since the end of fiscal 1965, full time permanent employees in the Executive branch of government will have increased by 454,747 to a total of 2,687,500, a more than 20% increase.

The Administration's contention that necessary war spending is the sole culprit causing the ever-increasing size of the budget and the increasing national debt just doesn't hold water. Defense costs in Vietnam have increased by $25,681 million over the period from fiscal 1965 to fiscal 1969. Over the same period other government spending has increased $25,175 million.

All of us who had hoped the President's budget proposals would reflect genuine fiscal restraint have again been disappointed. In the months ahead, those of us on the Appropriations Committee will be hearing the testimony of the various Department heads as they attempt to justify their planned outlays of your tax dollars.

We all recognize that our nation faces a financial crisis and that we live in a troubled world. Because of the problems arising not only in Vietnam but also now in Korea and perhaps shortly in the Middle East, our military expenditures may well escalate. Certainly, our nation must stand behind our fighting men committed abroad.

Most North Dakotans accept and acknowledge the necessity of cutting back and postponing federal programs and activities while the emergency exists. This belt tightening, however, must be preceded by a thorough examination of all our domestic programs so that those which are wasteful, inefficient or definitely postponable receive the sharpest cutbacks and the needed, workable programs will be allowed to go on.

This, after all, is only common sense.

The Proposed Travel Incentive Act

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ST GERMAIN. Mr. Speaker, my colleague on the House Banking and Currency Committee, the highly esteemed gentleman from Wisconsin, HENRY S. REUSS, has introduced legislation to establish the Travel Incentive Act whereby travel incentive stamps would be made available to Europeans visiting the United States.

This legislation is designed to improve our balance of payments by expanding world travel rather than restricting it as the proposals made before the Ways and Means Committee yesterday by Secretary Fowler would certainly tend to do.

I find Mr. REUSS' proposal to be a more acceptable and beneficial solution to the travel aspect of the balance-of-payments problem and would at this time like to urge the Members of this body to give this legislation their close attention and, I hope, vigorous support.

Public Views Congress

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. STEED. Mr. Speaker, the ability to see ourselves as others see us is a goal that helps any who can achieve it, especially Congress. In this year of great problems and politics, the discussion of how the public views Congress contained in the attached editorial holds special interest. I am sure all Members will find this editorial of more than passing interest. The editorial, published in the Lawton, Okla., Morning Press, on February 4, is as follows:

PUBLIC VIEWS CONGRESS

Congress may be held in the lowest esteem in five years, as shown in the latest poll by Louis Harris, but anyone trying to find a broad reason for this view would be very much confused. For the criticisms and cheers of those polled do not jibe.

Specific criticisms of the first session of the 90th Congress were directed at failure to pass a gun control bill, cutbacks in aid to cities, failure to pass an open housing law and reductions in funds for the poverty program. The gun bill may be connected to crime in the streets. The rest may be part of the Great Society program.

But when it comes to the positive side, the public cheered refusal to pass the income tax surtax, for increasing Social Security benefits, for extending the draft and for cutting foreign aid funds. Without a surtax, there would be no funds for the Great Society measures the Congress was criticized for not passing. Increasing Social Security benefits was a bipartisan accomplishment. So was draft extension. And the cutting of foreign aid had been building up for years.

The war in Vietnam, which has been held out as the prime issue in this election year, was not even mentioned. Another leading issue, crime in the streets, was only indirectly mentioned, and passage of the gun control bill might just as well be thought of as a blow against organized crime. The public mind as revealed in this poll is as confused as that of the Congress they hold so low.

The political meaning of all this is no easier to deduce. During the last five years, Congress was held in lowest esteem in 1963, when it was given a score of 35 positive to 65 negative votes. Yet President Johnson swept the country and a Congress of his party with him on the record in 1964. On the other hand, the highest Congress rating in the same period of 71 to 29 in 1965 was followed by the biggest loss the Democrats had sustained in the 1966 by-election—a net loss of 47 House seats.

Almost one wonders if issues are the guiding influences we think they are in elections.

Fino Introduces Legislation To Prevent Any Decedents Estate Cash From Going to Nationals of Countries Not Allowing U.S. Heirs To Collect

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FINO. Mr. Speaker, today I am introducing legislation to prevent the estates of American decedents from being distributed to nationals of any country which the Secretary of the Treasury shall determine which does not permit U.S. heirs to collect from estates of local decedents.

Every year, thousands of Americans leave estates to relatives in Iron Curtain countries—Poland, Russia, Hungary, and Romania in particular. Our Government permits these legacies to be paid, and tens of millions of dollars leave the country. Unhappily, however, the distributees of these estates usually do not get the money; it is purloined, surcharged, or confiscated by Communist central banks, exchange control authorities, and other bureaucrats. Thus, these funds are usually just a dollar gift to international communism, a drain on U.S. gold and dollar soundness and a contribution to a balance-of-payments deficit. None of the Soviet bloc nations extend similar rights to U.S. heirs.

I might also add that Communist nations are not the only ones involved. Many non-Communist nations with strict exchange controls do not let local estates distribute bequests to U.S.-named distributees.

All in all, this loophole in our laws lets millions of dollars leave the Nation each year; dollars which are crucial to our worsening balance of payments. Yet the President has not announced any corrective program; he would rather tax American tourists than cut this dollar pipeline to unfriendly nations. My bill would correct this by requiring the Secretary of the Treasury to determine which foreign nations permit the distribution of estates of decedents therein to distributees residing in the United States; and then require the Secretary to cut off all estate distributions except to residents of such countries.

I intend to urge the House Banking Committee to hold immediate hearings on this measure. I think it has important potential.

Linguistic and Cultural Pluralism in America's Southwestern States

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROYBAL. Mr. Speaker, with the enactment last year of the Bilingual Educational Act, of which I was one of the original authors, and the inclusion of this act as the new title VII of the Elementary and Secondary Education Amendments of 1967, there has been a most encouraging increase in scholarly attention being focused on the question of improving educational and economic opportunity for the Nation's millions of citizens with limited English-speaking ability.

For many years, Dr. Manuel H. Guerra, associate professor of Spanish at the University of Southern California, has studied the linguistic and cultural situation in our southwestern States, and has written extensively on his findings and observations.

Dr. Guerra has just completed a most interesting and thoughtful summary analysis of a research paper covering some aspects of his recent studies in this field.

Because of its importance as a contribution to a better knowledge of this vital and complex area, and, particularly in light of congressional enactment of the 1967 Bilingual Education Act—the first substantial effort on the Federal level to deal effectively with this field of national concern—I include in the RECORD the text of Dr. Guerra's summary analysis:

ANALYSIS OF MEXICAN-AMERICAN PSYCHOLINGUISTIC AND SOCIOLINGUISTIC PROBLEMS AND TALENTS

(By Manuel H. Guerra, Ph. D.)

This research confirms the following facts: Despite the great advancement of the Modern Language Association of America, the Linguistic Society of America, and the Foreign Language Division of the United States Office of Education, from World War II to this date, the language and cultural problems of six and a half million Americans of Mexican descent, in the context of eleven million Spanish speaking Americans in the United States, have never been properly researched, documented, and published. Despite the advances of electronic technology, neolinguistic sciences, and innovations of pedagogy and methodology, the linguistic problems of the Mexican-American people of the United States have never been the preoccupation of a major government effort. Language handicaps and cultural maladjustment, nevertheless, have contributed materially to the poverty, illness, and ignorance of many Spanish speaking American citizens. For over one hundred years, the problems and needs of the Mexican-American community in Arizona, California, New Mexico, Colorado, and Texas have never been understood from the point of view of the responsibility of government nor the educational practices addressed to these Americans.

This research confirmed the adherence of the Mexican-American community to the concept of "Cultural Pluralism" and not the "Melting Pot" concept. The former respects cultural differences as an historical and inherent reality of American heritage. The latter adheres to the belief that cultural differences are impediments to American interests. Indeed, the diversity and vitality of many ethnic and national groups of American society have contributed vitally to the enrichment of the heterogeneous mainstream of American life. The Mexican-American people, by and large, subscribe to this social philosophy, and for that reason, proudly respect their traditions and citizenship. Indeed, not only do they wish to preserve the Spanish language and customs, but they aspire complete bilingualism as the objective of first-class American citizenship. Command of the English language is of primary concern, but not at the expense of their heritage.

Research confirmed the fact anthropologists have repeatedly stated that mothers who speak Spanish to their children give their children language habits, skills, and capacities. This criterion must be reckoned with when a decision must be made to instruct in Spanish or in English. In fact, sixteen categories have been found of diverse language development, but of these, four seem practical for classroom instruction: 1) monolingual Spanish, 2) monolingual English, 3) bilingual Spanish-English, 4) semibilingual. However, care should be taken not to segregate children in language classes, for purposes of linguistic expediency, along ethnic lines, because segregation deprives non-Spanish speaking children from contact and learning experiences which the Spanish speaking child often can provide, and the monolithic impression upon the Spanish speaking child distorts the focus of a democratic society within the classroom and deprives him of the contribution of his Anglo classmates and peers. Special instruction, both in laboratory and reading programs, may circumvent this problem, if adequate equipment and textbooks are used. Thus, while Mexican-American language and cultural problems are unique in many ways, solutions must not compound the problem but be found within the framework of competent American education.

This research confirmed that De Facto segregation among Mexican-American children deprived all children of the fullest educational experience in the classroom, playground, and hallway. This study confirmed that children learn from children far more than imagined, and that ironically, where classroom Spanish instruction failed in the elementary school classroom, it succeeded out on the playground when children played with children.

Perhaps one of the most successful linguistic enterprises, concerning Mexican-American children in the United States, observed in this study is the Headstart Program. Children develop language habits, articulate, and respond in meaningful situations with teachers who have empathy. Language competence was not enough. Empathy and feeling for people were as important to this success, that is, for communication, as pronunciation and vocabulary. It is hoped that FLES (Foreign Language in the Elementary Schools) programs will correlate and coordinate with bilingual and ESL (English as a Second Language) programs in order to widen the focus of the target language problem, and recognize at the same time, the enormous talents and skills of the bilingual child which should be developed in the National interest.

In summary, linguistic research and advancement in the United States has bypassed the linguistic problems of Mexican-American and other Spanish speaking bilinguals. Language problems are at the root of economic, social, and political handicaps. Cultural concepts exist which must be respected because they are part of our American birthright. Financial resources, scholarly expertize, and government cooperation are needed to correct the language deficiences of Spanish speaking Americans, in our war against poverty, disease, and ignorance. New College and university curriculum to train teachers concerning Mexican-American problems is needed, as well as new textbooks, laboratories, audiovisual aids, readers, etc. Research has confirmed speculative opinions concerning bilinguals and their problems, particularly in the area of psychological conflicts which stem from Anglo and Hispano value systems. Mexican-Americans who already have contributed taxes, labor, and their life in War, aspire educational opportunity which will improve their economic opportunity, and for that reason, they call upon their government to help them acquire language proficiency and first-class American citizenship.

Blatnik and the Two Harbors Furor

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. KARTH. Mr. Speaker, I am pleased to insert in the CONGRESSIONAL RECORD the following editorial from the Minneapolis Tribune of February 6:

BLATNIK AND THE TWO HARBORS FUROR

Refreshing is the word for Representative John A. Blatnik's ready admission that he pressured the Small Business Administration in 1964 to win approval of a $13.3 million Federal contract for the now defunct Universal Fiberglass Corporation of Two Harbors, Minnesota.

It is refreshing because politicians do not often own up to their role in plans that go sour. In this case, Blatnik was performing a normal and expected political function in trying to help a new business get going in an economically depressed area.

Members of Congress often boast of having influence in Washington, of being able to get defense contracts for their districts, of prodding a Federal agency to assist a constituent, but they usually duck for cover when a deal backfires.

Blatnik and other Democrats are coming under criticism from Republicans, including Governor LeVander, for the State and Federal arrangements on behalf of the company. This is to be expected now that the public agencies are left with unpaid loans and an uncompleted contract.

LeVander says, "It stinks." But this has the advantage of hindsight. The prospect of a

new company beginning operations in 1965 was viewed as a sign of economic hope for Two Harbors after the closure of iron ore docks. Republicans Val Bjornson, State Treasurer, and Stafford King, Auditor, joined Democrats on the State Executive Council in approving $232,000 in State loans for the firm in 1964 and 1965. With that kind of bipartisan support at the time, it seems rather inconsistent now for Republicans to try to make a partisan issue out of the case.

Support for Hospital Name

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BINGHAM. Mr. Speaker, since the announcement of my intention to offer an amendment to H.R. 150 to name the Veterans' Administration hospital in honor of the late Medgar Evers, I have received many indications of support for this proposal. Two of these responses, one from the American Veterans Committee and one from the Scholarship, Education, and Defense Fund for Racial Equality, I insert herewith for the information of my colleagues and other readers of the RECORD:

AMERICAN VETERANS COMMITTEE,
Washington, D.C., February 6, 1968.

Hon. JONATHAN BINGHAM,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BINGHAM: The members of the American Veterans Committee endorse your excellent suggestion that the VA Hospital in Jackson, Mississippi, be named after the martyred victim of racial hatred Medgar Evers, who was a member of AVC's National Board at the time of his assassination.

AVC's Jackson, Mississippi Chapter, which he headed at the time of his death, was renamed the "Medgar Evers Chapter, AVC." recently the AVC Chapter was commended by the VA for its volunteer services to the Jackson VA Hospital.

We cannot think of a more appropriate tribute to Medgar Evers and the cause of civil rights, for which he died, than to name the Jackson VA Hospital after him.

AVC, once more, repeats its opposition to the naming of any VA installation after the late Congressman Rankin. To name a VA Hospital after an avowed racist would be an insult to all servicemen and veterans, and particularly those of minority groups. We trust that the members of Congress will not insult the veterans of this nation by naming a VA installation after a man who stood for intolerance and bigotry.

We firmly support your efforts to have the Jackson, Mississippi, VA Hospital named after Medgar Evers.

Sincerely yours,

EUGENE D. BYRD, D.D.S.,
National Chairman.

SCHOLARSHIP, EDUCATION, AND DEFENSE FUND FOR RACIAL EQUALITY, INC.,
New York, N.Y., February 7, 1968.

Hon. JONATHAN BINGHAM,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BINGHAM: Urge Veterans Administration hospital in Jackson, Miss., be named for Medgar Evers, a great American working to secure justice, dignity, and America's heritage for all Americans. His martyrdom in our common cause would be appropriately memorialized by this action.

MARVIN RICH,
Executive Director.

House Republican Policy Committee Pledges Action To Establish Priorities, Reduce Spending and Revise and Reform Existing Programs

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RHODES of Arizona. Mr. Speaker, the deepening fiscal crisis at home and abroad demands courage, leadership, and candor.

Unfortunately, the Johnson administration has failed to demonstrate any of these qualities. Instead, it has sown the seeds for yet another spending explosion. The proposed expenditures of $186.1 billion in the 1969 budget and the estimated deficit of $8 to $21.2 billion are evidences of a Government slipping out of control. Action must be taken by this Congress to impose spending priorities, reduce governmental expenditures, and reestablish fiscal credibility.

The spending policies of the Johnson administration have fed the inflationary fires, skyrocketed interest rates, and created large deficits. They have led to a marked reduction in the purchasing power of the dollar, caused a catastrophic drain on the gold supply of this country, and endangered the world monetary system.

Secrecy, improvisation, and politically inspired estimates have become the hallmark of the Great Society economic planning.

The Johnson administration has stubbornly insisted that this country could fight a major war and escalate nondefense spending. The results—devastating inflation, a dollar under attack, proposed controls on travel and investment abroad, a plea for a 10-percent surtax, the threat of wage and price controls, and a request that the 25-percent gold cover be removed.

Under the new unified budget concept, the President proposes expenditures of $186.1 billion in fiscal 1969. If Congress enacts his tax proposals, he anticipates revenues of $178.1 billion and a deficit of $8 billion. Without the tax increase, a deficit of $21.2 billion is forecast.

Under the 1969 Budget, new obligational authority would increase by nearly $18 billion compared to an increase of $7.4 billion in the current year. Total budget authority would increase by over $15 billion compared to less than $4 billion in the current year. Net obligations incurred would increase by $15.7 billion compared to $10.8 billion in the current year.

Based on the pattern of the past, there is reason to believe that the 1969 budget may present a misleading picture both as to income and outgo. Thus, even with the enactment of the surtax, the budget deficit may be nearer $15 billion than the $8 billion the President has predicted.

For example, the President's budget assumes that the war in Vietnam will cost $26.3 billion. This may be at least $4 billion low just as the 1968 estimate has proven to be. Also, the President has asked for only a 10-percent increase in grants to the States for public assistance. In each of the last three budgets, the administration's estimate has been off several hundred million dollars. In fiscal 1968 the administration has had to ask for an increase of some 26 percent over the original request.

The overall expenditure estimates of the past three budgets have been incredibly wide of the mark. In 1966, the first administration estimate was a full $10.4 billion less than actual spending. In 1967, the spread between the original and final estimate was $10 billion. This year's budget document projects a $4 billion increase over last January's estimate and fiscal 1968 is only half over. Also, the original estimate for the deficit in fiscal 1968 was $8 billion. Now the President estimates that the deficit may be $19.8 billion with a tax increase and $22.8 billion without.

It is little wonder that the chairman of the House Appropriations Committee has warned:

> History strongly cautions us to assume that the budget will turn out for the worse than the better; that it is wise to hedge against the uncertainties, the slippages, the failures.

The dramatic increase in spending under the Johnson administration is reflected in the fact that in fiscal 1965 the administrative budget expenditures totaled $96.5 billion. At that time, defense costs were $50.2 billion. In fiscal 1969, administrative budget expenditures are estimated to total $147.3 billion. Of this amount, $76.9 billion will be for defense. While defense costs have increased by $26.7 billion from 1965 to 1969, nondefense spending has increased $24.2 billion. Thus, on a percentage basis, both defense and nondefense spending have increased by 52 percent from 1965 to 1969.

In 4 years, full-time permanent employment in the executive branch will have increased by 454,747 to a total of 2,687,500 civilian employees. This represents an increase of more than 20 percent. In this period employment has decreased in only one agency, the National Aeronautics and Space Administration and then by only 1.5 percent. Now, in spite of the fiscal crisis, the budget anticipates a further increase in 1969 over 1968 of 45,600 full-time permanent employees in the executive branch.

Certainly no significant effort has been made by the Johnson administration to restrain other Government spending when Vietnam defense costs were clearly escalating. On the contrary, in 1965 and again in 1966 when the Republicans were outnumbered 2 to 1, President Johnson and his rubberstamp Democratic majority in Congress hastily enacted a flood of new and extremely costly programs. The next installments on these programs are now due.

This then may be the true measure of the 1969 budget as well as the Johnson administration. It is a business as usual approach. It is characterized by fast talk

and glib promises. It is so committed to the Great Society programs and increased spending that it has neither the will nor the competency to face up to our mounting economic problems and our new and pressing needs.

In the first session of the 90th Congress, Republicans were instrumental in saving the American taxpayers $4.1 billion in proposed spending and in cutting $5.8 billion from the President's new appropriation requests. A Republican expenditure limitation of $131.5 billion was adopted by the House of Representatives. In a series of 23 rollcall votes on specific reductions, Republican Members of the House of Representatives averaged 85 percent support while Democrats averaged only 17 percent support.

In the second session, we pledge an even greater effort to establish priorities, reduce spending and revise and reform existing programs. This country must win the battle of the budget so that it may emerge from the present fiscal crisis strong and better equipped to meet its obligations and challenges at home and abroad.

President Johnson Provides Sound Leadership for American Consumers

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. CELLER. Mr. Speaker, President Johnson issued a call to action to protect the rights of the American consumer.

The President has again shown his deep awareness of the needs of America consumers and of their increasing desire to have these needs met by effective Government action. Many of us in Congress have been surprised—and speaking for myself, at least, pleasantly surprised—by the amount of popular interest and support for the wholesome meat legislation, passed in the last session, and the truth-in-lending bill, which is now going to conference.

The President's consumer message contains several useful legislative proposals which I believe will evoke similar popular support. For example, there is certainly no reason why the improved system of meat inspection we have just enacted should not be extended to fish and poultry products. Consumers have as much right to protection against unwholesome fish and poultry as against unwholesome meat, and I am sure that the affected industries would themselves be the gainers when consumers can place the same reliance in the quality of their products that they now place in meat products.

We should not overlook amid these legislative proposals the President's announcement of the creation of the position of Consumer Counsel in the Department of Justice. While this administration has compiled an outstanding record in the area of consumer protection, there is still a continuing responsibility to see that these interests receive adequate consideration in decisionmaking at every level of government.

Of course, this cannot be a one-man operation, and the appointment of a Consumer Counsel cannot be permitted to detract in any way from the programs and activities for consumer protection within the various Federal agencies. The Consumer Counsel will undoubtedly need all the help he can get, not only from within the Government, but from those individuals and groups outside the Government who have done so much to focus public attention, and the attention of Congress, on the need for greater protection for consumers.

The Coffee Problem

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MORSE of Massachusetts. Mr. Speaker, several months ago I called to the attention of this House the dispute between the United States and Brazil on the production and export of Brazil's instant coffee. At the time of that writing, the International Coffee Council had not yet held its meetings in London to begin negotiations to renew the International Coffee Agreement which expires on September 30, 1968. At this writing, several weeks of meetings are over, with no visible progress in reaching an agreement. Negotiations to renew the Coffee Agreement have received a serious setback with the inability to come to a compromise conclusion on the problem of soluble coffee.

We are faced with the following facts. Brazil has already consented on a number of points with no reciprocal compromise by the United States. There is great need to renew the ICA, which is an important instrument of international cooperation. We must recognize the pledges made by the United States at Punta del Este for economic growth and diversification in developing countries. Our State Department has come out strongly opposed to protectionist pressures in other areas. This is an impressive roster, and it gives strong support to the editorial comment in the New York Times that "it is time for some American flexibility." I submit the entire editorial for the attention of my colleagues:

[From the New York Times, Feb. 6, 1968]

THIS PROBLEM IS SOLUBLE

A bitter dispute between the United States and Brazil has imperiled renewal of the International Coffee Agreement, which has been vital in supporting the economies of many developing countries. Both sides are at fault, but if the agreement collapses the United States, as the richest country on earth and the biggest coffee consumer, will get most of the blame.

The 65-nation agreement, due to expire in September, divides up the coffee market, with quotas for each of forty exporting countries. Twenty-five importing countries agree to pay substantially higher than free-market prices to stabilize the trade and to help the producing countries diversify their economies in order to lessen their dependence on coffee.

Washington demands inclusion in the agreement of a provision giving it the unilateral right to curb imports of Brazilian instant coffee, produced under conditions that American and other competitors regard as unfair to them. What Washington calls a stand for the principle of fair competition seems to Brazilians a stand for protectionism, dangerous precedent and a breach of the American promise to help Latin-American countries diversify and industrialize.

President Johnson agreed at Punta del Este last April to "provide incentives for the industrialization of agricultural production" and boost "exports of processed agricultural goods." That is what Brazil has done in building six soluble coffee plants, three with American aid counterpart funds. Brazil's share of the American instant coffee market has soared from less than 1 per cent in 1965 to 14 per cent last year, alarming American manufacturers of soluble.

Brazilian soluble manufacturers buy "grinders"—broken beans whose export Brazil bans—at four cents a pound. American competitors must pay several times that amount for the African coffees from which their instant is largely made. Brazil also levies a stiff tax on exports of green coffee by way of controlling supply, but classes soluble as a manufactured product exportable tax-free. These factors explain the unfair competition charge. They do not justify American insistence that the new coffee agreement include what ultimately is a unilateral protectionist device.

After much argument, Brazil finally did consent to a number of compromises, including a freeze on additional soluble plants and action to tax soluble exports and raise the price of broken beans for Brazilian processors. Brazil also will accept international arbitration of disputes about fair competition. But the United States insists on spelling out the ultimate right of unilateral action, the one point to which the Brazilians will not agree.

Given Brazil's promised concessions, it is time for some American flexibility. An international mediation team is now in Washington and will also visit Brazil in an effort to break the deadlock before negotiations resume in London on Feb. 15. A decision that could mean life or death for this important effort at international cooperation should be made at the highest level in Washington and not by an American delegation that has shown immense sensitivity to protectionist forces on Capitol Hill but little for the deep feelings of poorer countries about industrial development.

Threat to Freedom

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. QUILLEN. Mr. Speaker, because of my continuing concern about the disrespect for law and order which we see around us every day, I wish to call the attention of my colleagues and the readers of the RECORD to the following editorial, which recently appeared in the Johnson City, Tenn., Press-Chronicle:

THREAT TO FREEDOM

Is disorder a threat to freedom?

If respect for law breaks down, can respect for the individual person hold up?

What happens to nations when they lose their values and give way to every wind that blows?

John W. Gardner, retiring secretary of the Department of Health, Education, and Welfare, made a thoughtful comment on this general subject in a recent address before the American Statistical Association. He said:

"We are in deep trouble as a people. No

society can live in constant tumult. We will have either a civil order in which discipline is internalized in the breast of each free and responsible citizen, or sooner or later we will have repressive measures designed to re-establish order. The anarchist plays into the hands of the authoritarian."

We agree 100 per cent. When people become unable to govern and discipline themselves, somebody or some force comes along to fill the vacuum. The result is loss of individual freedom and establishment of dictatorship.

Yearend Summary

HON. CHARLES M. TEAGUE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. TEAGUE of California. Mr. Speaker, I call to the attention of my colleagues the following yearend summary, as follows:

WASHINGTON REPORT FROM CHARLES M. TEAGUE, YOUR CONGRESSMAN

DECEMBER 15, 1967.

DEAR FRIENDS: I am about to complete thirteen years as your Representative in Washington. This Report will take the form of an accounting to you of my stewardship together with a number of observations—some general and some rather specific. I realize my views will be considered too "liberal" by some, too "conservative" by others. However, I like to think that my positions are in the best overall interests of my constituents and our Country.

One of the problems an elected Representative of the people has: Must he always vote for what he considers to be the majority view of his constituency or may (or can) he use his own judgment if he disagrees with that majority view? I believe that whether our form of government is best described as a "republic" or a "democracy", most persons expect their Congressman and other elected representatives to use, at least to some degree, independent judgment. If they did not, we might as well have a national plebiscite on every issue of the day.

The following, in capsule form, are my stands on some very controversial issues I have faced during these thirteen most interesting years:

VIETNAM

In general, I support our involvement in Vietnam and the "limited war" concept. However, I believe that if the present escalation had occurred sooner and had included the bombing or mining of Haiphong Harbor (after notice to the non-belligerents), lives on both sides would have been saved and the war would now be over.

FOREIGN AID

In spite of disturbing waste and inefficiency, I consider this program to be not only a contribution to the betterment of mankind, but an important part of our struggle against international communism. It is in our self-interest and is not simply a "give-away" to what some people term an international Community Chest.

THE UNITED NATIONS

Although I am often disappointed at the lack of effectiveness of the UN, we must continue our support and endeavors to make it more than just an international debating society.

TRADE

I am for the general principle of reciprocal trade, but I believe that we should insist on more "give" and less "take" by our trading partners. In other words, nations such as Japan, which we have aided immeasurably in the past, should, and I think will, use a certain amount of self-restraint in competing here with our basic industries. Also, I am very much opposed to selling *any* type of war materiel to countries that are assisting North Viet Nam.

ISOLATIONISM

It must be evident from my comments on Vietnam, Foreign Aid, the United Nations and Trade that it is my conviction we cannot pull into our shell and ignore the world around us.

FRANCE

The President has ways at his disposal, which he should use, to enforce the payment of France's World War I and II indebtedness to us.

OFFICE OF ECONOMIC OPPORTUNITY (WAR AGAINST POVERTY)

In spite of the serious problems in many of our cities and in some rural areas, the Anti-Poverty Program has not, for the most part, provided meaningful answers. There have been some exceptions, but the overall effort has not justified the cost. Far too much money has gone for administrative expenses. Management of the programs in many areas has been atrocious. There are numerous instances where officials seem more interested in fat salaries, large expense accounts, partisan politics and in organizing labor than in aiding the poor.

FEDERAL AID TO EDUCATION

This is a better answer to our poverty problems. Very few persons with high school educations cannot get jobs if they really wish to. Since our local school taxes are about as high as the traffic can bear, I cannot conceive of a better way to spend federal taxes than in helping to improve our schools. When I first came to Congress, I voted against most federal aid to education bills. Obviously, my position has changed.

FEDERAL SPENDING

Uncle Sam is spending considerably more than he can afford. This fact is contributing to inflation and has created a huge national debt which our children and grandchildren must pay. This is not fair to those living on fixed incomes or our descendants. Interest alone on this debt is in the order of $15 *billion* a year. *Where cuts can be made:* (1) eliminate farm subsidies; (2) reduce, at least until Viet Nam commitments are less, space, model cities, rent supplements, poverty, public works and foreign aid programs; and (3) cut back federal employment, at least by not replacing some of those employees who resign or retire.

TAX INCREASE

I realize that my position here is extremely unpopular. Nevertheless, it seems to me that if we still are facing inflation and a sizeable deficit after all possible and reasonable spending cuts are made, the responsible thing to do is to raise taxes back to where they were in 1963. I believe that, insofar as possible, we should "pay as we go". I still consider that I made the proper decision in voting *against* that 1964 federal income tax reduction, in view of the crushing budget deficits that have followed.

THE DRAFT

I believe that it should be possible to replace the draft with a *voluntary, well paid* military force. The additional pay would be off-set by the terrific savings which would result from a drastically reduced "turnover". Huge sums of money are wasted in training a man for just two years' service.

RIOTS AND CRIME

Perhaps some strengthening of federal laws is needed, but I consider this problem to be primarily a state and local one. Very few people want a *national* police force. In my view, some of our courts, notably the Supreme Court, in their zeal to protect the rights of individuals have gone farther than they should and have added to the already burdensome problems of our law enforcement officers.

MY VOTES ON SOME RELATIVELY MINOR ISSUES

1. *Subversive Control Board*—I voted (in effect) against the Board. I believe that the FBI can keep track of communism in this country without the Board's doubtful help. It has accomplished nothing in seventeen years except to provide a $26,000 a year job for the husband of one of LBJ's secretaries.

2. *Mrs. John F. Kennedy*—It seems to me that, after four years, and bearing in mind her considerable personal wealth, it should no longer be necessary for the taxpayer to pay $14,000 *a month* to provide Secret Service protection for Jacqueline Kennedy and her children. I do not consider this to be an anti-Kennedy stand in any sense of the word.

3. *Adam Clayton Powell*—I have little use for this man. However, as a matter of principle, I believe that the House made a mistake in refusing to seat him. We should have seated him and then censured and fined him, as recommended by the special committee on which I served. By the action taken, 500,000 people have been deprived of representation in Congress and many of them *think* (although this definitely is *not* true) that the reason is that Powell is a negro.

4. *Subsidies for Electric & Telephone Cooperatives*—I am opposed to, and believe that I had some part in blocking, an increase in these subsidies. This type of legislation comes under the jurisdiction of the Committee on Agriculture of which I am the second-ranking Republican member.

CIVIL RIGHTS

I agree with Richard Nixon's statement that: "The violent few do not speak *for* the Negroes, but they are speaking *to* them every day, planting the seeds of hatred." I see no need for additional major federal legislation in the civil rights field at the present time. What is needed is to encourage people to take advantage of current educational and training programs. This will qualify them for the employment opportunities now open to them under federal non-discrimination guarantees.

VOTING RECORD

My response to roll call votes in 1967 was about "par" for me—98%. The only votes I missed were minor and occurred during my three quick trips to California.

RE-DISTRICTING

In my first eight years in Congress, I represented Monterey, San Luis Obispo, Ventura and Santa Barbara Counties. Now, due to the population increase, it is just Santa Barbara and Ventura. But, under pressure from the courts, our present District will be enlarged to include portions of Western Los Angeles County. This means that I (or someone else who might defeat or succeed me) will have, after the 1968 election, the responsibility of representing about 700,000 people. By 1972 it will approach 1,000,000. The average district should be less than 500,000 in population, which means, of course, that our District is much bigger than it should be. The "one-man, one-vote" rule, which contends that the vote of one citizen should have no more weight than the vote of another, will not apply to the 13th Congressional District until 1972. But the *all-wise* court has ruled!

I shall send this Report to a few people in "our" (or someone's) enlarged 13th Congressional District.

Sincerely yours,

CHARLES M. TEAGUE,
Member of Congress.

When the U.S. Oil Industry Looks Ahead

HON. GEORGE BUSH
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BUSH. Mr. Speaker, in view of the undebatable importance of the oil industry to all Americans, I am sure this article from the January 15, 1968, issue of U.S. News & World Report, "When the U.S. Oil Industry Looks Ahead," will be of interest to all Americans. I am delighted to see such a reputable representative of the fourth estate publish such an excellent article and I commend them for it. In this time when the oil industry is under such heavy fire, I hope my colleagues will pay close attention to this enlightening report.

The article follows:

WHEN THE U.S. OIL INDUSTRY LOOKS AHEAD

Latest developments in the U.S. petroleum outlook raise crucial questions for a key industry.

Will drilling of new wells keep up with soaring demand? Is Congress likely to change the tax rules on oil depletion? What if another world crisis cuts output? Here is a fresh look at petroleum's problems.

This country depends on oil to move its people and goods.

Large numbers of U.S. homes are heated with oil or natural gas. Much of the energy that powers industry comes from petroleum.

As a raw material, oil is vital to the huge chemical and plastic industries.

United States oil companies, with more than 100 billion dollars invested here and abroad, now are facing a set of crucial problems as they look to the future.

The oil industry has emerged successfully from one dramatic test. It surmounted a challenge by Arab nations that shut off vast shipments of Mideastern petroleum to the U.S. and parts of Western Europe last summer.

Still ahead are a cluster of different but equally stubborn problems—

How to meet energy demands that by 1980 will be 50 per cent larger than they are today;

How to counteract a sharp drop in exploratory drilling for new oil reserves;

How to meet a squeeze between rising production costs and relatively fixed selling prices;

How to deal with a threat in Congress to change the special tax treatment for petroleum and other mineral resources that, oilmen say, is essential to spur further exploration.

THE RUSSIAN THREAT

On top of these worries, there is concern about the oil pact between Russia and Iraq, announced just a few weeks ago. Many in the industry view this as a setback for the West, because it gives the Soviet Union its first foothold in the strategic Persian Gulf.

As they face up to all these problems, authorities on the petroleum business say the full story of recent developments, and the risks and rewards that lie ahead, has not been fully told.

Consider the world-wide crisis the petroleum industry recently weathered:

In reprisal for what Arab nations charged was Western intervention in the Arab-Israeli war, Egypt last June closed the Suez Canal, and the Arab states embargoed oil shipments to the U.S. and to much of Western Europe.

Overnight, U.S. oil companies were forced to jump into the breach.

Domestic oil production was boosted by about a million barrels a day.

With this extra output, American companies were able to replace imports of Arab oil lost to the U.S.—about 3 per cent of domestic oil requirements—and to increase U.S. oil exports sharply to help meet fuel needs in Western Europe.

A TEST IS MET

Says an oil-company president:

"The challenge was so well met that most Americans weren't aware of what was happening. They did not notice that a massive disruption in oil supplies had taken place, let alone becoming involved or concerned."

A few figures tell the story.

During the whole five-year period 1962–66, crude-oil exports from the U.S. had averaged only about 1.5 million barrels a year. All of a sudden, exports of crude oil jumped to 1.8 million barrels for the single month of June, 1967.

In July, they rose to 8.5 million barrels, and stayed at almost that level in August. Then they tapered off in September as the Arabs' embargo on oil was lifted.

The three-month export figure was 18.5 million barrels—more than twice the total for the past five years.

SUPPLYING A WAR

All of this happened at a time when demand for oil by U.S. forces in Vietnam was running high.

The average Army combat division in Vietnam burns up about three times as much fuel as its counterparts in World War II and the Korean War.

The Middle East had been supplying about 200,000 barrels of oil a day to Vietnam. This supply was abruptly cut off. The extra burden was taken over by U.S. producers.

Transportation problems arose. Supply lines by sea were stretched to double their normal length by the closing of the Suez Canal. Tanker rates soared.

Still, oil deliveries were made on schedule as output was stepped up not only in the U.S., but in Iran, Venezuela and other non-Arab countries of the free world. Thus an attempted blackmail of the U.S. and Western Europe by some Arab nations was thwarted.

More recently, new unsettlement in the Mediterranean area, where Russian naval vessels are deployed, has made American petroleum experts increasingly nervous. A drive is on to seek out new reserves of oil in less vulnerable areas.

FOR FUTURE: DOUBTS

Now oil-industry executives see trends that cause them to doubt whether the industry can retain its ability to cope with fresh emergencies, or even to meet the coming growth in demand.

One reason is that the search for oil in the U.S. is declining at a time when demand is going up.

The second is growing pressure to change tax laws in a way that, the industry says, will discourage oil discovery and development within the United States.

As oilmen explain it, the U.S. was fortunate to have substantial "built-in" reserve capacity to handle the sort of emergency that arose last summer.

This reserve capacity consists of oil in the ground—resources that have been discovered but not drawn upon.

Most of these underground U.S. supplies are in Texas, Louisiana and California. In the first two of those States, regulatory commissions decide how much oil shall be drawn out at any particular time.

This system of production quotas or "allowables" is partly a below-ground conservation measure, and partly a way to prevent above-ground waste of oil.

Increases in the State-authorized output of regulated domestic wells during the Mideastern crisis kept American consumers from feeling any pinch, and saved Europeans from the prospect of rationing.

PRESSING OUR LUCK

How long could the stepped-up output have been continued from U.S. wells?

Says an oil executive: "I think we could have continued it through 1967 and maybe over into 1968, but we would have been pressing our luck."

If such a drain on domestic wells had continued for a long period, the balance between proved reserves and consumption would have been thrown out of balance.

Notes a petroleum geologist:

"Our oil reserves are like a bank account. We draw on them, but at the same time we make deposits in them by finding new supplies.

"The thing that concerns us is the ratio of new deposits to withdrawals. That ratio used to be 12 to 1 between our proved reserves of oil and our annual pumping of oil from the ground. Now the ratio is down to about 10 to 1. We have been drawing out more oil than we have been depositing, and that cannot go on over a long period of time."

THE WIDENING GAP

Over the past 10 years, demand for oil and gas in this country has risen about 44 per cent. But proved reserves of those forms of energy have gone up only 15 per cent.

A decade ago, in 1957, a total of 14,700 exploratory wells were drilled. In 1967, the figure had fallen to 8,620—a decline of 40 percent.

"And you have to remember that this drilling represents high-risk ventures," an oil executive says. "On the average only 3 out of every 100 wells drilled in search of new fields represent a profitable discovery."

It's when oil authorities look ahead that they get increasingly worried about trends in exploration and output.

"At the moment," one executive explains, "the U.S. is consuming about 12.7 million barrels of oil a day. By 1980, that demand will have risen to 17.5 or 18 million barrels a day. This takes into account the increasing use of other forms of energy, including nuclear power.

"If that is the case—and it is the basis on which we are making our plans—we've got to discover in that interval 78 billion barrels of oil.

"By contrast, 81 billion barrels have been produced in the U.S. in the entire 108-year history of the oil business up to now."

Can this vast amount of new oil be found?

"Yes," replies an industry economist. "The U.S. Geological Survey estimates there are still more than 300 billion barrels of oil waiting to be discovered in this country. The big problem is finding it."

HIGH COST OF EXPLORATION

The search will take vast amounts of capital. One conservative estimate is that U.S. oil companies will have to spend roughly 115 billion dollars worldwide between now and 1980 to meet increasing demand for oil. This figure makes no allowance for steadily rising costs.

Behind the downward trend in oil-well drilling in recent years has been a severe cost-price squeeze on producers.

Prices of oil-field tools and machinery went up by about 7 percent between 1957 and 1966; of oil-well casing, 12 percent. Average hourly wages for oil and gas field workers climbed more than 32 percent.

Meanwhile, crude-oil prices were going in the opposite direction.

In 1957, the average price of domestic crude was $3.09 a barrel. In 1967, according to preliminary figures, it was down to $2.91, a drop of 5.8 percent. It should be noted, however, that crude-oil prices were abnormally high in 1957 and 1958 because of the Suez crisis of that period.

The retail price of gasoline between 1957 and 1967 rose only fractionally—from 22.11 cents a gallon to 22.55 cents a gallon, on

the average. Combined State and federal taxes on gasoline over the same period rose well over 20 percent.

What of the criticism in some quarters that the petroleum industry does not pay its share of taxes because of "benefits" or "write-offs" of one kind or another?

SURVEY BY BANK

A study by Chase Manhattan Bank shows that 29 major U.S. oil companies paid taxes of all kinds exceeding 4 billion dollars in 1966, about equally divided between income and operating taxes. This included taxes paid to foreign countries.

U.S. laws permit an American company to get credit on its domestic income taxes against taxes paid to a foreign government.

The oil industry also has been active in trying to ward off attacks on its depletion rate of 27½ per cent.

This is a tax feature that critics charge is a "loophole" in the tax law and an "unwarranted benefit" for oil producers.

Depletion is a complicated and controversial subject and has been under attack frequently during the years the rules have been in effect.

Actually, criticism centers not so much on the idea of a depletion allowance itself as on the existing rate that applies to petroleum.

The subject will continue to be aired in Congress this year, but legislative observers doubt that there will be any change in the law in 1968.

When income tax rates first reached a substantial level during World War I, Congress set up a system of permitting discovery value as the basis for computing depletion for minerals.

This proved to involve too much guesswork. There had to be a market-value determination for every new discovery. So, in 1926, Congress adopted the less cumbersome regulations that now apply.

An oil-industry expert comments:

"The depletion question comes up every time there is a tax bill. Over and over again, Congress has reviewed the issue, and each time has reaffirmed the value of the provision."

Some members of Congress, now urging broad reform in the whole U.S. tax structure, have proposed cutting the depletion allowance.

In rebuttal, oilmen say that, far from being a special tax privilege, the depletion allowance is vital to encourage the search for new supplies.

"Actually," says an oil-company president, "the rate ought to go up to 33 per cent or more to provide really equitable tax treatment for the industry and to make possible the huge capital investments that will be needed between now and 1980."

OIL'S SPECIAL PROBLEM

This executive adds that the oil business differs from industry generally in that it requires a continuous and unbroken stream of new discoveries so that it can maintain and increase its capacity to produce. That is because an oil field contains only a limited quantity of oil.

It cannot be replenished like the water in a well.

"All the low-cost oil and gas fields in this country already have been discovered," he points out. "From here on, the risks and costs are to climb steadily higher. The essential requirement is a continuous and enormous flow of capital available to those who have the necessary combination of know-how and willingness to take risks."

The average cost of drilling an oil well today is about $56,000—whether the venture is a success or a failure.

Depletion benefits are available not only to oil producers, but to other producers of natural resources such as sand and gravel, coal, metals, sulphur and uranium.

The percentage of tax deduction varies in each case, because the resources differ in abundance, in degree of risk involved in hunting for them, and in the amount of capital needed to find them.

In the case of petroleum, many wells that are drilled turn out to be "dry holes." They yield no oil at all. So the wells that do produce oil must help carry the total cost of exploration.

The depletion provision in the tax laws permits an oil producer to recover, tax-free, the value of the underground oil in the wells that have proved to be productive. Thus, the producer can use these tax savings to help pay the cost of searching for new oil supplies.

While the law permits an oil company to deduct up to 27½ per cent of the gross revenue from each producing property, there is an over-all limitation of 50 per cent of net income derived from the property.

If the depletion rate were cut below present levels, some oilmen believe, the tendency would be for oil-well operators to sell out at a capital-gains rate, retire from business and refrain from exploring for fresh reserves.

"The plain fact is," one executive notes, "that you cannot force people to invest in any business, whether it be steel or autos or oil. And you cannot get them to take the risks inherent in the oil business unless the rewards look commensurate with the risks."

SPUR TO DIVERSIFICATION

The depletion controversy has had one additional effect: It has spurred the oil industry's efforts to diversify and broaden its base of activity.

Work is afoot to develop the vast reserves of petroleum locked in oil shale and in tar sands, and programs are in progress to extract oil from coal.

Some oil companies are also hedging their bets on the longer-range future by investing in uranium deposits or nuclear-oriented companies.

But in the years just ahead, oilmen are hopeful that tax policies, import regulations and conservation policies will encourage wider exploration for conventional sources of oil in this country.

"If we learned one lesson from last summer's Middle East crisis," an oil authority recently declared, "it should be the need for maintaining a great measure of independence from foreign supplies that might be cut off without warning."

The Gift of Tongues for All Children in Need

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. CAREY. Mr. Speaker, in his positive education message, President Johnson has recommended the full authorization of the bilingual education program, recently added to the Elementary and Secondary Education Act. Congress acknowledged when it accepted the program that an ignorance of English can ruin a child's entire academic career in our public school system, and subsequently his adult life. No matter how great his intelligence, an ignorance of the language in which lessons are conducted will place him at a disadvantage from which he may never recover—even once he has mastered English. By that time his achievement in school will be lagging far behind the norm. And with all the obstacles with which he must contend—especially poverty—the chances are good that he will abandon school and formal education for the remainder of his life.

The President recognizes the immediacy of the problem and has urged the funding of the bilingual program as early as possible. America, always a haven for the deprived of other lands, must aid those who seek to help themselves through education, especially when they are thwarted by classes conducted in a language they cannot yet comprehend. For when they have finally become bilingual, they no longer have time for all the learning they missed while lost in a haze of "no comprendo," or "non capisco," and other sad reminders of lost opportunity.

East-West Trade—The Dangerous Illusion

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. DERWINSKI. Mr. Speaker, the Subcommittee on Europe of the Foreign Affairs Committee, on which I serve, is commencing hearings on the subject of East-West trade. The fundamental issue involved in this subject has been intensely debated for some time. To keep the Members appraised of the fundamental facts of the matter I insert into the RECORD an article which appeared in the July 1967 issue of the American Legion magazine by the then Legion national commander, John E. Davis:

EAST-WEST TRADE—THE DANGEROUS ILLUSION

A proposed "East-West Trade Relations Act" is receiving serious consideration in the Congress, and is backed by the Administration. It would encourage and simplify much broader trade relations between the United States and the Communist-bloc nations. The American Legion is officially opposed to this concept, and we have both short-range and long-range objections.

In our short-range objections, our National Executive Committee this May called on Congress to prohibit further trade between the United States and any Soviet-bloc country "which is providing North Vietnam with assistance of any form that can increase the war-making potential of the enemy. . . ." We need explain nothing further to justify that objection. Any such trade amounts to trading with the enemy in time of war. In the short run, we can only express amazement that East-West trade should be advanced while hostilities backed by the entire Communist world continue in Vietnam, and have since taken on a new dimension in the Near East.

Our long-range objections are better reflected in the action of our last National Convention, which opposed trade with the Communist bloc *except* in specific cases in which concrete advantage to us could be spelled out. So long as the Cold War continues, even in the absence of armed conflict, we believe that should be the absolute limit of trade agreements with the Communist bloc. Here we recognize that trade *might* be used as a means of weakening the cohesiveness of the Soviet bloc, that our trade *might* be helpful in causing a member country of that bloc to weaken its ties with the Soviet power centers.

We have, for instance, engaged in limited trade with Communist Poland and Yugo-

slavia in such hopes. In the case of Poland, even Senator Fulbright has had to admit that its leaders have actually drifted toward a greater reliance on the Kremlin while enjoying favorable U.S. trade relations.

We have *possibly* made some headway in encouraging Yugoslavia's visible spirit of independence from Soviet domination with some small trade, though that isn't conclusive yet. Whether we succeed or fail in such ventures, they are at least tied to a very clear purpose, in which we are trying to use trade instead of bullets as a weapon in the Cold War.

But the proposals for a general broadening of our trade with the Communist world totally escape any practical purpose. They prevent us from using trade as a weapon, by simply extending it freely in broad terms. The very arguments in favor of broader East-West trade are dreamy and generalized. The commonest one of all is that we would be "building bridges of friendship." On the record, trade is a game of advantage, not friendship. Right up to the eve of War, Hitler and the Japanese Empire traded with those they attacked in WW2, and as we well know, they traded most earnestly in whatever would best strengthen them for the coming conflict.

Last December, Assistant Secretary of State Katzenbach argued that proposed East-West trade would be in consumer goods, therefore it could not be expected to bring any advantage to the Soviet military thrust. He went on to cite an Italian Fiat agreement to build a compact car plant in the Soviet Union as an example of the kind of profitable trade we are losing in the absence of an East-West trade agreement.

I find such argument to be frightening. When our own President is embarrassed by burdens that military operation in Vietnam impose on his domestic program, how can our government argue that the same principal does not apply in the Soviet Union? *Anything* that *we* do to provide consumer satisfaction in the Soviet Union frees Soviet energies and resources for their aggressive external policies. The point is so obvious that I am not really arguing it, but simply pointing out the bankruptcy of the rationales in favor of broad East-West trade. Even in the case of the Fiat plant, *we* now have been approached to lend Fiat the money for machine tools through the Import-Export Bank. Obviously, the Soviets will not release sufficient capital from their offensive programs even to acquire such an asset. They will be happy instead to see us help capitalize this plant in Russia for the benefit of Russia and Italy, while they save what capital they can to foot war in Vietnam, the Middle East, Latin America, etc.

The present move toward East-West trade traces to a report in favor of it by the Committee for Economic Development issued in May 1965. A minority report in the same study, drafted by committee member Robert E. Kleberg, should have received more attention. Wrote Kleberg, in part: " . . . it would be unrealistic to hope that mutually useful trade could be developed with the Communist countries under present circumstances. We would receive little benefit from such trade and would expose the Western world to some or all of the following hazards:

"(1) An increase in Communist propaganda and subversion in Latin America under the guise of trade.

"(2) An opening of the trade barriers which we have attempted to impose around Cuba.

"(3) A further detriment to our balance of payments position as a result of the credits which we would have to extend to Communist countries.

"(4) An increase in the flow of our technical information and know-how to the Communist world.

"In short, Communist governments look upon trade as a political weapon and use it as such. So long as this is true, we should attempt to deny it to them."

These are hard, demonstrated facts, none of which are met by saying "Bridges of Friendship."

Staffing the Model Cities Program

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ASHBROOK. Mr. Speaker, it will be remembered that some time ago the House Committee on Un-American Activities held extensive investigations on the Ku Klux Klan and its activities in recent years. One of the many members of the various Klan organizations to take the fifth amendment before the House Committee on Un-American Activities was Georgia's grand dragon of the United Klans of America, Calvin Craig. In addition to Craig, J. D. Newberry was identified by the House Committee on Un-American Activities investigators as Georgia's grand klabee, or treasurer, of the United Klans of America and klabee of the Nathan Bedford Forest Klavern No. 1 in Atlanta.

One of the objections of some of the Federal poverty programs pertains to the selection of personnel to administer or participate in the programs. People with their own axes to grind have distorted the intent of the program for their own selfish ends. And if the case of Craig and Newberry is any indication, it would seem that the model cities program will be subjected to the same danger. Certainly there are available persons better disposed to participate in this program than those associated with the KKK. From a personnel standpoint alone, this Federal venture will experience rough sailing if the qualifications of its participants are not more discriminating.

I include the article "Klan Haven," from the February 10, 1968, issue of Human Events in the RECORD at this point:

KLAN HAVEN

LBJ's Model Cities program, a sort of supergrade urban renewal program, is rapidly becoming a sanctuary for exalted members of the Ku Klux Klan.

As revealed in these pages last week, Calvin Craig, Georgia's Grand Dragon of the United Klans of America, the largest and most powerful Klan organization in existence, was recently elected an officer in the federally sponsored model cities plan in Atlanta, Ga. The $16,000 executive director of the project is Johnny C. Johnson, a Negro, who hopes "to be in many close meetings with Mr. Craig and establish some type of communication."

Craig will have a say in policy even though, according to the House Committee on Un-American Activities, Georgia's Grand Dragon has incited racial incidents, is fond of "increasing racial tensons" and has encouraged violence-prone individuals to join the UKA.

Craig, who took the 5th Amendment before HCUA, has also attended and authorized Klan courses in the use of shotguns, handguns and explosives. In 1965 Craig said he was going after white politicians "who have done nothing but give lip service to the white man while they went to bat for the niggers." "Just remember this," he barked out, "[Sen.] Dick Russell took off for Europe when the election campaign was going on and he could been campaigning for the white man. And every time a nigger is elected to office Little Herman [Talmadge] has to take him down to his farm for a chitterling dinner and pig ear salad."

But Craig, as it turns out, isn't the only Klansman who will have some control over the taxpayers' dollars in the Atlanta program. Under the federal government's plans to increase "citizen participation" in various projects, some 59 residents in Adair Park in Atlanta were able to pick J. D. Newberry to sit on the model cities 14-member executive board, of which Mayor Ivan Allen is chairman.

This executive board, an Atlanta model cities spokesman told *Human Events*, will "set policy and determine expenditures" for the Atlanta program. Unlike Grand Dragon Craig, Newberry is expected to receive pay for his special services.

Newberry, in case the taxpayer is interested, was identified by HCUA investigators as Georgia's Grand Klabee (treasurer) of the United Klans of America and Klabee of the Nathan Bedford Forest Klavern No. 1, also located in Atlanta. Newberry also refused to respond to committee members' questions as to his Klan connections and as to whether he took money from the UKA and transferred it to his personal account.

Newberry still won't say whether he's a Klan officer, but his own heating company has advertised in the "Yellow Pages" of the Atlanta telephone directory: "Newberry Heat Co., KKK—Klean, Kozy, Komfortable."

While some people tend to laugh off the Klan as a clownish outfit, the UKA is a far from funny organization. The HCUA has established beyond doubt that the UKA is composed of unsavory characters bent on terrorizing the Negro and other minority groups.

Founded in 1961 with the aid of Craig, the UKA has had among its highest officials members of the American Nazi party and other extremist organizations. Furthermore, Klan members take instruction in the fine art of demolition. Craig, himself, attended and approved of explosive courses in which it was demonstrated how to blow up cars and integrated restaurants. Klan members have also been implicated in numerous killings.

Two members of the UKA in Georgia were convicted on federal conspiracy charges for the wanton killing in 1964 of Lt. Col. Lemuel Penn, a Negro. United Klan members in Georgia were also responsible for discharging buckshot pellets into the face of a 13-year-old Negro girl.

As a result of these disclosures, some congressmen would like to know more about the model cities program. They just can't understand why an Administration so intent upon yanking federal subsidies from schools and hospitals that are not desegregrating at a fast enough pace to suit federal bureaucrats is somehow eagerly willing to foster grants to projects that will be partially directed by members of the violence-inciting UKA.

Response to "Pueblo" Seizure

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. EVANS of Colorado. Mr. Speaker, the Denver Post is one of the great newspapers of this Nation.

I wish to commend to the attention of my colleagues an editorial which appeared in the Denver Post on Friday, January 26. This editorial intelligently

analyzes the actions taken by President Johnson in response to the seizure of the U.S.S. *Pueblo*, a vessel which was commissioned last May and named after my home city of Pueblo, Colo.

Mr. Speaker, the Post praises the President, both for calling up reservists in case they are needed and for avoiding a rash response which could endanger the lives of the *Pueblo's* 83 crewmen and also could spark a wider conflict.

Mr. Speaker, I offer this editorial to be printed in the RECORD:

L. B. J.'s COURSE IS THE RIGHT ONE

In the crisis arising from North Korea's seizure of the Pueblo off the port of Wonsan, President Johnson's decision to call up 14,600 Air Force and Navy air reservists is a sensible and constructive one.

It improves the power and the flexibility of the United States to deal with contingencies that may arise wtihin the next few weeks either in the Korea area or in Vietnam.

It makes clear the seriousness with which the United States regards the incident and demonstrates its capacity to call additional forces into play in the event they may be needed.

It offers some relief—though perhaps not enough—to the pent-up flood of national indignation which might have forced the President to take still stronger action.

The call-up of the reservists puts the United States in a better position to act, without committing it to action prematurely, needlessly or unwisely.

This is still the time for fact-gathering and analysis, for pursuing the matter through diplomatic channels, for seeking the return of the seized vessel and its crew through peaceful means.

A rash act by the United States at this stage could cost the lives of the 83 men seized with the Pueblo and bring about the destruction of the ship.

A rash act could also broaden the scope of our Asian war and impose new demands on our military resources before we are ready to cope with them.

President Johnson has acted with both forcefulness and restraint. He has sent the aircraft carrier, Enterprise, to the trouble area. He has called up reservists. He has taken steps to seek the return of the Pueblo. But he has wisely refrained from opening up a treacherous new theater of war in the Far East.

The call-up of the 14,600 reservists would have made sense even if the Pueblo had not been molested off North Korea. The growing Communist threat in Vietnam justifies the preparation of new manpower and new airpower to meet dangers that might arise in the next few months.

The President, in short, has acted wisely thus far from every point of view. He has again demonstrated his capacity to keep his head in a dangerous situation. If other Americans will keep their heads as well as he, a second war may well be avoided in Asia.

The Partnership for Learning and Earning Act

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. HAWKINS. Mr. Speaker, the President recommends that Congress enact the Partnership for Learning and Earning Act of 1968. He calls on all of us to give the young men and women of this country the tools which they need for gainful employment after they are graduated from high school.

In recent sessions of the Congress, we have done much to support vocational education. A wide variety of bills has been passed.

But we are still charged with the constant need for examining these legislative enactments to help our State and local governments keep pace with the changing demands of our economy.

The President's message on education recognized this fact: a high school diploma, to be valuable, must be accompanied by skills that allow any graduate to get and keep a good job.

When the Committee on Education and Labor reported the Vocational Education Act of 1963, we made a strong start toward giving our schools the means to lower unemployment in this country.

Still, we can do more for, in coming years, employment opportunities for our young men and women will continue to broaden. The schools must be helped to meet these changing trends in our economy.

The President has given us a realistic assessment of the problem and a partial solution. Those of us committed fully to providing the fullest possible educational opportunities for our young men and women are heartened by his call to action.

At this point, Mr. Speaker, I offer a useful summary of this legislation which has been prepared by the U.S. Office of Education. I would like to call the attention of other Members to it.

The summary follows:

FACT SHEET: PARTNERSHIP FOR LEARNING AND EARNING ACT OF 1968

BACKGROUND AND NEED

The 1917 Smith-Hughes Vocational Education Act was enacted to meet the demands of an economy just reaching industrial maturity. Dominant allotments went to vocational agriculture and home economics; provisions were also included for training in trades and industry.

The 1946 George-Barden Act was introduced to meet changes in labor force demands over the nearly thirty year period. Support for vocational education was increased and a new category of occupational support was added. During the war years preceding 1946, agricultural productivity had jumped from an annual increase of 1 percent to an annual increase of 5 percent. This rising farm productivity had freed labor from agriculture for industrial purposes. A heavy emphasis on the need for industrial workers during the war had also caused the public schools to establish new training programs for industrial contribution to the war effort. More than 7 million persons had left farm and fireside to work in the factories and industrial complexes. The Act added support for vocational education in the distributive occupations and increased support for existing categories. Ten years later two new categories were added—training in the fishery trades and industry and practical nurse training.

The American economy continued to change over the next few years and manpower needs shifted considerably. A changing industrial and occupational mix and a more sophisticated technology led to a shift from a primarily blue-collar and agricultural labor force toward the white-collar employment. The labor market became characterized by a paradox of persistent unemployment occurring simultaneously with the rising demand for skilled manpower. There was a drop of 772,000 workers in low skill manufacturing occupations between 1957 and 1962. Yet, it was estimated that there would be a 40 percent increase in the number of jobs for professional and technical workers by the 1970's.

In response to this shift in manpower needs, the Congress reviewed the operation of existing laws and enacted the Vocational Education Act of 1963. The new funds were to be expended for State and local vocational education programs under six broad categories; it was designed to fit individuals for gainful employment, including business and office occupations not covered by the previous laws. In FY 1965, $123,500,000 was appropriated for operation of programs under this law; FY 1968 appropriations were $199,310,000.

Under the Vocational Education Act of 1963, the number of vocational students in secondary schools rose by 1,504,000 from 1964–1966. Of these 1,238,000 were persons who were trained in a business occupation. Of the remaining increase of 266,000 persons, 200,000 were trained in trades and industries occupations. The number of post-secondary vocational students rose by 907,000; 798,000 of which took training in business education and 70,000 of which were trained in trades and industries occupations.

In the next few years, employment opportunities in the professional, semi-professional, and technical fields will continue to increase. Demand in the public service field alone exceeds labor supply by 5 to 1. The technological breakthroughs that have been witnessed in the passed five years have led to greater and greater demands for trained personnel in scientific research, development, production and services in all fields of applied science. At present, it is estimated that there should be 2 technicians to every engineer or professional physical scientist; there should be 6–10 technicians for every medical doctor or professional researcher in the health fields and 4–5 for each professional biological scientist.

The job of our Nation's schools is particularly critical in view of these new and emerging occupations and the resultant demands to be faced by the labor force. Broader training must be offered to high school students in vocational education; students must be encouraged to stay in school and to undertake technical training or other occupational work at the post-secondary level. Adults must be retrained to assume the duties of 3–4 new careers per lifetime predicted for the future.

PROPOSAL

Title I—Exemplary programs or projects in vocational education

A program of grants for Exemplary Programs or Projects to State vocational boards, local educational agencies, and public and private agencies, organizations and institutions would be established. The programs and projects would serve as models for quality vocational education. Examples of programs which might be supported are:

Exploratory occupational education programs;

Programs or projects to provide students educational experience through part-time work to assist in their maximum development and to help link school and employment;

Guidance and counseling to assure that all students' interests and capabilities are developed in relation to career objectives and to ease the transition from school to work by initial job placement;

Improvement of curricula to stimulate broad-scale innovative changes to provide more realistic vocational education programs for youth and adults at all skill levels.

Beginning with Fiscal Year 1971, the funds appropriated for exemplary programs would be apportioned among the States and outly-

ing areas as follows: $150,000 would be apportioned to each State and not more than 2 percent would be reserved for outlying areas, and the remainder would be apportioned according to population aged 14 through 19. Fifteen million dollars would be authorized for Fiscal Year 1969.

Before making a grant to a State or local educational agency, the Commissioner must find that in planning and carrying out the project, local manpower agencies, employers, labor organizations, and community groups will be involved. No project may be approved if the State board for vocational education disapproves.

Title II—Consolidation and improvement of existing programs

The proposed legislation would consolidate in Fiscal Year 1970, existing authority for vocational education programs under the Smith-Hughes and George-Barden Acts. The earmarking by purpose of uses of funds under section 4(a) of the Vocational Education Act of 1963, such as the 25 percent minimum expenditure for construction and/or post-secondary vocational education would also be removed. Non-occupational homemaking would receive an independent program authorization.

Starting in Fiscal Year 1970, 25 percent of the funds appropriated for the consolidated vocational education authority above the appropriations level for Fiscal Year 1969 would be earmarked for vocational programs specifically designed for the disadvantaged.

The proposed legislation would remove the requirement for separate matching purpose-by-purpose and project-by-project and instead provide for overall statewide matching. The proposal would provide more flexibility in that varying proportions of Federal funds could be used in matching State and local funds. Federal funds could then be directed to areas of greatest need.

The proposal would also amend the Vocational Education Act of 1963 to establish a National Advisory Council on Vocational Education to be appointed by the President and to provide for a broadly representative State Advisory Council on Vocational Education in every State.

The proposed legislation also includes the requirement, effective in FY 1970, that every State submit a State plan each year which would contain, in the first year, a 5-year plan—specifying long-range objectives for vocational education in that State—to be supplemented and updated in the State plans for subsequent years so as to always extend over a 5-year period.

The State plan for each year would also contain an operational annual program plan which would set forth detailed program information for the school year and relate annual objectives to those set forth in the 5-year plan.

Each State advisory council on vocational education would advise the State board for vocational education on the development of the State plan, including long-range and annual program objectives. Each State advisory council would also submit to the State and to the National Advisory Council, an annual detailed report and evaluation of vocational education programs in the State, including recommendations for changes considered necessary.

The State plan should indicate each year that consideration had been given to the State advisory council's recommendations. The State plan would also include detailed information on the extent to which State vocational education programs are utilizing the experiences and knowledge gained from Exemplary Programs and Projects. The State plan would contain assurances that all policies and procedures concerning administration of the vocational education programs would be a matter of public record and be made reasonably available to the public. The State plan would also indicate that all local educational agencies in the State had reasonable notice and opportunity for public hearings on the State plan.

The National Advisory Council would advise the Commissioner on regulations and policy matters, including procedures concerning the approval of the State plans as well as exemplary programs and projects. It would also submit an annual report to the President and the Congress on administration of the vocational education programs in the country.

The provisions for lead-time and advance funding authorized in P.L. 90-247, the Elementary and Secondary Education Amendments of 1967, would be broadened to include vocational education programs under the Partnership for Learning and Earning Act of 1968.

The Commissioner is authorized to enter into contracts to collect and disseminate information on vocational education programs in order to measure the effectiveness of the program and make available materials and technical assistance to State boards and local educational agencies or institutions of higher education initiating or expanding vocational education programs.

The Federal share for the cost of the program in the Trust Territory of the Pacific Islands would be 100 percent.

Title III—Adult education

The proposal would lower the minimum age eligibility requirement for participation in the Adult Education program from 18 to 16 years of age.

The proposal would also increase the variable percentage for the set-aside for special projects in Adult Education to from 20-40 percent.

Inter-American Cooperation for Conservation

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FASCELL. Mr. Speaker, recently a conference was held in Brazil to discuss ways in which the inter-American nations can best work together for the purpose of conserving our natural resources. This is but another example of the many ways the nations of the Western Hemisphere cooperate for their mutual benefit.

I commend to my colleagues the following editorial which appeared in the distinguished Spanish-language newspaper Diario las Americas, which comments most favorably on the Brazil meeting:

PUBLIC INFORMATION ABOUT THE CONSERVATION OF NATURE

Last December, in the city of Rio de Janeiro, was held the Second Round Table of Information About the Conservation of Nature's Resources, for which invitations to journalists and scientists were issued by the Secretary General of the OAS, Dr. Jose A. Mora. That Round Table was sponsored, in addition to the Pan American Union, by the Technical Center of the Inter-American Press Association and by the Brazilian Foundation for the Conservative of Nature. The Brazilian Academy of Science gave all its support to this event.

The result of this Second Round Table was what was called "Quinta da Boa Vista Plan."

Ten points covered the recommendations made to the OAS, to the IAPA Technical Center, to the scientists and to the journalists in general, so that all that is necessary be made known to prevent the continuation of the destruction of nature's renewable resources, in detriment of the universal biological balance and, as a consequence, also in detriment of mankind.

The important Department of Scientific Affairs of the Pan American Union was represented by Mr. Felipe Sanfuentes, Editor of the magazine "Inter-American Science"; the Technical Center of the Inter-American Press Association—of so much significance for the free and modern journalism—by Mr. Guillermo Gutiérrez, Vice President and Managing Director of that Center, and the Round Table had as Technical Director the Brazilian scientist Jose Candido de Melo Carvalho. The Brazilian hosts added to their friendly cordiality, technical and practical facilities so that the Brazilian scientists and those of other countries who exposed problems concerning the conservation of nature could carry out their mission successfully.

The journalists of different Latin American countries and of the United States who attended this Second Round Table of Information About the Conservation of Nature's Resources, received with interest the brilliant expositions of the technicians and were all in agreement with the pressing need to create public awareness—through an adequate diffusion—about the conservation of nature's resources, so that the devastating unbalance that results from this destruction not take place. Everything in the universe has been ordered in such a way by the Creator that when the extinction of the species takes place artificially, the devastation of forests, or the loss of water, for example, the damage is of incalculable proportions for all.

Very meritorious was the work done by the Department of Scientific Affairs of the Pan American Union, by the IAPA Technical Center, by the Brazilian Foundation for the Conservation of Nature, and by the journalists, who not only heard the excellent expositions of the scientists, but who also expressed their points of view about the way in which the governments and society in general should contribute to the necessary maintenance of nature's renewable resources.

President's Crime Message Lays Foundation for Congressional Action

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. WOLFF. Mr. Speaker, I wish to commend the President for his message on crime. I consider it an excellent statement of the crime problem facing our Nation today and the steps which must be taken to cope with it. The message has laid the foundation for congressional action.

One area of the President's message which deserves special emphasis is that of curing the abuses which now exist in our drug laws. To point out an example, under present laws the possession of the mild hallucinogen marihuana is punishable as a felony while the sale of the more potent and dangerous LSD is a misdemeanor. The use of LSD must be controlled. Its use has been linked with psychosis and undesirable personality changes. The American public and more particularly the young adult population should and must be protected from the evils of LSD and other dangerous drugs. I urge action on the President's proposal

to make the illegal manufacture, sale, or distribution of LSD punishable as a felony.

Idahoans Expand Alliance Program for More Aid to People of Ecuador

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. HANSEN of Idaho. Mr. Speaker, the Partners of the Alliance, a non-Government portion of the Alliance for Progress, is one of the best people-to-people good-will programs of which I have knowledge. I am proud of the extent to which Idaho has participated in this program of self-help involving our neighbors in South and Central America.

Mr. Speaker, the following article, from the Idaho Daily Statesman of December 5, 1967, published in Boise, Idaho, gives a graphic account of Idaho's latest participation in this most worthwhile program:

IDAHOANS EXPAND ALLIANCE PROGRAM FOR MORE AID TO PEOPLE OF ECUADOR

(By Jerry Gilliland)

Idahoans took steps Monday to step up foreign aid to the South American country of Ecuador.

The steps were an expansion of the Idaho Partners of the Alliance to include a statewide representation. A visit to Ecuador sometime in January is the next step for some members of the group.

Idaho industrialists Robert Hansberger, president of Boise Cascade Corp., and J. R. Simplot, head of the J. R. Simplot Co., were hosts for the meeting in Boise which included active members of the Idaho Partners of the Alliance and other interested persons.

James Boren, Washington, D.C., director of the national Partners of the Alliance Programs, spoke at the session, describing some of the work other state organizations are doing to assist Latin American countries.

"CHANNEL" SOUGHT

"People in this country are ready to respond to the self-help projects of the people of Latin America," Boren said, "they only need the channel to do it."

The "channel" in this case is the Partners of the Alliance Programs, a non-government portion of the Alliance for Progress, he noted.

In effect, the Partners program involves the use of statewide committees in various states dealing directly with committees in Latin American countries. Idaho's partner is Ecuador, Boren said.

Boren, himself an employe of the U.S. Agency for International Development, said in an interview that only $500,000 in tax dollars has been spent so far on the four-year-old Partners program.

FUNDS AID TRANSPORTATION

The money is used for transportation of program development teams and volunteer assistance, he said. So far, the state committees have contributed $9 million in the form of hospital equipment, generators for village community centers, pumps for wells and other such assistance, Boren noted.

Idaho has "had a very excellent and successful beginning" in its partners program, he noted. The Gem State group has collected such things as several thousand innoculation needles, sewing machines, equipment for a rural hospital, an irrigation system, and equipping an Ecuadorean school.

The partnership is not a one-way deal, Boren said. "More important than the dollar and cents tag are the personal intangibles that are involved when people work directly with people, not with the focus or charity but on self-help which includes the element of dignity."

Latin Americans also are making contributions to the United States, he said. In the Little Rock, Ark., public schools, two Bolivian teachers are setting up a Spanish program, while art exhibits from several Latin American countries have toured the U.S. A Brazilian composer will soon present a premiere performance of an original symphony in Maine, Boren cited.

The key to all Partners projects is self-help Boren said. The Latin Americans do all they can do on a project, then their American partners help with the rest.

Projects are outlined by the committee in the Latin American country and forwarded to the U.S. committee in the state involved, he said. In Idaho's case, the state committee will look at Ecuadorean projects in January and then apportion them to civic clubs and other organizations which might want to help.

"Any civic club, any high school student body, neighborhood bridge group or any individual who want to do something constructive can do it through the partner program," Boren said. "The only limits are the limits to the imagination of the people involved."

The Partners program adds a much needed "grass roots" facet to the Alliance for Progress, he noted. "We have not in the past had the means to respond to the small self-help projects in the villages, we just were not geared for the $150 to $200 project."

Safe Streets

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. GREEN of Pennsylvania. Mr. Speaker, the President today sent to the Congress his message on the challenge of crime to our society. I can think of no problem for which the public is demanding more immediate attention.

The acceleration in the commission of serious crimes in the United States is a matter of utmost concern to every citizen. Statistics indicate that the risk of becoming a victim of a serious crime is constantly increasing. This unfortunate trend of disregard for law and order is a problem of national proportions requiring the full attention of the U.S. Congress. While a majority of the crimes committed in this country—assault, rape, burglary, armed robbery, and murder—are matters of local cognizance, the Constitution does not prohibit the Federal Government from assisting the States in discharging their responsibilities in law enforcement.

The President's Safe Streets and Crime Control Act is designed to provide Federal assistance to State and local law enforcement agencies to promote the coordinated development of comprehensive law enforcement plans.

It can be anticipated that the resultant programs would provide greater public security from crime in our homes, and in streets and other public places. The training of local law enforcement officers in techniques necessary to combat modern criminal procedures would result in more effective local police departments. Educational programs and more adequate compensation for training personnel would attract professionals of high caliber into this essential field of public service.

We cannot allow the minority of persons who engage in criminal conduct to deprive other Americans of the benefits of our society. Congress must act promptly on the President's proposals.

H. H. H. Didn't Tell Whole Story

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. DERWINSKI. Mr. Speaker, while we all recognize the spontaneous eloquence of our esteemed Vice President, a thoughtful commentary on the inconsistency of some of his recent pronouncements was carefully noted in the following article in the Aurora, Ill., Beacon-News on January 19, written by Dumitru Danielopol, the outstanding international columnist of the Copley Press.

H. H. H. DIDN'T TELL WHOLE STORY

(By Dumitru Danielopol)

WASHINGTON.—"We have supported majority rule, human rights and self determination throughout the world," said Vice President Hubert H. Humphrey on his African tour.

I wish this were so.

"We will not abandon them in the southern sixth of Africa," the vice president continued taking a swipe at South Africa, Rhodesia and Portugal and their minority and colonial rules.

What about other parts of the world particularly the Communist world?

The Johnson-Humphrey administration has abandoned them for at least 100 million people living in Eastern Europe.

Our record regarding these countries is dismal.

Apart from the fact that the United Nations charter, of which the United States is one of the first signatories, specifically guarantees human rights to all peoples, the U.S. has other obligations, too.

It signed peace treaties in 1947 with Italy, Bulgaria, Romania, Hungary and Finland. All have human rights clauses.

Article 2 of the Treaty with Hungary says:

"Hungary shall take measures necessary to secure to all persons under Hungarian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political option and public meeting."

The same text figures in Article 3 of the treaty with Romania and Article 2 of the Bulgarian treaty.

These are equally binding to all signatories, including the United States, the Soviet Union, France and Britain.

For more than 20 years these rights and liberties have been denied the peoples of Bulgaria, Hungary and Romania by the satellite regimes brought into power by Russia.

Has the United Nations done anything about this?

Why hasn't the U.N. voted sanctions against the Communist regimes, as it did against Rhodesia?

Why hasn't the United States insisted that the rights and liberties of the peoples of Eastern Europe be respected?

It may also be pertinent to recall that it was President Johnson who on Oct. 7, 1966, cast aside the last vestige of U.S. opposition to Communist regimes in Eastern Europe.

In a New York speech, he announced a policy of "peaceful engagement" that abandoned the high principles of the Atlantic Charter, the ideals of the United Nations Charter and the obligations of the peace treaties of 1947. He called it recognition of "the realities of today."

It was also President Johnson who accepted a Communist as president of the United Nations General Assembly.

And it is the Johnson administration which is advocating massive economic help to the Communist countries of Eastern Europe.

Let's tell the whole story. Let's not pose as supporters of "majority rule, human rights and self determination throughout the world."

American Aims and Objectives in South Vietnam

HON. JOHN O. MARSH, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. MARSH. Mr. Speaker, without doubt there has been a great deal of misunderstanding about the American aims and objectives in South Vietnam. Recently, there appeared an editorial in the Staunton News-Leader that addresses itself to this doubt and misunderstanding, and seeks to put it in its proper perspective.

Because I feel this editorial, which draws on the comments of General Johnson, the Chief of Staff of the Army, sets out the basic reasons for our commitment, I would like to bring it to the attention of the other Members.

The article follows:

ANSWERS QUESTIONS ON WAR

Among major causes of opposition in this country, and probably abroad, to the war in Vietnam are misunderstanding of the conduct of that war, and failure to grasp the menace of Communist aggression to free peoples everywhere. In a recent address to a group of newspaper men, Gen. Harold K. Johnson, chief of staff of the U.S. Army, made what would be a valuable contribution to popular understanding of both of these factors, were it possible to get the text of his address to all Americans.

Because what Gen. Johnson said is so informative and to the point. The Leader Papers begin today a serial publication of his address. It is probably too long to attract the readership it merits if published in one take. The following initial chapter will be followed by installments which can be easily and quickly read. We urge all who wish a better understanding of the war to read each one:

"VIETNAM: QUESTIONS AND ANSWERS

"(By Gen. Harold K. Johnson, Chief of Staff, USA)

"One: This is a difficult war for journalists. Two: It is a difficult war for every American.

"Why is this a difficult war for journalists? To start with, it is a war without front lines—without key terrain features—without a Remagen bridgehead to seize, a Guadalcanal to assault, or a Pusan perimeter for a valiant stand and dramatic breakout. There just aren't the standard combat situations that lend themselves to spectacular and easily understood reporting. In the rare instances where such situations do arise, they are often brought directly into our living rooms—live and in color. Competing against that kind of live action, the war correspondent has a troublesome time winning the readers' or listeners' attention with reports on pacification, nation building, and social and economic progress.

"Why is this a difficult war for every American? Well, in the first place the public, too, would prefer to read about the Remagen bridges and the Guadalcanals. We would like our victories to show up as well-defined lines on a map. But the thing which causes every American the greatest difficulty is simply the nature of the whole Vietnam problem.

"Because of its impact on the future of free men and women everywhere, Vietnam is one of the most imposing problems that has faced our nation. It is a problem because its solution demands special understanding, conviction, and support from the American people. The enemy knows this and attempts to exploit every opportunity that presents itself."

International Communism: A Study in Designs and Intrigues

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RARICK. Mr. Speaker, more voices are being raised to alarm the American people against the designs and intrigues of the godless, materialistic philosophy of communism.

Many of the warnings come from the increasing number of citizens from former free countries, from men who have seen the forced application of unworkable Bolshevik theories and propaganda and their rejection by awakened peoples.

Such was the speech of Prof. Nicholas Nyaradi, former Minister of Finance of Hungary and presently chairman of the School of International Studies, Bradley University, Peoria, Ill.

His statement is invaluable to any student grasping to understand the goings on, direction and intentions in the restless world, and I include Professor Nyaradi's speech following my comments:

THE COMMUNIST PARTY IN INTERNATIONAL AFFAIRS

(By Prof. Dr. Nicholas Nyaradi, former Minister of Finance of Hungary, and chairman of the School of International Studies, Bradley University, Peoria, Ill.)

The Bolshevik revolution in 1917 signaled the beginning of the greatest mass exodus of human beings the world has known since the migration of peoples in the early Middle Ages. The stream of refugees from Communism started with millions of Russians fleeing the red terror the Bolsheviks have established in their homeland and continued with the mass movement of Poles, East Germans, Czechoslovaks, Hungarians, Romanians, Yugoslavians and Bulgarians to reach its climax during the last decade in the flight of North Vietnamese, North Koreans and Cubans.

The total number of those who were not permitted to vote in their own countries so they chose to "vote with their feet" is well above 10 million and to absorb so many people of so varied backgrounds caused considerable problems in the host countries all over the world. This must have been the reason why some fifteen years ago in Western Europe a somewhat tongue-in-cheek definition was coined which sounded like this:

"A refugee is a man who has lost absolutely everything except his foreign accent."

This was certainly our case when my wife and I arrived in the United States some eighteen years ago. Yet today when we are not refugees anymore—being the proud and happy citizens of the United States of America, and the parents of two American born children—I feel that eighteen years ago there still was one valuable item among our meager belongings with which we arrived in the New World. This item had no monetary value and could not be confiscated by guards on the boundaries of the Iron Curtain because it was invisible and intangible—it was the first-hand experience which I brought with me from three years of struggle, observation and contact with the highest echelons of Communist leadership.

On November 6, 1947, Mrs. Nyaradi and I were sitting in a reserved box of the "diplomatic row" in Moscow's Bolshoi Theater. The occassion was the thirtieth anniversary of the Bolshevik revolution and the speaker was Vyacheslav Molotov—at that time foreign minister of the Soviet Union.

Besides the usual outbursts against "Western imperialism" and "capitalistic encirclement" Molotov's speech contained two highly important aspects. First he announced that the atomic bomb ceased to be an American monopoly and then he wound up his address with a rather ominous statement declaring that "World War I has brought the victory of Communism in Russia; World War II resulted in the Communist takeover of the half of both Europe and Asia and World War III will inevitably result in the victory of Communism all over the world."

Hearing this I turned toward General Walter Bedell Smith, the American ambassador, who was seated in the adjoining box with his diplomatic family and asked him about his opinion concerning the Molotov statements. General Smith dismissed them with a shrug of the shoulder as "mere propaganda" and I understood that this was also the opinion of most Western diplomats who were accredited at that time in the Soviet capital.

The following day I had one of my several meetings with First Soviet Deputy Prime Minister Anastas Mikoyan who was my counterpart in those long and tedious diplomatic negotiations which brought me to Moscow. Using the unfortunate Potsdam agreement as a lever, Russia lodged a 200 million dollars claim of war reparations against Hungary and I—as the Minister of Finance of the Republic of Hungary—was trying desperately to whittle down this outrageous amount which threatened my country with immediate economic collapse. (After seven months of bickering with Mikoyan I was finally able to reduce this claim to less than one fourth of its original amount—to 45 million dollars. While I feel that I must be the only living person on earth who ever succeeded in taking out 155 million dollars from Stalin's own pocket this still did not do me too much good. A few months later when I had to flee Hungary for my life Stalin was able to take back not only the 155 million dollars, but unfortunately, the whole of my native land.

While diametrically opposed to each other in ideas and philosophy Mikoyan and I have developed some kind of a grudging and reluctant respect toward each other which—I believe—was based mostly on mutually recognizing each other's training and experience in the field of economics and finances.

Under such conditions I have asked Mikoyan point blank about the meaning of Molotov's statement concerning the atomic bomb. Mikoyan's answer was just as brief and to the point when he told me that Molotov meant exactly what he said.

Shortly after my flight from Hungary the "Saturday Evening Post"—an important American magazine—asked me to write for them three articles about my diplomatic experiences in the Soviet capital and in which I also mentioned my conversation with Mikoyan and expressed my opinion that the Soviets have already developed an atomic bomb.

After the articles were published in the Spring of 1949 I was deluged by letters from readers who accused me of scare tactics and alarmist propaganda at a time when American authorities declared that Russia will not possess usable atomic weapons for another five—or even ten years. However, this flood of critical letters suddenly stopped when in September of 1949 President Truman tersely announced that the Soviet Union has detonated its first atomic device.

Today—almost two decades later—Western chancelleries still dismiss important Communist foreign policy statements as "mere propaganda" or as "talking to the gallery." However, I feel that perhaps the most important lesson I have learned in my seven months ordeal in Moscow was the discovery that one cannot draw a dividing line between Communist propaganda and Communist foreign policy: the two are closely linked and feed on each other.

In spite of the spectacular success of Communist aggression in the last decades the remaining free part of the world still stubbornly closes its eyes and ears to the increasing danger signals of Communist conquest and domination.

When Lenin came to power in 1917 in Russia he succeeded with the help of a handful of supporters—less than one tenth of one percent of the total population of Russia. And today this small group—as well as their heirs and successors—dominate 13 countries which include the forty percent of the population and one-third of the land area of the world.

More than one billion people in 13 different countries all over the world live under Communist governments today—and there was not one single case in which these governments would have been established by the freely expressed will of these different nations—as these Communist governments were all established by force, violence, armed aggression and subversion. (The only exception was the small Indian state of Kerala where the elected Communist government mismanaged the affairs of the state to such an extent that even the Socialist Prime Minister Nehru of India had to use federal power to oust the Communist criminals from the Kerala government).

Communist aggression has succeeded to subjugate in less than a half century such large areas and populations that, compared to this success, all the past conquerors, dictators and aggressors of world history—the Alexanders, the Neros, the Genghis Khans, the Napoleons, the Hitlers and the Tojos—look as fumbling amateurs compared to the leaders of Moscow and of Peiping.

Yet, the great tragedy of our times lies in the fact that this success was achieved not in the name of an invincible doctrine and victory was not won by Communist demigods ten feet tall. I have known personally, perhaps, more Communist government leaders than any other statesman or diplomat of the West and I came to know them as men who were riddled with fear and inferiority complexes trying desperately to make an unworkable system work.

The key to the success of Communist aggression can be found—incredibly enough—in the ignorance, the indifference, in the apathy and in the taking for granted attitude of those they want to destroy—ourselves!

When I try to analyze Communist aggression I speak not only on the basis of history books or research. My professor in Communist aggression was no less an authority than Joseph Stalin. My teacher in Soviet foreign policy was Vyacheslav Molotov and I received first-hand lectures in the field of Soviet economics from Anastas Mikoyan. I have watched closely Nikita Khrushchev as he muscled himself into power by treachery and deceit and I knew personally Alexander Kosygin—the present Soviet Prime Minister—from the time he was the Finance Minister of Russia and my counterpart in the Soviet government. (As a matter of fact I still have reason to believe that Kosygin is not much more than a figurehead in the present power structure of the Soviet Union. I have always known him as a well established technical expert in the field of finances and economics, who, however, was then—and I believe is today—a political nonentity. So I feel that if Kosygin is today the real political boss of Russia then I just as well could be either the Patriarch of Constantinople or the Grand Mufti of Jerusalem).

It was this background over which I have built my present position as an American college professor and college administrator—as well as a proud and grateful citizen of the United States of America. I keep in close contact not only with many of my friends who are statesmen, diplomats or business leaders in the free countries of the world but also watch closely the developments in the United States as I am a member of the Task Force on the Conduct of Foreign Policy of the Republican Party.

From this vantage point of observation it was not too difficult for me to establish the main objective of Russian and Chinese foreign policy which is, was and will remain the destruction of the United States of America.

The Soviet Union and the People's Republic of China need desperately new areas, new sources of raw materials, new industrial potential in order to sustain and expand their political, social and economic systems. As long as this power potential is available in the United States, neither Russia nor Red China can hope to dominate permanently the North American continent—and the rest of the free countries of the world—from several thousand miles of distance.

The very existence of the United States today is a roadblock to Communist aggression exactly as the "fleet in being" was the cornerstone of the "Pax Britannica" in the 19th century. Once the United States is destroyed not only its allies—like Great Britain or Western Germany—would go down the Communist drain, but even the existence of outright neutralistic countries like Switzerland or Sweden would be put in jeopardy. (And while certain strains exist today—in my opinion regrettably enough—in American—South African relations, even the future of the Republic of South Africa depends to a great extent on how the United States will be able to repel, contain or discourage worldwide Communist aggression).

Yet, in spite of this important role and in spite of the tremendous sacrifices in lives, as well as in gold, the United States was willing to bear in order to repel Communist aggression—still oddly enough it was the same United States which in so many instances came to the aid of various Communist governments when they were about to crumble under the burden of their own shortcomings and contradictions.

While it cannot be stated in good conscience that this was all part of a preconceived plan, yet historical facts point clearly towards the important role the United States has played—unwillingly and unwittingly—in building up the Frankenstein monster of Communist aggression.

When after the Bolshevik revolution the new Soviet government was crumbling as a consequence of the severe food shortage in Russia, it was the large scale charitable venture of a thoroughly great American—Herbert Hoover—which saved Russia from the threat of famine and Lenin's government from collapse.

American engineers and technicians were instrumental in the large scale industrialization of Russia during the first five year plans between 1928 and 1938, while at the same time their Soviet counterparts enjoyed the help and the hospitality of American automobile factories where they studied American mass production techniques and procedures.

Intellectuals in the United States openly praised Communism and Communists during the 1930's and 1940's and an American president proudly declared that he has several Communists among his best friends.

In October 1941 United States Ambassador W. Averell Harriman signed the so-called "First Moscow Protocol" in which the United States pledged to give large scale lend-and-lease aid to Russia at a time when America was still a neutral country, as the Japanese attack on Pearl Harbor did not take place only until two months later—in December 1941.

The 21 billion dollars worth of lend-and-lease aid (valued at 1938 wholesale prices) did not only provide Russia with enough military equipment to keep some 180 Soviet divisions fighting during the war but also constituted a long range investment in the industrial-military capability of the Soviet Union. Railroad rolling stock, blast furnaces and openhearth furnaces, machines and machine tools which were received from the United States were used in the Soviet Union for a long time after the war came to an end and provided Russia with the solid foundations which were needed to develop the country into the industrial giant it is today. (A member of the Soviet delegation I was negotiating with was the former head of the Soviet lend-lease purchasing commission in the United States. He told me how the Soviet Union received blueprints, patents and information on American industrial production and I myself—when visiting a large automobile plant in Moscow—counted some 900 various pieces of machinery which were marked "Made in Pittsburgh" or "Made in Detroit").

The Teheran, Yalta and Potsdam agreements which resulted in handing over the countries of Central and Eastern Europe to the tender mercy of the Soviet Union did not only cause—at least indirectly—the enslavement of 100 million cultured, civilized and God-fearing people, but these agreements are also responsible for the considerable increase in the Russian military potential because of the inclusion of these highly industrialized countries into the Soviet orbit.

In 1946—at a time when the anti-communist members in the Polish, Czechoslovak and Hungarian coalition governments were already fighting with their backs against the wall the constantly increasing Communist pressure in their countries—General George C. Marshall wanted to persuade Generalissimo Chiang Kai-shek to participate in such a coalition government with the Chinese Communists. And when Chiang—seeing the fate of these coalition governments in Europe—rejected General Marshall's suggestion the United States punished him by cancelling its economic and military aid to China, which then led directly to the Communist take-over on the Chinese mainland.

In the Korean war General Douglas MacArthur requested several times the authority to smash the Red Chinese invaders in their "privileged sanctuary" behind the Yalu river. Today we know that at that time the Chinese Communists were totally unprepared to meet such a challenge and Red China's military power could have been de-

stroyed before it reached its present frightening proportion. Instead, General MacArthur was relieved of his command by President Truman for "insubordination"—and the United States has settled for a status quo, making the Korean conflict the first war in American history which did not end with a victory for the United States.

When in 1956 the Hungarian revolution shook the Kremlin in its foundations and threatened with collapse the Russian *and* the Chinese Communist empires, we should just remember Mao Tse-tung's frightened speech at that time . . . ("let a thousand flowers bloom, let a thousand thoughts prevail") the United States limited herself to denouncing the Soviet brutality in Hungary with strongly worded speeches in the United Nations. There is strong evidence today that if the Hungarian freedom fighters would have received only token help from the West in 1956 then not only the other captive nations of Europe would have risen against their Soviet masters—and it would have been impossible for Russia to subdue the simultaneous revolutions of 100 million people in eight different countries—but there were also serious signs of mutiny among the Soviet troops deployed in Hungary. There was, however, at least one important voice in America which stated that the United States went far beyond "non-intervention" in Hungary. Representative Michael Feighan (Democrat of Ohio) read into the CONGRESSIONAL RECORD, volume 106, part 14, page 18785, a telegram which was sent by the State Department on November 2, 1956 to Josip Broz Tito, President of Communist Yugoslavia in which the opinion was expressed that the United States does not look with favor upon the establishment of unfriendly governments to the Soviet Union on the borders of the Soviet Union. It is interesting to note that by that time the Hungarian revolution was completely successful, the Russian occupation troops were retreating from Hungary and the Soviets—obviously worried about the possibility of Western intervention in Hungary—were negotiating in Budapest with the Imre Nagy government about Hungary's withdrawal from the Warsaw pact.

However, if Congressman Feighan's statement was based on correct facts—and to my knowledge the existence of such a telegram was never denied—then this message might have alleviated the Soviet fear from American intervention. Two days after the telegram was dispatched a Soviet army of 200,000 men and 6,000 tanks invaded Hungary on November 4, 1956 and crushed the revolution in a blood bath. Under such conditions it would seem plausible that this telegram might have been the green light which prompted the Soviet invasion of Hungary at the time of the greatest crisis in the Communist world. And if this telegram really expressed the official position of the United States government it would not seem exaggerated to say that it not only prevented this way the destruction of the Soviet colonial empire in Europe but perhaps also the collapse of Communism in Russia and eventually in China.

The ill-fated landing at the Bay of Pigs in Cuba in 1961 has ultimately helped Fidel Castro to tighten his grip on this newly established Communist military, economic and propaganda base in the Western hemisphere. And while the late President John F. Kennedy in 1962 successfully called the Soviet bluff in the Cuban missile crisis, America's unwillingness at that time to eliminate the Communist power base in the Western hemisphere might have been the first factor which started the slow disintegration of the North Atlantic Treaty Organization. The original American condition to lift the "naval quarantine" around Cuba was that international inspection should certify the removal of the Soviet missiles from the island. When Nikita Khrushchev insisted that Fidel Castro is "unwilling" to permit such international inspection, the United States was satisfied to photograph Soviet freighters which were hauling large tarpaulin-covered cigar shape objects as proof of the removal of the Soviet missiles. This was the time when rumors started in various capitals saying, in effect, that if the United States is unwilling to enforce its own conditions at 90 miles to the south of its border, how will it come to the rescue of an ally which was attacked 5000 miles away?

In 1963 large scale sales of American grain to Russia saved the Soviet government from the consequences of an acute food shortage and from the resulting popular discontent. Yet, at the same time, Russia's attitude toward the United States—both in words and deeds—was as unyielding as ever and even the anti-American demonstrations and denunciations of the allegedly defunct Stalinist era were reactiviated as an instrument of Soviet foreign policy.

While this brief documentation of United States help to governments, the main purpose of which still remains the destruction of America, is impressive, the great majority of Americans do not believe that this interesting pattern was the part of conscious or deliberate planning. The overwhelming opinion of Americans is that we—in our constant quest for peace—have made unintentional mistakes and that our frequent support of Communist governments and their objectives was motivated by good intentions. (There was perhaps only one—now forgotten but important—dissenting voice in this connection: that of the late James Forrestall, the first Secretary of Defense of the United States. He once said that if so many of our actions were the results of mistakes, then how is it possible that all these mistakes always turned out to favor our adversaries and never ourselves?)

It is clear, however, that the stand which the United States takes at the present, when it opposes Communist aggression in Viet Nam, is quite different from the general pattern of the last three decades. While the war aims of the United States in Viet Nam seem to be just as limited as they were in Korea (containment of aggression without clear-cut military victory), yet the American bombings of Communist military installations in North Viet Nam, as well as the conspicuous absence—until now at least—of Chinese "volunteers" show a considerably harder line of American policy than was the case in any previous confrontation with Communist aggression.

We have also to state that in spite of past mistakes and in spite of the increasing efforts of the "New Left" in the United States, the great majority of the American people are genuinely worried about Communist aggression and are willing to bear the necessary sacrifices both in American lives and in American gold to oppose this aggression. While the Vietnamese war is certainly not popular with the American people, yet the great majority of Americans support the President in the stand he takes against Communist aggression. If criticism is voiced it is not so much because of our stand in Viet Nam, but because the people would like to see the war ended by the full use of American technical power and military superiority. (This was clearly demonstrated in public opinion polls taken at the end of June 1966 and which showed that President Johnson's sagging popularity had increased after the new American air attacks on oil installations in the previously "off limits" Hanoi-Haiphong area were announced).

The general explanation and justification of the American stand in Asia is the guarantee which three Presidents of the United States (Messrs. Eisenhower, Kennedy, and Johnson) have given to the people of South Viet Nam in order that they should be able to preserve their right of self-determination.

While this argument has a strong appeal to the idealistic state of mind of the average American, yet one hears more and more about the so-called "domino theory" which—in view of the past record of Communist aggression—contains a strong element of realism too. According to this theory an American withdrawal from South Viet Nam would not only result in the Communist takeover of that country, but would encourage Communist aggression against other countries too, which would topple—like falling dominoes—in a chain reaction. Or, as I have described this situation recently in one of my classes at Bradley University: "If we withdraw today from Viet Nam, in two years we would have to fight in Thailand, in five years in the Philippines, and in ten years either in Hawaii or at the Golden Gate Bridge in San Francisco."

Several prominent politicians and public opinion leaders in the United States, who oppose President Johnson's policy in Viet Nam, question the validity of the domino theory, but the past tragic record of appeasement of both Nazi and Communist aggression certainly supports it. I—for one—am a staunch believer in the "domino theory", as I happen to be the native of a country—Hungary—which was one of the twelve "dominoes" which fell to Communist aggression during the last two decades.

There would be, of course, a third—and very forceful—argument to support the American stand in Viet Nam. Would it be possible that one day the free world will recognize the fact that if we would continue on the tragic road we were walking ever since the end of World War II—constantly retreating, constantly compromising, constantly giving away our rights and the rights of others—then, finally, we would be pushed against the wall and we still would have to fight. But by that time I am afraid we would have nothing left to fight with and we would have nothing left to fight for.

While the pattern of Communist aggression was clearly established during the last decades—first in the foreign policy of the USSR and then later in the official attitude of the People's Republic of China, it is interesting to observe the perfect co-ordination between these policies and the various Communist parties and Communist sympathizers all over the world.

During the first 21 months of World War II, when Britain was staggering under the blows of the Nazi war machine, Communist Russia and Nazi Germany were co-operating with each other in full harmony under the terms of the Ribbentrop-Molotov agreement. As late as in June 1941 American Communists were picketing the White House and demonstrating against the possibility of the United States entering the war on the side of Great Britain. When Germany suddenly invaded Russia on June 21, 1941 the same Communist demonstrators—still carrying their signs which read: "Let God save the King, the Yanks are not coming"—were suddenly withdrawn, only to reappear a few hours later demanding America's immediate entry into the war on the side of Russia and Great Britain.

During the thirties and the forties left-wing elements all over the Western world were busy in explaining that the Russian people under its Soviet masters live considerably better that it did under the Czar and that the Chinese Communists are idealistic "agrarian reformers." The Communist take-over of Cuba was greatly facilitated through the successful propaganda in the United States, depicting Fidel Castro as the best hope for democracy in Latin America.

Turning our attention to more recent events, which clearly prove the close connections between Soviet and Red Chinese foreign policy on one side and the activities of the world-wide Communist parties on the other, we have to look only at the statement of Dr. Leonel Alonso, which he made recently

at a press conference in Miami, Florida. Dr. Alonso, who defected from his post as Castro's ambassador to Lebanon only last summer, told how he and other Cuban diplomats distributed millions of dollars all over the world to the local Communist parties, financing in this way Communist revolts and anti-government activities in various countries. (As the former Cuban envoy made it clear that much of this money came from Soviet sources, it is somewhat difficult to understand why so many leaders in the Western world still doggedly believe that the Soviet government has become a moderate, peace-loving group of gray-flannel suited business executives, whose only concern is to maintain order and equilibrium all over the world.. It is also interesting to note that the present methods and organization of Communist espionage and sabotage activities—as revealed in Dr. Alonso's statement—fits exactly into the pattern which I have described in my book, My Ringside Seat in Moscow, some fifteen years ago).

During last summer, when a rash of so-called race riots hit several large American cities and in many cases the National Guard had to be called out to quell the disorders, the General who commanded these troops in Cleveland, Ohio said that "we are fighting a guerrilla war". While there was widespread concern that these riots followed a clearly established pattern with trained agitators—including Communists—organizing the insurrection, the United States Government steadfastly denied the existence of such influences. However, the New York Times published a report on August 26, 1966 according to which Mayor Ralph Locher of Cleveland "wholeheartedly" agreed with grand jury findings that recent riots in his city had been fomented by trained agitators, assisted by Communists. It should be also noted that the so-called "civil rights movement" in the United States should be strictly a matter of internal policies and should have nothing to do with international relations. Yet, several leaders of this movement made it clear, in many instances, how they condemn the stand which the United States takes in Viet Nam opposing Communist aggression.

Of course one should not say that all opposition to the Viet Nam war in America comes from Communist or Communist-influenced elements. Yet, there is ample evidence that this relatively small but extremely vociferous and often articulate group was strongly used by the Communists in order to achieve their over-important goal: first to discredit and then to paralyze American resistance to Communist aggression. The House Committee On Un-American Activities of the Congress of the United States held hearing recently on a proposed bill which would prevent American citizens from giving moral or financial aid to the enemy in an undeclared war—in this case the Viet Cong and Communist North Viet Nam. The opponents of the bill not only made shambles of the hearing room with their unruly behavior (a relatively mild example of this was the statement of one of the witnesses when he refused to answer the Committee's questions on the ground that "the question nauseates me and I would vomit all over the table") but several of these opponents openly admitted that they are Communists, or "Marxist-Leninists". It would be difficult to deny the similarity between the behavior of these anti-Viet Nam war demonstrators in 1966 and the attitude of the Communist pickets in front of the White House in June of 1941.

In this connection, it is extremely interesting to examine the recent findings of the Internal Security Subcommittee of the United States Senate. The committee charged that Communists have played a key role in organizing campus demonstrations against the war in South Viet Nam.

"The Communist Party, USA, brand may be found upon every phase of the rallies," the subcommittee said in a report on hearings held last year, "from planning to the final effort to proselytize young people."

Seventy-eight pages of previously secret testimony, made public with the report, dealt with the Free-Speech movement at the University of California, and with war protests there and at the University of Wisconsin.

The subcommittee inquiry also covered the W. E. B. Du Bois Club and the report said there is "an official link of the Communist Party, through Du Bois Clubs, with campus activities directed against policies of this country with respect to Viet Nam."

The hearings were held May 17 and 18, 1965, amid demonstrations on campuses around the country.

"These demonstrations seemed spontaneous at first," the report said. "But a pattern emerged, on campus after campus, which made it unmistakably clear that the Communist Party, USA, and its front organizations were playing a key role in organizing them.

"It became increasingly evident that the Communist Party in both fomenting and exploiting campus unrest was laying the groundwork for a concerted drive to recruit youth to its cause." It went on:

"A traditional tool of the Communists is infiltration, and it was used to the hilt on campus after campus. Students-body grievances were either fraudulent, created, stimulated or exaggerated as a catalytic means of setting off mob explosions.

"Once aroused, students' energies were channeled and directed by professionals and their disciples into forums, rallies, protests, resolutions, defiance of law and out-and-out law violations."

Among the most vociferous anti-Viet Nam demonstrators are the members of the so-called W. E. B. DuBois Clubs—a student group which was recently placed by the U.S. Attorney General on the list of subversive organizations. The Communist affiliations of this group became evident in the following statement made by Gus Hall, the leader of the Communist Party of the United States: "Quite naturally we have the closest ties with the DuBois Clubs since they occupy a Marxist position. Many of the members of the DuBois Clubs have joined our party.

"The fact that youths are coming into the Communist party of the United States is a most important distinguishing feature of our time."

While the role of Communist parties carrying out Russian and/or Red Chinese instructions all over the world is extremely dangerous in itself, it can become an outright tragedy in case of war. When I visited the Kutuzov Military Academy in Moscow (the Soviet equivalent of West Point or Sandhurst), the commanding general of the school explained to me how his officers are being trained not only for "horizontal" but also for "vertical" warfare.

Following my question he explained that until the establishment of the Communist rule in Russia the world knew the classical form of "horizontal warfare"—the opposing armies meeting head-on in the field on the "horizontal" level. However, now the Communist parties in the various free countries possess a "vertical" potential and can penetrate deeply into the social, economic and industrial structure of their countries—helping this way actively the attacking Communist forces in "vertical warfare."

I also remember once having told a high-ranking Soviet official in Moscow that in view of the overwhelming industrial power of the United States the Soviet Union would not have a chance in winning a military confrontation with America. Hearing this, he smiled and answered with an ironic expression on his face, "Mr. Minister, even the most complicated American machines will grind to a halt if a few grains of sand will be dropped between their wheels. And believe me, we have the men to do this job."

Even if we believe that the overwhelming majority of the Viet Nam war critics in the United States are not Communists or Communist-influenced, yet it is tragic to observe how the clever Communist propaganda has blinded these otherwise honest and goodwill people to accept the Communist propaganda line of confusion and double standards.

Today many American politicians, public opinion leaders, students and professors condemn what they call "American intervention" in Viet Nam. Yet most of these distinguished people were conspicuously silent when Soviet tanks crushed the revolt of the East-Berlin workers on June 17, 1953.

Many clergymen—and the World Council of Churches—call the American resistance to Communist aggression immoral. Yet, not as much as a whisper was heard from these same circles when Communists overran Tibet in 1958 and forced the Dalai Lama—the spiritual leader of Buddhism—into exile.

When last winter a fanatic American pacifist burned himself to death in front of the Pentagon, protesting the American involvement in Viet Nam, nobody asked the question why not one single "pacifist" demonstrated in front of the Soviet Embassy in Washington in November 1956, when the Soviet army murdered tens of thousands of freedom fighters in Hungary.

The double standards in this connection are so obvious that one cannot but quote the words of the old American adage: "What is sauce for the goose, should be also sauce for the gander." As long as these double standards will exist, questions will continue to pop up if not about the goodwill and the honesty of the non-communist supporters of this cause, but at least about their knowledge and understanding of the lessons of history and the nature and pattern of Communist aggression.

The clever cooperation between official Communist foreign policy and party propaganda has by now regrettably resulted in a king-size confusion of the Western mind. It would be difficult to deny that a considerable tension exist today between the Soviet Union and Red China yet nobody dares to predict the Soviet attitude if and when "the chips would be really down". The painstaking desire of Washington to keep the Viet Nam war localized and limited stems from the uncertainty that nobody seems to know how the Soviet leadership would react to a spreading crisis in Asia. Great-power political interests of the Soviet Union obviously would not favor large scale Chinese gains in this area, yet the significant and increasing Soviet military aid in anti-aircraft weapons to Hanoi seems to indicate that Communist ideological solidarity still supersedes Russian power political interests.

At the same time the Western world still desperately clings to the wishful dream concerning the "moderation" and "mellowing" of Soviet foreign policy. While there isn't an iota of real evidence for such a change—except for certain minor changes in Russian strategy and tactics—we still stubbornly talk about "Chinese Communist aggression in Asia" while we constantly try to convince Russia about the possibility of a fruitful cooperation between the Communist and the non-communist world. It almost looks as if we would draw a dividing line between the "bad Communists" in Peiping whom we have to resist and the "good Communists" in Moscow with whom we can co-operate!

The greatest—and most dangerous—success of brain washing and propaganda, however, consists in the fact that by now most of the people in the free world sincerely believe that anybody who calls their attention to Communist aggression is either a warmonger or an extremist—if not outright a Fascist or a Nazi. The wartime coalition of the great democracies with the Soviet Union has created a curious state of mind: because of the World War II confrontation of powers the subconscious belief still lingers

that anti-communism is necessarily identical with Fascism. Yet the proudest badge I am still wearing as a consequence of my high office in Hungary consists of the fact that the Fascists there didn't miss an opportunity to call me a Communist, or at least a fellow-traveler, while the Communists branded me as an American spy and an agent of the imperialists.

The desire for a lasting peace is deeply rooted in the hearts of free people everywhere. They still have to learn yet that peace can be neither achieved nor defended by weakness, hesitation and appeasement.

I have known, personally, more Soviet leaders than perhaps most Western statesmen and diplomats. And I have known these leaders as men who understand—unfortunately enough—only one single language: the language of iron determination, as everything else they mistake for weakness. The best way for us to maneuver ourselves into the horrors of World War III would be to create the false impression in the minds of the leaders of Moscow and of Peiping that we are weak, that we are afraid, that we want peace at any price. In this case I can assure you that we would witness the explosion of Soviet and Red Chinese nuclear warheads over the cities of the free world. The only way to avoid World War III is to let these leaders know that we are ready, able and willing to fight if they ever would force us into it. Never before in world history was the 2000 years old Roman adage as true as it is today: "si vis pacem, para bellum"—if you want peace, be ready and prepared for war.

In this connection there cannot and should not be any difference between free nations all over the world. It is certainly not within my competence and jurisdiction to discuss certain divergencies which exist between the official foreign policies of The Republic of South Africa and the United States of America. But as a private American citizen I believe I have the right to state that when it comes to Communist aggression then South Africa and the U.S.A.—as well as all the free nations of the world—find themselves in the same boat. Whether it is in the lovely capital city Pretoria or in my home town of Peoria, Illinois, U.S.A., we face the same dangers and share the same hopes and aspirations. Besides courage and determination our mightiest weapon is the fact that truth is on our side. The half century record of Communist aggression speaks so loudly for itself that it is frustrating and discouraging to see the great obstacles and difficulties which seem to stand in the way of drawing the inevitable conclusions from this record. Would it be possible that the words of the American philosopher, George Santayana, can be applied to us who said that "those who are unwilling to learn the lessons of history are bound to repeat it?"

There is no question about it that a fog of ignorance, of indifference, and of apathy has descended upon the hearts, the minds, and the souls of free people all over the world. If we will not be able to lift this fog, it will inevitably lead to blindness. And in this connection we cannot but remember the 3000 year old Greek adage: "If the gods want to destroy someone, first they strike him with blindness."

Tourist Harassment

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RODINO. Mr. Speaker, numerous editorials and other expressions of interest have been appearing steadily since the administration's travel tax plan has been made public. While critics are notoriously fickle, on this issue however, there has been more consensus than usual—and I believe for good reason. As a means of substantially cutting into the balance-of-payments deficit the travel tax represents more of a nuisance than a serious formula for even a partial cure. Moreover, the particulars of the measure are so riddled with exemptions, and so arranged that the middle-income traveler is hardest hit—the rich can afford it no matter what, and the poor would not be going in any case—that I believe the individual tourist tax approach to be faulty and more burdensome than the value of the added revenue.

Following is a recent editorial from the Newark News:

TAXING TOURISTS

The tax on tourists' overseas spending, which President Johnson has proposed to help reduce the unfavorable balance of international payments, attempts to meet protests against unduly burdening teachers, students and others traveling on small budgets.

A student prepared to spend $600 in a two-month European stay—based on Treasury Secretary Fowler's report that $10 a day is typical—is hardly likely to cancel because of a $27 tax. Nor is a traveler who has long been dreaming of a three-week tour at a modest $15 a day likely to be upset by a levy of $25. As for the rich, they are not likely to be stopped by the proposed tax.

Even though the tax rate doubles on spending of more than $15 a day, the total effect still may be more nuisance than deterrent. Similarly, the proposed 5 per cent excise tax on plane and ship fares would probably provide little or no restraint.

The President himself acknowledged as much in predicting, in his State of the Union message, that even under the proposed limitations Americans will travel more overseas this year than ever. Furthermore, the $500 million by which the President hopes to slow tourist spending is only about one-seventh of the deficit in the balance of payments.

So what Congress is asked to approve is a form of tourist harassment that at best would have a negligible effect on the balance.

France Must Pay Its Debt

HON. THEODORE R. KUPFERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. KUPFERMAN. Mr. Speaker, I have today joined with Congressman LESTER WOLFF—see the CONGRESSIONAL RECORD of February 1, at page 1779—and the more than 100 Congressmen who have signified their desire by concurrent resolution that France be called upon to pay its World War I debt to the United States of over $5 billion still in default both as to principal and interest.

While among friends debts can be forgiven, for we sometimes ask to forgive our debts as we forgive our debtors, France, as personified by Gen. Charles de Gaulle has indicated a determination to breach the traditional ties between that country and ours. Accordingly, we should expect to be compensated in the full amount due.

I am joined today in this determination by a partisan group of House Members including: Mr. BARING, Mr. BRASCO, Mr. BROWN of Michigan, Mr. CAHILL, Mr. DANIELS, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DICKINSON, Mr. FOLEY, Mr. GOODELL, Mr. KYROS, Mr. MCCLORY, Mr. MCCLURE, Mr. O'KONSKI, Mr. PHILBIN, Mr. POOL, Mr. RIEGEL, Mr. ROGERS of Florida, Mr. SMITH of New York, Mrs. SULLIVAN, Mr. VANDER JAGT, Mr. WHALLEY, Mr. WHITTEN, and Mr. WIDNALL.

Congressional Summer Intern Program

HON. WILLIAM V. ROTH, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROTH. Mr. Speaker, I was, as were many Members, deeply disappointed in the House's action when it eliminated funds to continue the congressional summer intern program. Notwithstanding the very real need to cut spending, I believe the proven worth of the intern program justifies its continuation.

House Resolution 1008, introduced by Messrs. MACHEN and CLEVELAND last year, is presently pending before the House Administration Committee. It is my understanding the committee plans to take up the proposal in the next few weeks, and I hope passage of the resolution can be achieved soon.

The beatniks, hippies, and flower children, who capture the headlines and generate expressions of concern over the younger generation, are by no means representative of America's young people. On the contrary, I find the young men and women I meet increasingly aware of the problems confronting us as a nation, and more alert to the challenges and responsibilities of citizenship. We, in Congress, I believe, ought to encourage intelligent and industrious young people to take an even greater interest in the affairs of their country and to devote a part of their considerable energies and talents to public service.

Recognizing the educational benefits derived from working and studying on Capitol Hill, a number of colleges and universities have for a number of years supported a summer-in-Washington program on their own. Reports indicate that many of these young scholars have given valuable assistance to individual Members who have set them to work on research projects.

The individuals interning under these privately sponsored programs will not, of course, be affected by our failure to fund the Congress' own summer intern program. But, hundreds of bright young people interested in government and politics attending the vast majority of schools which do not support their own intern program will be foreclosed from taking advantage of this unequaled educational opportunity as a result of the House's action.

Last summer I had two interns for 5 weeks each. They did not have much time to learn the ropes here on the Hill,

but both young men, John Stoppelman and Vincent Poppiti, plunged into their work with enthusiasm and were of great help to me. I have had to put off the requests of other young men and women who wish to work here on the Hill this summer in the hope that the House will continue the intern program, if only at a limited level. I should like to say yes to one or two of them.

The highly publicized activities of a small number of interns last summer should not cause us to abandon such a worthwhile and successful program as this. Rather, it is incumbent upon Members themselves in the selection and supervision of their interns to instill in them a respect for the Congress and its traditions to prevent a repetition of last summer's unfortunate incidents.

The New York Times Praises Performance of Arts and Humanities Foundation

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BRADEMAS. Mr. Speaker, within the next few weeks the house will consider legislation to continue and expand a program of great significance to the quality of our national life. I refer to the National Foundation on the Arts and the Humanities, established in 1965 to encourage progress and scholarship in the various branches of the arts and humanities.

Mr. Speaker, as a nation marked by continuing scientific and technological advancement, we must also direct our energies and concern much more vigorously to the development of our cultural resources.

Congress recognized this need in creating the National Foundation, which for the past two and a half years has performed with wisdom and imagination in administering grants to support projects in the arts and humanities across the country.

Mr. Speaker, in an editorial on February 6, 1968, the New York Times offered high praise for the promising record established by the National Foundation so far and support for its extension by the Congress.

As noted by the Times:

The United States now gives less Government support to the arts than any other civilized country in the Western world.

We can do no less than to build upon the small beginning we have made in public support for the arts by approving the bill to reauthorize the program of the National Foundation for another 2 years.

I insert the text of the New York Times editorial at this point in the RECORD:

NATIONAL ARTS FOUNDATION

Public, as opposed to private, subsidy of the arts is something new in this country, or at least overt subsidy is. For some considerable time the arts have enjoyed foundation support, itself an oblique public subsidy, and patrons of the arts have for long enjoyed certain tax concessions that in themselves represented an indirect contribution to the arts from the economy's public sector.

When in 1965 the National Foundation of Arts and Humanities was founded, its birth was accompanied by a great deal of goodwill, but also a certain healthy skepticism. This, after all, was not the American way of financing the arts, and this new Government body had to prove itself in a number of areas. First, was it efficient? Did it know where to pass the buck where it was most needed? Second, was it impartial? In Europe, the concept of a nonpolitical but government-financed agency is more easily accepted than in the United States.

The foundation has set a record of which it can be proud. Born part of despair and disbelief, it has established for itself in the world of the arts a reputation not only for fair dealing but also for perceptiveness. The foundation also has proved itself extremely flexible in its operations, recognizing that arts subsidies in the United States cannot be slavishly based on European models, but must meet American needs.

After three years of trial the foundation is awaiting House debate on renewal of its life for the next two years. The United States now gives less Government support to the arts than any other civilized country in the Western world. In view of the need to restrict spending in every sector, should Congress cut back? It is not without relevance that devaluated Britain, in her hour of greatest financial stringency, has just promised not less, but more, for the arts.

Seven Million Americans Benefit by Increase in Minimum Wage

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROYBAL. Mr. Speaker, for the past 30 years, the Federal minimum wage law has been an effective instrument for insuring human decency in America.

Today, the value of this law is especially great as we fight an all-out battle against human disadvantage in the cities, towns and hamlets of our country.

On February 1, 1968, new increases in the Federal minimum became effective. They mark a milestone in the economic history of the United States.

More than 7 million men and women—many of them family breadwinners—will realize pay hikes because of these increases in the Federal minimum wage: 5.9 million persons covered by the law before the 1966 amendments to the Fair Labor Standards Act will now receive at least $1.60 an hour; and 1.3 million newly covered employees will receive at least $1.15 an hour.

This means that millions of citizens will be able to share a little better in the abundance of America. It also means that $2.3 billion will be added this year to personal income.

Neither the beneficiaries of the higher minimum wage nor the rest of our citizens will ever be the same for the welcome change set in motion by the 1966 Fair Labor Standards Act amendments.

I think history will be very kind to the farsighted—and humanitarian—legislators and President who were responsible for these increases in the minimum wage.

Europe on $7 a Day

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BOB WILSON. Mr. Speaker, now that the administration has unveiled its plan for taxing foreign travel by Americans as a so-called solution to reducing our balance-of-payments deficit, it behooves us to examine this proposal very carefully. In my opinion, the administration has not made a sufficient case for a travel tax. It is incredible that each time the administration finds itself in a deficit situation, it calls for more taxes. First, we are asked to levy a surtax on income to help reduce our budget deficit. Now, the call is for a travel tax to help stem our dollar outflow abroad. Yet, the administration is doing nothing to attack the more basic causes of the balance-of-payments problem such as reducing our own Government expenditures overseas or limiting our spending programs at home.

At this point, I would like to introduce in the RECORD an editorial from the Wall Street Journal which also points out that one of the serious side effects of the proposed travel tax is that it would clearly interfere with every American's right of free movement:

EUROPE ON $7 A DAY

The striking thing about the Administration's proposed travel tax is that it is intentionally designed to interfere with the liberties of American citizens.

That the tax will inhibit the ability of ordinary Americans to travel to Europe is not merely an unfortunate side effect. The whole purpose of the proposal is to allow the Government, in its ultimate wisdom, to control the movement and spending of its citizens.

It is all very well for the Administration to cloud the coercive intentions of the tax with deductions and other gimmicks. Yet in doing so it paints a curious picture of its own notions of social worth. It allows a $7 daily allowance free and taxes the next $8 a day at half the ordinary 30% rate.

The intention, apparently, is to avoid interfering with the dirty shirt set, skylarking students and other minimal spenders. But the modest American who has put aside $1,000—say, $200 a year for five years—for the expenses of three weeks in Europe will find he now needs about 15% more, which will prove painful if not prohibitive.

To help enforce these elevated and discriminating notions, the traveler is faced with elaborate methods of repression. Report, justify and post bond before you can be released from the U.S.

It is also very well for the Administration to say the tax will expire in two years if Congress enacts it at all, but that is one we have heard before. Our own morning line has very long odds on this tax passing from the national scene any time before the current Administration does.

Especially so since the Administration is doing nothing to attack the more basic causes of the balance-of-payments problem. It is not in any significant way cutting back on its own overseas commitments, which lie much nearer to the heart of the problem than tourism does. Nor is it pursuing the Governmental austerity at home which is the only internationally proven cure for payments deficits. At the same time it proposes the travel tax it presents a budget with a

deficit, if everything goes well, of some $8 billion.

The travel tax, then, is merely the latest edition of a weary story. For the mistakes of their governors, the people will pay, not only with their money but with their freedom.

Cincinnati Air Safety Conference Packs District Court—Participants Agree Large Expenditure Needed

HON. ROBERT TAFT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. TAFT. Mr. Speaker, on Sunday, February 4, 1968, Congressman DONALD D. CLANCY and I cosponsored an Air Safety Conference in Cincinnati, with the express purpose of educating the public, their elected officials, and of exposing areas that might require additional congressional study and possible legislation. We were delighted with the large numbers of Cincinnatians who came to the conference to hear from the various government and private air safety experts.

It was obvious that there was little general agreement among participants as to the best method of attacking the problems of air safety, although all agreed that additional further expenditures would be needed. Cincinnati Post & Times Star Reporter Dick Rawe, and Cincinnati Enquirer Reporter Bob Brumfield have written interesting accounts of the conference. Their articles follow:

[From the Cincinnati (Ohio) Post & Times-Star, Feb. 5, 1968]

WHO PAY? EXPERTS DON'T KNOW, BUT AIR SAFETY IS GOING TO BE COSTLY

(By Dick Rawe)

Plane crashes at the Greater Cincinnati Airport weren't supposed to be discussed at the Cincinnati Air Safety Conference, but they came up for discussion anyway, if only indirectly.

Experts from all fields of aviation agreed that billions of dollars must be spent in the future in aviation and much of it for air safety. They didn't agree on who should foot the bill.

Financing of larger, better equipped airports, new instrumentation in planes and better trained personnel in aviation came into each of the 45-minute panel discussions held yesterday during the safety conference at the U.S. Postoffice and Courthouse.

During a discussion on "Airport Construction and Modernization," Capt. John McDonald, a United Airlines pilot who flies out of Detroit said, "I cannot disagree, safety does cost money. But, the lack of taking safety precautions costs more."

He then explained a standard which suggests compaction of soil on paved runway shoulders to a distance one-third the width of the runway. This would mean soil compaction 50 feet wide on either side of a 150-foot wide paved runway.

The cost of "one accident you may have had already because of the lack of this feature would pay for this (compaction) at every airport in the state of Ohio. You spend it in destruction of the airplane, in loss of income from that airplane, in litigation. Why not spend that money for something to prevent accidents?" he said.

He was referring to the Nov. 8 crash in which a TWA Boeing 707 slid off the west end of the east-west runway at the airport. A Delta Airliner was mired in the mud off the same runway. The co-pilot flying the TWA plane has said he heard a thud as he passed the mired plane and aborted the flight which resulted in the crash.

Capt. McDonald is chairman of the Air Line Pilots Assn.'s enforcement procedures study committee and has been active in accident investigations. He said sliding off runways is one of the worst things facing pilots today. "One major carrier had 11 planes go off runways last year," he said.

George Gary, eastern regional director of the Federal Aviation Agency, was asked if the FAA certified airports. He said the FAA did not, that it was left up to local governments.

McDonald said that because it does not certify airports the FAA does not require them to have fire fighting equipment. Noting that the Greater Cincinnati Airport has a fire department, he said, "A lot of airports do not even have a bucket of sand and yet air traffic is authorized into those airports." He said most everyone associated with aviation is certified and airports should be, too.

Carl B. Rubin, Cincinnati attorney who moderated the panel, asked Capt. McDonald whether most fatal crashes occur near airports. McDonald said the largest number of fatalities are near airports. "The most hazardous part of the trip is the takeoff and the landing," he said.

Wallace Power, Cincinnati utilities director, said after years of discussion Cincinnati now has a small amount of money for planning a firehouse at Lunken Airport. "All it takes is money," Power said.

Robert Monroe, who represented the Aircraft Owners and Pilots Assn., said incidents of fires are fewer than 150 per year.

Monroe said his organization is opposed to a use charge to help finance improvements at airports. He said people in general aviation, which excludes the military and major airlines, pay their fair share through purchase of goods and services at airports.

Gary said the total investment in airports today is $5.5 billion, according to FAA records. He said in order to bring airports up to expected FAA standards in the next seven years it would cost another $5 billion. "The question then is, how would this be paid," he said.

He said there are 10,000 civilian airports, of which 7000 are unpaved and unlighted and only 1200 of the 10,000 have runways 5000 feet long or longer. He said 6300 are privately owned and added, "Unless something is done we are going to lose some fine airports."

The safety conference was sponsored by Reps. Robert Taft Jr. and Donald D. Clancy of Cincinnati, who participated in the first panel, "Public Responsibility," with Rep. Donald E. Lukens (R., Hamilton), and Rep. William E. Minshall (R., Cleveland).

Minshall, who has a private pilot's license, said: "The sky literally used to be the limit, vast and uncluttered." He said we are heading toward a crisis in the air and likened it to highway traffic today if no expressways had been built. Minshall, who is on the House Appropriations Committee, said a move must be made in the future to spend billions on aviation and aviation safety.

During the panel on Air Traffic Control, Byron Hood, chairman of the Ohio Chapter, Air Traffic Control Assn., said the FAA in the past three or four years has been "trying to run the ball team without a bench." He said more air controllers had been hired recently but they need training before they become effective. He also said more equipment is needed.

Capt. Joseph H. Bartling, of the Air Line Pilots Assn., said pilots want an electronic collision avoidance system installed in planes, leaving this phase of air safety up to the pilots. It was explained the electronic system gives pilots on a collision course with another plane positive instructions such as telling one to turn right, the other left.

Capt. Edward J. Burke, chairman of the Air Line Pilots Assn.'s all-weather flying committee, was asked if all-weather flying was here yet. "Yes," he said. "It's still in the experimental stage the same as it was in Gen. Doolittle's time in 1929."

Burke discussed proposed new lower flying minimums. He said some airports had surface detection equipment (radar) which would show the entire surface of the airport, including a man on a bicycle in a fog. "They've just decommissioned it and now is when we need it," he said, and said.

"We've had cases where people drive out on runways in autos, strangers visiting airports. You ask me to take 150 people down that runway?"

A former FAA official said the decision was based on economic factors.

Burke, asked if huge, complex new planes have put too great a stress on pilots, he said yes. Burke, stressing the need for new safety equipment in planes for landings and takeoffs said, "Less money is spent on instruments than on the entertainment factor on aircraft."

In a discussion on noise abatement, it was suggested airports buy more acreage to remove homes from the vicinity of airports where landing and takeoff noise is greatest.

Byron Dickey, general manager of the Greater Cincinnati Airport said the airport used to talk about a total of 3000 acres but now is aiming for 8000 acres by 1970. He said it's a question of whether it is financially feasible.

[From the Cincinnati (Ohio) Enquirer, Feb. 5, 1968]

PANELISTS AGREE $5 BILLION NEEDED FOR AIR SAFETY

(By Bob Brumfield)

The 1968 Air Safety Conference held in Cincinnati Sunday proved that Ohio's congressmen and a blue ribbon panel of aviation experts are vitally interested in flight safety but don't know where to get $5 billion.

It also indicated that airline pilots disagree with general aviation pilots, both disagree with air traffic control personnel, everybody is sore with the Federal Aviation Authority and airport managers are caught in the middle.

Fortunately for the cause of air safety, in airing their differences of opinion on just about every facet of flying, the spokesmen for the various associations and agencies represented at Sunday's meeting pointed up the many problems involved and the various options available for solving them.

And according to Reps. Robert Taft Jr. and Donald D. Clancy (R., Cincinnati), cosponsors of the conference, that was the idea of having it in the first place—to inform the public and their elected officials.

Since the meeting featured four congressmen—Rep. Donald E. Lukens (R., Hamilton), Rep. William E. Minshall (R., Cleveland) and Representatives Taft and Clancy, it could have developed into a political show. It didn't.

The legislators spoke briefly at the beginning of the conference, sticking strictly to aviation and flight safety, then turned the meeting over to Cincinnati attorney Carl B. Rubin, who served as chairman for panels on air traffic control, uniform standards for airport certification, airport construction and modernization, flight crew training and all-weather flying and noise abatement procedures.

Panelists included representatives from the Federal Aviation Administration, Air Line Pilots Association, City of Cincinnati, Greater Cincinnati Airport, Flight Safety Foundation, Aircraft Owners and Pilots Association and Air Traffic Control Association.

The basic needs, as revealed by the panelists, are familiar ones—more people to operate more and better equipment at better airports, all paid for by more money.

Maj. Gen. Joseph D. Caldera, USAF (Ret.), president of Flight Safety Foundation, termed the present air traffic control system, which is under the jurisdiction of the FAA, totally inadequate to handle the present and future needs of aviation.

Byron Hood, chairman of the Ohio Area Chapter, Air Traffic Control Association, and control tower operator at Greater Cincinnati Airport, said the big problem in air traffic control is the small number of trained people available. He said the FAA simply hasn't done much hiring in past years, and that now control towers must operate with "no bench."

Hood also said a computer assistance system for airport control radar is needed, and that the FAA has been very remiss in providing such equipment.

Thomas Basnight, director of regulatory matters for the Air Line Pilots Association, disagreed with Hood, arguing that the need is not for more manpower on the ground, but for utilization of space age technology and placing the decision-making function for collision avoidance "in the cockpit" with the pilot.

"Yeah, but we still get blamed for crashes," countered Hood.

Robert Monroe, representing Aircraft Owners and Pilots Association, said a new method for controlling air traffic must be found, but added: When there is such a good economic justification, why use the safety argument?"

He said more people die from therapeutic accidents in doctors' offices than in airplane accidents.

On the subject of airport modernization and construction, Capt. John McDonald called for certification of airports and airport managers by the FAA. He said that some airports do not even require fire fighting equipment, and stated that many airport managers are qualified for the job only in that they are the brothers of the wives of mayors.

Byron Dickey, manager of Greater Cincinnati Airport, replied that he was not the brother of the wife of any mayor, but that he knows that most airports can't modernize properly within the current budget for Congress.

McDonald said air safety does not cost money. "Lack of air safety costs money," he stated.

He cited the cost that one airplane crash imposes on insurance companies and the owners of the aircraft involved, saying that this cost would more than pay for air safety equipment at an airport.

And so the meeting went, through all the various panel topics, always arriving at the same question: Where does the estimated $5 billion needed for air safety during the next 12 years come from?

If the aviation industry is to have adequate airports, satisfactory noise abatement, improved simulators for training, closer scrutinization and certification by the FAA, sophisticated new control equipment, improved instrumentation for aircraft—in short, air safety—who's going to pay for it?

Nobody at the conference volunteered to pick up the check.

World Peace Through Law

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. ROYBAL. Mr. Speaker, I would like to take this opportunity to introduce in the CONGRESSIONAL RECORD the text of a most thought-provoking address on the subject "World Peace Through Law," recently given by Judge Philip M. Newman, of Los Angeles.

In emphasizing the vital importance of equal justice for all as the key to peace, both here at home, as well as throughout the world, Judge Newman stresses the need to continually reexamine our own systems of administration of justice to assure that this worthy goal is, in fact, being achieved.

As a member of the National Advisory Committee for the Federal Office of Economic Opportunity's legal services program, Judge Newman illustrates how this program, with the active support of the American Bar Association and bar associations in many States, including the State bar of California, is making a significant contribution toward realizing the objective of equal justice before the law for every citizen, regardless of financial ability to afford the services of a lawyer.

By demonstrating that the legal services program is in the highest traditions of our system of jurisprudence, Judge Newman outlines briefly the steady progression from the signing of the famous Magna Carta, to the adoption of the U.S. Constitution, to our present nationwide effort to provide each and every citizen the full protection of our laws.

It is this continuing effort to improve the administration of justice in America that will aid the cause of an orderly, lawful and peaceful society in this country, while contributing greatly to our ultimate goal of peace throughout the world.

Judge Newman's address follows:

WORLD PEACE THROUGH LAW

(By Judge Philip M. Newman)

A few weeks ago when I was in Washington, where I go four times a year, as a member of the National Advisory Committee of the Legal Services Program, which is part of the War on Poverty, I saw a poster in one of the government offices that I visited. This poster appeared to be a formula and it reminded me of my commitment to address this group. I copied the formula for this purpose.

The formula to which I refer is: Truth, plus justice, plus freedom, plus love, equal peace. This is attributed to the late Pope John.

Eloquent as the formula is, it is my belief that justice is perhaps the greatest of these virtues, and includes the other virtues. It therefore, has to follow that with true justice there is peace.

You have undoubtedly heard the rather trite saying that charity begins at home, but I must add that this is even truer when we speak of justice. Justice that prevails in the local community will be reflected and will prevail in the greater areas of the states, the nation, and the world. Many of the present and past conflicts have had their seeds sown in injustice. This may be social, political or economic injustice.

Justice that is not equal is not justice. We as lawyers and judges, and you as associates of our profession, have to examine and reexamine our own systems of administration of justice in order that we can contribute in our own way towards the goal of equal justice.

As I mentioned in the beginning, I have been connected with the Legal Services Program since my appointment by Sargent Shriver in March of 1966. This program has been misinterpreted and misunderstood. The immediate reaction of the legal profession to the introduction of the program was the cry of "Socialization of the Law." After many of us spent many hours explaining the nature and extent of the program, the program not only has been endorsed and approved by the conservative American Bar Association, but it has become its strongest backer. At every meeting that I have attended in Washington, the past and present president of the A.B.A. have been present and very active in the furtherance of the program.

The bar associations of many states, including the State Bar of California, have sponsored legal assistance offices, applied for and received grants from the Office of Economic Opportunity and are supervising their operation in many neighborhoods where the poor cannot afford the necessity, nor the luxury, of the services of a lawyer. The program has benefited the legal profession in that it has removed the burden of handling charity cases, and also making the public aware of their rights and channeling clients who do not qualify financially for the free legal services to the practicing attorney through the referral systems of the bar associations. The neighborhood legal offices do not accept cases that "generate" a fee, such as personal injury cases, workmen compensation claims etc. The client that is accepted must be within the minimum standards and guidelines as to income and assets. I consider this contribution by the legal profession very significant towards equal justice and as I said before, towards tranquility.

Let us examine the state of the law, the administration of justice, in the criminal law field. Much has been said and written about the developments in the application of constitutional rights to persons accused of the commission of a crime. The Magna Carta, that famous document that the English people forced King John to approve in 1215, has been called "the cornerstone of English liberty". It marked the beginning of democracy in England. It was the first document that promised certain rights to all free men.

Since 1789 the people in the United States have been guaranteed certain rights by the Constitution. The states have in turn adopted their own constitutions. The right to counsel, the protections against unreasonable search and seizure and self-incrimination, the right to a speedy and public trial, right to reasonable bail have been guaranteed by the "Bill of Rights" which were the first ten amendments which have been in force since 1791.

The observation and preservation of these rights will be conducive to equal justice which in turn will result in tranquility. If the philosophy that originated with the Magna Carta and was furthered by the United States Constitution would prevail in every community it would by necessity spread over the world.

In the Los Angeles area, I can say without fear of contradiction and with pride, we enjoy one of the best systems of administration of justice in the world. This is not just my personal opinion. The Christian Science Monitor recently conducted a national study and survey of the courts of the United States, and it was their conclusion that this County had the most efficient and effective court organization. The poor are furnished legal representation in all stages of criminal proceedings, in felonies and misdemeanors, in accordance with the principles of the Constitution. The accused are promptly arraigned and have a reasonable bail set, and brought to trial in a speedy and public trial. By observing and preserving these rights, the legal profession and the judiciary are making their contribution to an orderly, lawful and peaceful society.

One additional factor which must be emphasized and furthered is respect for law and order. Unfortunately today, there is a disregard for the rights of others and an ignoring of the supremacy of the law. It is true that law should be a means to an end, and not an end in itself, but without respect for

the law, civilization cannot endure. The individual who expresses his dissent and protests unlawfully, the large business concerns who illegally conspire to stifle competition and to establish monopolies, the taxpayer who defrauds his government, the person who sees a victim of a crime and turns away not wanting to get involved, all this contributes to the breakdown of law and order, and must be avoided and eliminated, if we are to make our contribution to world peace through law.

"Transnational Transactions, Technology and the Law: An Analysis of Current Trends," by Hon. Lawrence C. McQuade, Assistant Secretary for Domestic and International Business, U.S. Department of Commerce

---

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. BRADEMAS. Mr. Speaker, I believe that many members of Congress, especially lawyers and more especially those interested in our international economic relationships, will find most useful a recent article written by the Honorable Lawrence C. McQuade, the distinguished Assistant Secretary for Domestic and International Business of the U.S. Department of Commerce.

Mr. McQuade's article, which was published in the summer 1967 issue of the Denver Law Journal, a publication of the University of Denver College of Law, follows:

TRANSNATIONAL TRANSACTIONS, TECHNOLOGY AND THE LAW: AN ANALYSIS OF CURRENT TRENDS

(By Lawrence C. McQuade, Assistant Secretary for Domestic and International Business, U.S. Department of Commerce.)

(NOTE.—Mr. McQuade's article is an elaboration of a speech he delivered at the Western Regional Conference on Transnational Transactions, held at the University of Denver Law Center in April 1967. In it he discusses the impact of technological change on society. He examines four aspects of technology which bear directly on transnational business, and suggests that the need for a legal and institutional framework which will promote more effective transnational use of technology poses a challenge to the lawyer to make full and beneficial use of his creative talents.)

"The discovery of phlogiston is but a first step toward an endless march of scientific progress and social turmoil."

—Axophinius, circa fifth century B.C.

INTRODUCTION

The dynamics of the law reflect—sometimes too slowly—the dynamics of society. Nowhere does this idea manifest itself more clearly than in the era of science and technology. The iconoclasm of science at its best puts society on its mettle. American businessmen, at least, accept the challenge with skill and pleasure. They pour forth ingenuity, organization, and energy to move science's by-products into the stream of our economy. In this process of creativity, the law has a responsibility to facilitate these economic and social processes by providing a degree of order within which creativity can prevail over confusion.

Out of technology—that vigorous offspring of science—flows an impluse to change and innovation in commerce and industry. For the businessman of breadth and imagination, it opens new horizons. For the self-satisfied and the stand-patters, it poses a peril to markets and customers which can no longer be taken for granted. For the lawyer, it calls for adaptation and change at a rate fast enough to foster the new yet moderate enough to preserve a responsible measure of stability and respect for the virtues of values which have endured the tests of experience.

The dynamic tradition of America welcomes the challenge of technology. Four of its aspects bear directly upon transnational business and, hence, upon the lawyer with clients dealing across national lines: (1) the impact on trade; (2) the psychological-political-practical imbroglio it creates between the United States and Europe; (3) the promise it can hold for the economic problems of the less developed world; and (4) the legal and institutional framework needed to foster more effective use of technology transnationally.

I. INTERNATIONAL TRADE

First, science and technology keep changing the pattern and relative progress in international trade. The impact of technology on the pattern and progress of international trade has never been stronger than in this new era of astronautics, electronics, and nucleonics.

Obviously this is true in the case of faster and better communications and transport. Containerization, refrigeration, pipelines and other new transport technques keep altering practicalities, costs, and trade patterns—opening up new opportunities on a worldwide basis for the businessman in inland areas like Denver—and threatening those who fail to keep up with the times.

Science and technology, of course, continually alter the kind and quality of goods and services which enter into international markets. Close to half of the dollar volume of our expanding United States exports, for example, now consists of such "high technology" products as machinery, transport equipment, and chemicals [1]—all made by highly skilled, highly paid American workers. The dynamics of this process have profound effects upon our trade balance and our trade pattern.

For those in and out of Government concerned with the health of the nation's balance of payments, this dynamic has important implications.[2] As a practical matter, the world-wide involvements of the United States mean that we need, over a period of time, a trade surplus on the order of $5 billion or more in order to pay for recurrent outlays for the national security, overseas travel by our citizens, and the like. But, our balance of trade has met this objective in only two of the last five years. In addition, the United States share of the total value of free world trade has been declining, from 22.5 percent in 1954 to 19 percent in 1966.[3]

Technological innovations and applications support our broad effort to expand our exports and reduce the deficit in our balance of international payments. In 1965, the United States earned an estimated $650 million from other countries in royalty payments for technical know-how, patents, and other intangible property licensed abroad—about 4½ times the $144 million we paid others.[4]

Furthermore, technology, by raising productivity and lowering costs per unit of production, helps American industry compete more effectively in world markets. Production efficiency contributes to our high exports of such products as aircraft, computers and pharmaceuticals.

Technology is one of the elements of competitive strength in world markets. But the developer of the technology may or may not win the prizes. Research and development comprise only a *part* of the innovative process. The payoff in trade accrues to those who carry through to the market.

Japan illustrates the point. Japanese industry spends relatively little on basic research.[5] It adapts and builds upon the results of foreign research and development, both through the purchase of technical know-how and through production by foreign-owned subsidiaries. For example, the United States, the original source of transistor technology, sold $10 million worth of radios in world markets in 1966 but bought $94 million in transistor radios from Japan alone.[6]

Some people say that when a nation runs a deficit in its technical balance of payments—meaning royalties, licensing fees, and other payments for technical know-how—it suffers both economic and trade disadvantages as against nations with technical payments surpluses. This type of simple analysis is faulty because it overlooks the compensating benefits of resulting import savings and export gains. These are often difficult to quantify but if measured and put into the payments vs. receipts equation the balance of advantage may be found to be with the receiver of the technology rather than the seller.[7]

Japan, with a continuing deficit in its technical balance of payments, is enjoying a rate of economic growth that substantially exceeds that of the United States.[8] The fact that it has succeded in becoming one of the world's leading trading nations appears to disprove the assumption that a technical payments deficit must be a disadvantageous factor in international commerce. Japan's experience indicates that it is not necessary for a country to spend large sums on basic research in order to succeed in export. It can attain excellent results simply by buying foreign technology—possibly at less expense. Moreover, it demonstrates that follow-up efforts by management are essential to exploit fully the commercial advantages of new scientific and technological developments. For this genius we look to the American businessman to pursue world markets with the same zest and intelligence he displays at home.

II. POLITICS, TECHNOLOGY TRADE, AND INVESTMENT

The second issue relevant to transnational business operations raised by technology is political and psychological as well as economic. Resting on the alleged superiority of the United States in matters of science and technology, this political phenomenon is expressed in graphic terms, "Brain Drain" and "Technological Gap." [9] These terms lend emotion rather than clarity to the genuine feeling that the United States somehow has an unfair advantage over others simply because of technological excellence.

Recently a British profesor called upon the United States to prohibit American companies from recruiting skilled manpower abroad. The numbers of European researchers, scientists and engineers leaving for greener American pastures are counted with alarm and it is noted that fewer American scientists have gone to Europe to do research. The net loss is regarded as further evidence that the "gap" is getting wider, and "if allowed to continue, jeopardizes Europe's economic future." [10] For example, Amintore Fanfani, Italy's Foreign Minister, has called for a ten-year cooperative plan for technological development to help redress the alleged technological imbalance between American and European industry.[11]

To add to the confusion, there are facts stemming from the size and effectiveness of many new American investments in Europe which are disconcerting to many Europeans. For example, the total sales of General Motors has exceeded the Gross National Product of Belgium.[12] In Germany, Americans own over 40 percent of the petroleum industry. The preeminence of the United States in

---

Footnotes at end of article.

computers is but feebly challenged so far by any other country.[13] United States owned or controlled companies produce over one-third of Europe's auto sales,[14] yet our total investment in Western Europe is modest,[15] and we account for only a minor percentage of total business in any single European country. To compound things further, American companies enter into overseas markets with the same vigor they use at home. In some industries, the arrival of energetic, iconoclastic American management techniques into Europe has rudely jolted the comfortable cartels with their "breakfast-table agreements" and old-fashioned, gentlemanly courtesies among competitors.

All of these various ingredients somehow relate to each other. While still a murky phenomenon and related to more than technology, a European attitude of concern toward United States firms and toward the United States exists. Both American businessmen and the American Government need to worry about it. Europeans ascribe the so-called "gap" to the disruption of World War II, the postwar "brain drain," and the advantages accruing to United States technological progress through our large mass market, our extensive resources, and—especially—substantial United States Government support of military and space research and development. They say they cannot maintain their economic growth rate in the future if the "technological gap" continues or widens. The Europeans obviously are concerned, and the issues they raise are of concern to us and warrant our careful study and attention.

As a starting point, the President has charged Dr. Hornig, his Science Advisor, to head a group within the Government to study the real meaning of the so-called "technological gap." Under Secretary of Commerce J. Herbert Hollomon serves on this group. The Organization for Economic Cooperation and Development (OECD) has also started its own study. Out of these efforts should emerge some facts to supplant the histrionics currently in vogue and point the way to answers as to whether there is an across-the-board "technological gap," as the Europeans seem to think, or whether there are various kinds and degrees of technological disparities. The answer certainly does not lie in mere scientific or technological terms.[16]

A test based on spending on research and development—amounting to about 3 percent of our GNP—indicates that United States industry is much more oriented in this direction than its European competitors. While the United Kingdom spends a healthy 2.6 percent of its GNP on research,[17] France is spending barely half this amount and other European countries spend a good deal less.[18] The percentage differences seem less significant, however, if you consider that about half of our research and development expenditures serve military and space purposes, while Europeans spend relatively little in this field.[19] On the measure of expenditures for research and development which are of direct benefit in upgrading the technical level of the industrial sector of the economy, we are probably fairly even with the Europeans. There is, of course, some spin-off from United States military and space research and development as well, but its impact on the economy in this regard is inadvertent and perhaps less than is generally assumed. Moreover, it is a costly way to introduce new technology into industry.[20]

There is no direct correlation between the size of such expenditures and rate of economic growth or trade expansion. Research and development spending obviously cannot explain why many European economies have grown faster than our United States economy in recent years, or why our United States exporters are encountering stiff competition from European businessmen in many world markets. Neither does it explain why the United Kingdom economy, with relatively higher research and development expenditures than other European countries, has advanced less rapidly than its continental colleagues. Europe does not in fact suffer any great dearth of technological innovation and know-how. Some European firms enjoy large foreign currency earnings from the United States and elsewhere for the use of their technological know-how and services.[21] If there is a lag, it lies in the application rather than in the possession of technology.

Such disparities as may exist between European and American industry cannot be properly considered except in the context of other differences between Europe and United States: for example, in (1) amount of capital investment per worker; (2) degree of mechanization; (3) availability of resources; (4) size of business enterprises; (5) productivity; (6) development of mass markets; (7) size of the educational base; and (8) work habits and attitudes.

Industrial management policies and initiative in using known-how as factors in technological progress may well be *the* crucial factors, as the Japanese example suggests. A speaker from abroad broached this view at the Symposium on Technology and World Trade, held at the National Bureau of Standards last November. He said:

"To my mind there is a gap, but I'm not certain that the reason the gap is there is to be found in the technological field. I believe that the fundamental reason for the gap is more a question of mentality and attitude. . . .

"Science and technology are and have been present in Europe many years. What we would like is the attitude necessary for the creation of more big industries with leaders who know how to make use of science and technology." [22]

It is reasonable to assume that our current studies will uncover some "technological gaps"—some of which may be in favor of Europe—but I doubt that we will find many, if any, which can be defined as strictly "technological." My guess is that the basic difficulties may be outside the area of technology.

As to remedies, some people have advanced the idea that our Government might engage in a give-away program of technology. This, of course, is out of the question. It neglects to take account of the private ownership of most United States industrial technology and fails to come to grips with what probably is one of the basic problems: the limitations on effectively and economically transplanting United States technology outside the United States market and resource context. Except for the results of government-financed research and development, private enterprise owns and controls United States technology. It is often protected by patents but just as often it is unpatented know-how, developed and perfected by its owners. The Government could not give it away.

On the other hand, we have long cooperated with the European nations in many fields of activity, including the sharing of technology: (1) in the OECD; (2) in the exchange of scientific and technical information through NATO; (3) in close cooperation about atomic energy through the European Atomic Energy Commission (EURATOM); (4) in the European Nuclear Energy Agency; (5) in the European Space Research Organization; and (6) in the European Launcher Development Organization. We share peaceful scientific data and technological know-how with other nations, including the European countries, through the United Nations and its specialized organizations, and through many other international groups.

Furthermore, much government-financed research and development in military, space, atomic energy, and other fields has been made accessible to anyone in the United States or abroad. Unless the information is specifically related to our national security or has been developed by industrial contractors on their own, it can be purchased at nominal cost from the Commerce Department's Clearing House for Federal Scientific and Technical Information. The Clearing House was set up expressly to make government research and development results available as widely as possible.

However, even a technology-sharing program cannot really solve Europe's problems if it turns out to be basically non-technological. If entrepreneurial, capitalization, or other difficulties are involved, only the European nations themselves may be able to take corrective action. There are clear signs that the real nature of the problem is understood by many Europeans, but their efforts tend to be overlooked in the vain hunt for facile solutions.[23] It is a question of practicality—not of willingness or unwillingness to cooperate. Our most useful contribution in this instance may be to help identify the real disparities and their fundamental causes, so that it will be possible to determine what kind of action is most appropriate.

III. GROWTH OF LESS DEVELOPED COUNTRIES

The third major transnational business aspect of science and technology is its impact upon the economic growth prospects of the less developed countries.[24] It is quickly apparent that the greatest "gap" in technology and its dimensions is that between the industrialized countries of the world on the one hand and the less developed countries on the other. One of our national policy objectives is to contribute to the economic growth of these developing nations. As President Johnson has repeatedly emphasized, we want to help these countries help themselves. One way to do this is to help them achieve the technological progress they want and need to advance their economic development, living standards, and international trade. Sturdy, self-reliant, progressing states contribute to greater stability and security in the world. Their progress serves our own and other nations' best interests. It expands the opportunities for mutually profitable trade and investment.

What can be done to raise the level of technology in the less developed countries? As an early objective, create an economic environment conducive to innovation. This means change—and change can be painful. As of today, the kind and amount of technology that can effectively be put to work vary from country to country, industry to industry, even product to product. The needs, objectives, and development stage of each nation must be taken into account.

For example, a licensing agreement has been signed in Mexico for float glass production which will give Mexico a factory that is far more modern than some glass plants we have in the United States. The float process for making glass is a capital-intensive, high-technology technique that might be completely unsuited to the needs, skills, and resources of some other countries. Many developing countries could benefit much more from technological investment in agriculture. Indeed, the miracle of progress in American agriculture outstrips our success in industry. This is the forthcoming frontier in the less developed countries, which are rapidly becoming more, rather than less, dependent on non-domestic food supplies. Latin America, Africa, and Asia exported a net annual average of 5 million tons of grain in 1934–1938. Today they import some 78 million tons a year.

For some less developed countries, the purchase of technological know-how—through patent royalty and licensing arrangements, joint ventures, and capital investment by the business firms of other countries—might be

Footnotes at end of article.

the easiest, quickest, and least expensive way to obtain the desired results. Others may simply want to buy the products of foreign technology. Absolute technological equality is not essential. From the standpoint of trade expansion, it is not even beneficial. If every country were as advanced in computer technology as the United States, for example, there would be little trade in computers. Technological inequality in the sense of differing fields of specialization actually stimulates trade.

What is essential is the opportunity to obtain and develop technology. The less developed countries say the technology they desperately need exists in the world, but it is too often available to them at a cost and on terms they cannot meet. The technology they want is owned largely by private companies, so the opportunities for government action by the United States and other industrialized free-enterprise countries are necessarily limited.

A. Private investment in less developed countries

There is a wide array of ways by which the United States encourages American private investment in the less developed countries. In addition to the AID program, the Commerce Department sends out trade missions to develop business and investment opportunities for American industry, circulates trade and investment leads to American businessmen, and provides many other business services that contribute to the transfer of American technology to less developed countries. There may be possibilities for additional action. Last year the National Export Expansion Council, which advises the Secretary of Commerce on international business policies and programs, formed an Action Committee to come up with suggestions. Recently the proposals of this Action Committee on U.S. Trade and Investment in Developing Countries were approved by the NEEC and made public.[25]

The Committee suggested, among other things, that (1) United States firms should step up the level and quality of their trade and investment efforts in the less developed countries. Since 70 percent of the world's total population lives in less developed areas, the Committee considers it short-sighted to give them marginal attention. (2) The less developed countries themselves should make new and objective reviews of the unique contributions of capital, technology, and skills which business firms from the United States and other industrialized countries can make to their development objectives. In the light of these reviews, their governments should then seek to develop programs which will act to minimize barriers and maximize incentives to potential foreign private investment.[26]

B. International assistance to less developed countries

Of all the things the less developed countries can do to improve their investment climate, one of the most important is to provide basic legal protection for industrial property rights.[27] To this end, the United International Bureau for the Protection of Intellectual Property (BIRPI) has developed a Model Law for Developing Countries on Inventions.[28] Any less developed country can adopt or adapt this model law. There are options on controversial questions, so each country can frame the law to fit its own needs. BIRPI has also prepared a model trademark law, which will soon be published. Especially adapted to the needs of countries with basically non-industrialized economies, the model covers trademarks, trade names and unfair competition.[29]

Another new international effort to help the less developed countries is being made through the United Nations Industrial Development Organization (UNIDO), established by the U.N. General Assembly last December to replace the U.N. Center for Industrial Development. UNIDO is an action group. Under its Special Industrial Services Program, it sends trained consultants out to less developed countries requesting assistance on specific problems, such as plant management and quality control. The U.N. has provided such technical assistance in the agricultural and health fields for many years. Now it is extending its effort into the industrial area.

UNIDO is also organizing an international symposium on industrial development which will be the first international meeting of governments to concentrate on the problems and prospects of industrial development. The three-week symposium, open to all U.N. member nations, will be held in Athens, starting November 29, 1967. In March 1968, in New Delhi, another U.N. meeting, the second United Nations Conference on Trade and Development (UNCTAD), will focus on the problems of the less developed countries in expanding their exports and obtaining technological know-how.[30]

IV. A LAWYER'S MENU: PATENTS, TRADEMARKS, STANDARDS

A fourth issue is how to enact laws and build institutions which will maximize the benefits which science and technology—to a great extent through business—can make available to people. Here is where many of the lawyer's skills come into play.[31]

A. Patents

Variations in patent law and practice from country to country often result in duplication of efforts, uncertainties, and unnecessary expenses which impede, if not discourage patent protection, thereby delaying the transfer of technology from one nation to another.[32]

The Convention of Paris for the Protection of Industrial Property (Paris Union),[33] of which the United States has been a member since 1887, sets forth the basic rights of patent applicants in the member states, regardless of an applicant's country of origin. But in today's world trade it is not practical to continue to operate on the principle of territoriality which necessitates separate applications in each country in order to obtain adequate protection of those rights.

The United States is participating with other nations and with BIRPI,[34] the Secretariat for the Paris Union, in expanding international patent cooperation to make it easier to obtain inadequate patent protection in both domestic and foreign markets. For example, active steps are being taken to develop a patent cooperation treaty to provide for a single international filing which could be utilized in lieu of the multiple, duplicate, foreign national filings now required. In addition, the United States Patent Office is engaged in a series of search exchange programs with a number of other countries. Patent Office experts are also studying the international classification system, to see how it and the United States system might be harmonized. Other programs, developed to assist the United States Patent Office, and American attorneys and businessmen, could also benefit their counterparts in other countries. Present activity in the field of documentation, which includes plans for improved accessibility of published technological data, is one example of such programs.

In order to provide a suitable basis in our domestic patent law for this program of expanded international patent cooperation, and to modernize the United States patent system, President Johnson has proposed a general revision of the patent laws. The Patent Reform Act of 1967,[35] transmitted by the President to the Congress on February 21, 1967, would bring about the first major revision of these laws in more than 130 years.

The proposals are based upon the Report of the President's Commission on the Patent System.[36] The Commission was appointed by the President in 1965 to study ways "to ensure that the patent system will be more effective in serving the public interest. . . ." [37] Ten leading citizens representing the business, scientific and academic communities and the bar served on the Commission together with representatives of the Secretary of Commerce, the Secretary of Defense, the Administrator of the Small Business Administration, and the Director of the National Science Foundation. The Report of the Commission testifies eloquently to the fruitfulness of interaction between informed businessmen, the bar, and members of other disciplines. Based on the practical experience of their companies, the business members were able to delineate lines of approach in the interest of simplification and improvement of industrial property rights protection which heretofore did not always coincide with the preferences and traditions which mold the patent lawyer's opinion on these issues.

Acting Under Secretary of Commerce Hollomon, urging enactment of the patent proposals, pointed out that basic revision of the system was essential "for it to serve effectively to stimulate the development and public disclosure of new technology and to provide incentives rather than barriers, to international trade." [38]

B. Trademarks

In the trademark field, we are exploring the possibility of developing a sound and workable international program that will provide better protection than is now available. We must have adequate protection for United States trademarks. They are valuable export assets.[39]

The most important aspect of the problem is the number of jurisdictions in which a proposed mark must be searched, cleared, and filed. Separate actions in more than 150 different jurisdictions are required for American companies to extend protection of a brand name to the rest of the world.[40] An international filing procedure, commonly called the Madrid Arrangement, was established in 1896 under the Madrid Agreement for International Registration of Trademarks, but the United States is not a member of this treaty. The filing system is still operating successfully for 21 countries, principally European, but a United States trademark owner can obtain registration under the system only if he has a bona fide industrial or commercial establishment—branch or subsidiary—in a member country.[41]

C. Standards

The American businessman who has been kept out of a foreign market because his product—quality and performance notwithstanding—does not meet foreign standards is well aware that standards can be a crucial factor in international trade. Various groups, including the Panel on Engineering and Commodity Standards of the Commerce Technical Advisory Board (the LaQue Committee),[42] have suggested that the role of the United States in international standardization should be strengthened. Unlike the other industrialized countries, the United States is not represented officially by government delegates in international standardization organizations. This means that we cannot effectively encourage the international adoption of standards which would be more harmonious with American technological and industrial practices. Legislation has been proposed to improve this situation. An international standardization bill pending in Congress would provide grants to qualified standardization organizations for participation in the international standards process and for information activities.[43]

D. Institutions

Free trade arrangements and common markets provide another important possible step toward faster use of technology to raise economic levels. The European Economic

Footnotes at end of article.

Community and European Free Trade Area in Europe have opened up wider markets, as we hope the proposed Latin American Common Market will do in Latin America. Such markets provide a non-technical but very important boost to technically based agriculture or industry. Within these markets, much can be done by legal reform to make conditions suitable for innovation to succeed.[44] Attorneys in private practice and lawyers of the EEC Commission staff are coping with antitrust problems as the European Common Market moves ahead toward unification of national laws.[45] Common Market lawyers are also working toward a Community-wide corporation law,[46] a common patent law and a common trademark law.[47] This year work is being started to harmonize taxes under a common system of tax on the value added at each stage of manufacture.[48]

On December 17, 196, the U.N. General Assembly acted unanimously to establish a United Nations Commission on International Trade Law to unify and harmonize divergent national laws in this important field. The Commission will hold its first session in 1968. Since it will be working in fields affecting both national law and trade practices, its activities merit close attention by the corporate bar and lawyers generally.[49]

CONCLUSION

Changes through the world are vastly enlarging the dimensions of international law—and the role of the international lawyer. The scientific and business ingenuity of the United States has helped us achieve our preeminent position in world trade. We need these export earnings to help pay for our broad international responsibilities. Differences in industrial effectiveness between the United States and Western Europe merit thoughtful analysis so we can better understand some of the resulting political and economic implications. Much greater effort needs to be spent toward bringing the benefits of science to bear upon the economic needs of the less developed countries. The legal profession has much to contribute toward building the laws and the institutions within which science and industry can raise productivity and better serve our own people and the transnational world in which we live. Never before has the international lawyer had a more challenging opportunity to make full and beneficial use of his creative talents.[50]

FOOTNOTES

[1] In 1966, United States export performance was particularly strong in products incorporating advanced engineering features, such as computers, heating and cooling equipment and pumps. Shipments of these items rose from 20% to 30% over the previous year. The increases might have been even larger had not military requirements and civilian demand in the United States market reduced export capabilities. *Exports Set Rapid Pace But Trade Surplus Shrinks,* INT'L COM., Feb. 20, 1967, at 50.

[2] The balance of payments dimension is outlined in McQuade, *Corporate Voluntary Balance of Payments Program and the Lawyer,* in PRIVATE INVESTORS ABROAD—STRUCTURES AND SAFEGUARDS 205 (V. Cameron ed. 1966).

[3] *Hearings Before the Subcomm. on Antitrust and Monopoly,* 89th Cong., 2d Sess., pt. 1, at 59.

[4] *See* Travaglini, *Licensing U.S. Know-How Abroad Is Increasing,* INT'L COM., July 25, 1966, at 2; *reprinted in* U.S. DEP'T OF COMMERCE, FOREIGN BUSINESS PRACTICES at 26 (Apr. 1967).

[5] $10.6 million in 1964, which represents 1.7% of national income. *See* The Japan Development Bank, Facts and Figures on the Japanese Economy, 1966, at 167.

[6] U.S. BUREAU OF THE CENSUS, U.S. IMPORTS OF MERCHANDISE FOR CONSUMPTION, REP. FT 125, at 159 (Dec. 1966); (U.S. EXPORTS, REP. FT 410, at 398–99 (Dec. 1966).

[7] The Secretary-General of the United Nations has initiated a study of the role and impact of international licensing arrangements in the establishment and development of selected industries in various countries. Financing of Economic Development: Promotion of Private Foreign Investment in Developing Countries—Summary and Conclusions, U.N. Doc. E/4293 (1967).

[8] The percentage increase per year in real Gross National Product for 1960–1965 was 4.7 percent for the United States and 9.7 percent for Japan. For comparative data on other countries, see Table 29 in COUNCIL OF ECONOMIC ADVISORS ANN. REP., *accompanying* ECONOMIC REPORT OF THE PRESIDENT, at 171 (1967).

[9] A bibliography could be compiled on these two terms alone. ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT, THE RESEARCH AND DEVELOPMENT EFFORT IN WESTERN EUROPE, NORTH AMERICA AND THE SOVIET UNION (1965), provides an objective evaluation of the pros and cons of technological disparities. (Summarized in *Research and Development: A Major Atlantic Issue,* EUROPEAN COMMUNITY, Mar. 1966, at 8.) For a good round-up of the relevant issues see Guccione, *That U.S.-European Technology Gap: It Stems from Deep European Roots,* CHEMICAL ENGINEERING, May 8, 1967, at 90; *Technology Gap Upsets Europe,* N.Y. Times, Mar. 12, 1967, at 1, cols. 2 and 4.

[10] *U.S.-Europe Gap in Science and Technology Widening,* EUROPEAN COMMUNITY, Nov. 1966, at 10, 11.

[11] N.Y. Times, Oct. 8, 1966, at 12, col. 5.

[12] According to STANDARD AND POOR'S STANDARD CORPORATION DESCRIPTIONS 8657 (1966), General Motors' 1965 sales exceeded $20 billion. The GNP of Belgium was $16.7 billion. INT'L FINANCIAL STATISTICS, Mar. 1967, at 54.

[13] The computer industry has been watched closely as a sign that "European countries risk being squeezed out of the science-based industries." *The Wilson Community,* 222 THE ECONOMIST 197 (Jan. 21, 1967). *The Economist* comments: "It is not surprising that American corporations have virtually taken over the computer industries of Germany, France and Italy, and nearly knocked out the British industry too in 1964." *Id.* However, the explosion in the technological application of computerization is probably unique. For a summary of the development and technical extension of the electronic computer see U.S. DEP'T OF LABOR, BULL. NO. 1474, TECHNOLOGICAL TRENDS IN MAJOR AMERICAN INDUSTRIES 3 (1966).

[14] Based on statistics from Automobile Manfacturers Association, Inc., Statistical Dep't, *World Motor Vehicle Data 1965,* Nov. 1966, at 22–64.

[15] The total direct long-term private investment was $13.9 billion in 1965. *See* Pizer & Cutler, *Foreign Investments, 1965–66,* SURVEY OF CURRENT BUS., Sept. 1966, at 30.

[16] Guccione sums it up in the following terms:

"In essence, it is small markets, small companies, relatively little availability of risk capital, old-fashioned management practices, resistance to change on the part of both producers and consumers, basic weaknesses in educational systems when it comes to science and technology, and debilitating anti-trust and fiscal policies that are the reasons for an unhappy European state of affairs. The technology gap is merely a symptom of it."

Guccione, *supra* note 9, at 92.

[17] In 1964–65 Britain spent £756.6 million ($2,118.5 million) or 2.6 percent of the GNP on research and development. COUNCIL FOR SCIENTIFIC POLICY, REPORT ON SCIENCE POLICY, CMND. NO. 3007, HMSO (1966).

[18] For detailed consideration of comparative expenditures for research and development, see Quinn, *Technological Competition: Europe vs. U.S.,* HARV. BUS. REV., July-Aug. 1966, at 113.

[19] The McGraw-Hill survey of 1966 research and development expenditures revealed that federal financing accounted for 54 percent or $8.4 billion of the industry total. More than half the research and development is concentrated in two industries: aerospace, and electrical machinery and communications. Washington Post, May 12, 1967, at D8, cols. 4–5. *See also* ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT, THE RESEARCH AND DEVELOPMENT EFFORT IN WESTERN EUROPE, NORTH AMERICA AND THE SOVIET UNION, ch. IV.

[20] Sixteen percent of companies surveyed by McGraw-Hill answered yes and 84 percent no when asked if they had been able to take advantage of new technology resulting from federally financed research and development, Washington Post, May 12, 1967, at D8, col. 5.

[21] Impressive testimony to this effect will be found in advertisements which Imperial Chemical Industries, of the United Kingdom, has been running in the British press. ICI says: "We do a brisk trade in brainwaves—the ideas thought up by our backroom boys. Last year these earned us £37,000 a day. That's what other people paid us for our manufacturing know-how and the rights to make our products—and they paid most of it in foreign currencies." 72 NEW STATESMAN 311 (Sept. 2, 1966).

[22] Robert Major, Director of the Royal Norwegian Council for Scientific and Industrial Research, *quoted in* NAT'L BUREAU OF STANDARDS, MISC. PUB. NO. 284. TECHNOLOGY AND WORLD TRADE: PROCEEDINGS OF A SYMPOSIUM 107–08 (1967).

[23] A realistic diagnosis of the ailment and a prescription for its cure will be found in France, *"Technology Gap" Demands "Hard Choices" of Europe,* EUROPEAN COMMUNITY, Mar. 1967, at 18. Defense Secretary McNamara has cited education as a handicap to European economic growth, pointing out that 40% of the United States college-age population is attending college, as against 10% in the U.K., 15% in France, and 7% in Germany and Italy. Address by Secretary McNamara, Millsaps College Convocation, Jackson, Mississippi, Feb. 24, 1967, *reported in* 33 VITAL SPEECHES 357 (1967).

[24] *See generally The Encouragement and Protection of Investment in Developing Countries,* 11 INTERNATIONAL AND COMPARATIVE LAW QUARTERLY [INT'L & COMP. L.Q.] SUPP. PUB. NO. 3 (1962).

[25] *Contained in* Report of the Action Comm. of the Nat'l Export Expansion Council, Trade and Investment in Developing Countries, Apr. 3, 1967.

[26] New studies of the nature of technological change, and of the transfer process are appearing rapidly. The U.N. Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas produced a valuable series of papers on the subject from technical specialists, planners and policy-makers. The United States papers for the Conference have been published (U.S. Government Printing Office 1963). On the methodology of technological change, see M. Boretsky, *Comparative Progress in Technology, Productivity, and Economic Efficiency: U.S.S.R. vs. U.S.A.,* in NEW DIRECTIONS IN THE SOVIET ECONOMY, studies prepared for the JOINT ECONOMIC COMM., 89th Cong., 2d Sess. (1966).

[27] The Role of Patents in the Transfer of Technology to Developing Countries, U.N. Doc. E/3861/Rev. 1 (1964).

[28] UNITED INTERNATIONAL BUREAUX FOR THE PROTECTION OF INTELLECTUAL PROPERTY, BIRPI PUB. NO. 801(E), MODEL LAW FOR DEVELOPING COUNTRIES ON INVENTIONS (1965).

[29] *See* Oftner, *Draft Model Law for Developing Countries on Marks, Trade Names, Indications of Source, and Unfair Competition—An Appraisal,* 56 THE TRADEMARK REP. 831 (Nov. 1966).

[30] A general statement on the problems and some possible solutions in this area is presented in the U.N. report preparatory to the first UNCTAD Conference, Towards a New Trade Policy for Development, U.N. Doc. E/CONF. /46/3 (1964).

[31] For a study of the innovative process and the legal and other circumstances which foster invention and innovation, see DEP'T OF COMMERCE, TECHNOLOGICAL INNOVATION: ITS ENVIRONMENT AND MANAGEMENT (1967) (referred to as the "Charpie Report" after the name of Robert A. Charpie, Chairman of the Panel, an advisory committee of private citizens reporting to the Secretary of Commerce).

[32] The importance of patent policy in overall corporate planning is described in Shipman, *International Patent Planning*, HARV. BUS. REV., Mar.–Apr. 1967, at 56.

[33] Convention for the Protection of Industrial Property, Mar. 20, 1883, 25 Stat. 1372 (1887–1889), T.S. No. 379; revised at Lisbon, Oct. 31, 1958 [1962] 1 U.S.T. 1, T.I.A.S. No. 4931.

[34] Bureaux Internationaux Reunis pour la Protection de la Propriete Intellectuelle, Geneva, Switzerland, the administering body of several industrial property and copyright conventions.

[35] S. 1042, H.R. 5924, H.R. 6043, 90th Cong., 1st Sess. (1967).

[36] PRESIDENT'S COMM'N ON THE PATENT SYSTEM REPORT, TO PROMOTE THE PROGRESS OF . . . USEFUL ARTS IN AN AGE OF EXPLODING TECHNOLOGY (1966). *See* O'Brien, *An Appraisal of the Report of the President's Commission on the Patent System*, 49 J. OF THE PATENT OFFICE SOC'Y 139 (1967), which includes the text of the legislation proposed and a sectional analysis.

[37] Exec. Order No. 11,215, 3 C.F.R. 123–25 (Supp. 1965).

[38] Statement of J. Herbert Hollomon, Acting Under Secretary of Commerce, *Hearings on H.R. 5924 before Subcomm. No. 3, House Comm. on the Judiciary*, 90th Cong., 1st Sess. (1967).

[39] *See* E. OFFNER, INTERNATIONAL TRADEMARK PROTECTION (1965); Lightman, *Trademarks as "Silent Salesman,"* INT'L COM., Oct. 28, 1963, at 2.

[40] *See* St. Landau, *The Handling of Trademarks Abroad by United States Companies*, 56 THE TRADEMARK REP. 207 (Apr. 1966).

[41] Consideration is being given to United States adherence. The positions for and against adherence are propounded in 56 THE TRADEMARK REP. No. 5 (May 1966). (See especially Allen, *A Report on the Madrid Agreement*, at 290, for a discussion of the advantages of adherence to American industry, the effect on domestic trademark practice, and cost implications; and Ladas, *The Madrid Agreement for the International Registration of Trademarks and the United States*, at 346, for a position against adherence.)

[42] The major recommendation of the industry group was to establish a new federally chartered institute to coordinate voluntary standardization activities in the United States. The report of the panel ("The La-Que Report") is available from the Clearinghouse for Federal Scientific and Technical Information, U.S. Dep't of Commerce, Springfield, Virginia 22151 (Rep. Nos. PB 166811 and PB 166812).

[43] S. 997, 90th Cong., 1st Sess. (1967).

[44] Among other innovations, the Central American states, for example, have entered into a treaty permitting "integration industries" and making valuable privileges avail able to companies operating in the area. Convenio sobre el Regimen de Industrias Centroamericanas de Integracion, signed by Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, June 10, 1958; Protocol, Jan. 29, 1963; INSTITUTO INTERAMERICANO DE ESTUDIOS JURIDICOS INTERNACIONALES, INSTRUMENTOS RELATIVOS A LA INTEGRACION ECONOMICA EN AMERICA LATINA 57 (1964).

[45] *See* Gaudet, *The Common Market and the Law*, INFORMATION SERVICE OF THE EUROPEAN COMMUNITIES, COMMUNITY TOPICS No. 4 (*reprinted from* ANNALES DE DROIT ET DE SCIENCES POLITIQUES, Tome XVI, No. 2, Brussels, 1961; Grisoli, *The Impact of the European Economic Community on the Movement of the Unification of Law*, 26 LAW & CONTEMP. PROB. 418 (1961).

[46] INTERNATIONAL LAW ASSOCIATION, REPORT OF THE 45TH CONFERENCE at 43 (1952); Conard, *Corporate Fusion in the Common Market*, 14 AM. J. COMP. L. 573 (1965–1966); Thompson, *The Project for a Commercial Company of European Type*, 10 INT'L & COMP. L.Q. 851 (1961); *Legal Disparities Obstruct Intra-Community Mergers*, EUROPEAN COMMUNITY, June 1966, at 6: Fligler Multinational Public Enterprises, International Bank for Reconstruction and Development, June 1967.

Continental European literature on this subject is extensive. *E.g.*, EUROPEAN ECONOMIC COMMUNITY, SUPP. BULL. No. 9/10–1966, MEMORANDUM BY THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY ON THE ESTABLISHMENT OF EUROPEAN COMPANIES; WANG, DIE EUROPAISCHE AKTIENGESELLSCHAFT IN DER E.W.G. (1964); Dorat des Monts, *Vers un droit europeen des societes commerciales*, 39 JURIS CLASSEUR PERIODIQUE, LA SEMAINE JURISDIQUE I-1896 (Mar. 3, 1965); Fikentscher & Grossfeld, *The Proposed Directive on Company Law*, 2 COMMON MARKET L. REV. 259 (1964); Lecourt & Chevallier, *Comment progresse le rapprochment des legislations europeenes?*, RECUEIL DALLOZ-CHRONIQUE 24 (June 30, 1965); Patry, *La Societe Anonyme de Type Europeen*, ETUDES DE DROIT COMMERCIAL EN L'HONNEUR DE PAUL CARRY 29 (1964); Rault, *Pour la creation d'une societe commerciale de type europeen*, 13 REVUE TRIMESTRIELLE DE DROIT COMMERCIAL 741 (1960); Sanders, *Vers une Societe Anonyme Europeene?* REVISTA DELLE SOCIETA 1163 (1959); *Thibierge, Le Statut Des Societes Etrangeres*, LE STATUT DE L'ETRANGER ET LE MARCHE COMMUN, 57TH CONGRESS OF FRENCH NOTARIES, Tours (1959); Vasseur, *A Company of European Type*, 1964 JOURNAL OF BUSINESS LAW 358 and 1965 *id.*, 73; Vasseur, *Quelques Arguments pour une Societe de Type Europeen*, 83 REVUE DES SOCIETES 18 (1965); *Willemetz, Une Societe de Type Europeen*, 21 REVUE DU MARCHE COMMUN 38 (1960).

[47] A summary analysis of the proposed European Patent Law is set out in 45 J. OF THE PATENT OFFICE SOC'Y No. 3 (Mar. 1963). *See also Restrictive Practices, Patents, Trade Marks and Unfair Competition in the Common Market*, 11 INT'L & COMP. L.Q., SUPP. PUB. No. 4, at 153 (1962).

[48] *Community Draws Nearer to Economic Unity: EEC "Value Added" Tax System, First Medium-Term Economic Program Approved*, EUROPEAN COMMUNITY, Mar. 1967, at 30.

[49] Stravropoulos, The United Nations Commission on International Trade Law, 4 U.N. Monthly Chronicle 89 (No. 4, 1967).

[50] *Cf.* Graupner, *Some Recent Aspects of the Recognition and Enforcement of Foreign Judgments in Western Europe*, 12 INT'L & COMP. L.Q. (1963); Nadelmann, *Assumption of Bankruptcy Jurisdiction Over Non-Residents*, 41 TUL. L. REV. 75 (1966); and Stein, *Assimilation of National Laws as a Function of European Integration*, 58 AM. J. INT'L L. 1 (1964). The subject-matter of the foregoing articles illustrates some of the problems and challenges. Widening U.S. participation in unification-of-law activities, resulting from U.S. membership (since 1963) in the Hague Conference on Private International Law and the International (Rome) Institute for the Unification of Private Law, is a major development which will have growing significance to businessmen and lawyers concerned with international private law and practices. For materials on the range of problems see the symposium, *Unification of Law*, 30 LAW & CONTEMP. PROB. 231 (1965).

Discrimination Against Taxpayers

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. RARICK. Mr. Speaker, the inescapable conclusion that our present tax program gives $800 per year to keep illegitimate children but allows only $600 per legitimate child as a tax deduction is but one of the inequities of our great centralized government.

I recently introduced H.R. 14676 to contribute in the battle against poverty by assisting poor taxpayers through an increase in the tax deduction per dependent from $600 to $1,200 per year.

Editor G. Norman David of the Denham Springs, La., News recently offered several additional arguments to overcome the lopsided discrimination against parents and taxpayers.

Mr. Speaker, I include the clipping from the Denham Springs News and H.R. 14676 following my remarks:

DISCRIMINATION AGAINST TAXPAYERS

(By G. Norman David)

I was shown the following discourse in . . . of all things . . . the Virginia Journal of Education.

They said they got it from the North Carolina Education magazine, who, in turn, didn't know where it originated . . .

But, read it . . . and see if you don't think it touches on some real good questions:

"Hey, Uncle, how much does it cost to rear a child?

"You allow us taxpaying parents only $600 a year to feed, clothe, house and train a youngster. In your Federal Job Corps you spent $7,000 a year! This is quite a difference!

"Now, which is the correct figure? Either we're allowing too much or you're not allowing us enough.

"You allow taxpaying parents a $600 deduction for the care and feeding of each child.

"Yet under the Cuban refugee program you assume minimum upkeep requires $1,200 a year—and if the Cuban boy or girl is attending school—an extra $1,000 a year.

"How come you shortchange the home folks?

"In the austere environs of a Federal prison you have discovered that it costs—to maintain one person, with no frills, no luxuries, and no borrowing Dad's car—$2,300 a year.

"By what rule of thumb do you estimate that Mom and Dad can do it for one-fourth that amount?

"Under Social Security you will pay $168 a month to maintain the elderly. What makes you think we can maintain our young'uns on $50 a month?

"And, Uncle, your VISTA program (Volunteers in Service to America) spent $3.1 million last year to train only 202 trainees. That indicates that the cost of maintaining and training one youth for one year is more than $15,000.

"Then how come we taxpaying parents get an exemption of only $600 to maintain and train one youth for the year?

"Or let's see how much you spent upkeeping one youngster in military uniform. House, $55.10 a month. Food, $30.27 a month. Clothing upkeep, $4.20 a month. That comes to $1,074.84 a year. Are they not cheaper by the dozen?

"How in the world do you expect parents to provide all these things, plus clothes, recreation, books, medicine—for $600 a year? With your figures, you admit it can't be done.

"Is it possible, Uncle, that you expect us parents to manage more efficiently than you, because we usually do.

"With all our expenses, we American individuals have more than enough savings to offset our debts; you don't.

"With all our prosperity, you Uncle, are still spending per year $2.9 billion more for relief than during the depths of the depression. So it may be that you are uncommonly extravagant.

"But however we try to rationalize and explain you, it is still a hurtful affront when you allow us hard working dues-paying home folks only $600 a year to rear a legitimate child—while you, under ADC, will pay more than $800 a year to upkeep an illegitimate one. There's something rotten here—and we're not in Denmark!"

H.R. 14676

A bill to amend the Internal Revenue Code of 1954 to increase from $600 to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for a dependent, and the additional exemptions for old age and blindness)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the following provisions of the Internal Revenue Code of 1954 are amended by striking out "$600" wherever appearing therein and inserting in lieu thereof "$1,200":

(1) Section 151 (relating to allowance of deductions for personal exemptions);

(2) Section 642(b) (relating to allowance of deductions for estates);

(3) Section 6012(a) (relating to persons required to make returns of income); and

(4) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

(b) The following provisions of such Code are amended by striking out "$1,200" wherever appearing therein and inserting in lieu thereof "$2,400":

(1) Section 6012(a)(1) (relating to persons required to make returns of income); and

(2) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

SEC. 2. (a) Section 3(b) of the Internal Revenue Code of 1954 (relating to optional tax if adjusted gross income is less than $5,000, in the case of taxable years beginning after December 31, 1964) is amended—

(1) by striking out "After December 31, 1964" in the heading and inserting in lieu thereof "In 1965, 1966, and 1967";

(2) by inserting "and before January 1, 1968," after "beginning after December 31, 1964,"; and

(3) by striking out "After December 31, 1964" each place it appears in the tables and inserting in lieu thereof "In 1965, 1966, and 1967".

(b) Section 3 of such Code is further amended by adding at the end thereof the following new subsection:

"(c) TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1967.—In lieu of the tax imposed by section 1, there is hereby imposed for each taxable year beginning after December 31, 1967, on the taxable income of every individual whose adjusted gross income for such year is less than $5,000 and who has elected for such year to pay the tax imposed by this section, a tax determined under tables which shall be prescribed by the Secretary or his delegate. The tables prescribed under this subsection shall correspond in form to the tables in subsection (b) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction."

(c) Section 4(a) of such Code (relating to number of exemptions) is amended by striking out "the tables in section 3" and inserting in lieu thereof "the tables in section 3(a) and 3(b) and the tables prescribed under section 3(c)".

(d) Paragraphs (2) and (3) of section 4(c) of such Code (relating to husband or wife filing separate return) are amended to read as follows:

"(2) Except as otherwise provided in this subsection in the case of a husband or wife filing a separate return, the tax imposed by section 3 shall be—

"(A) for taxable years beginning in 1964, the lesser of the tax shown in Table IV or Table V of section 3(a),

"(B) for taxable years beginning in 1965, 1966, or 1967 the lesser of the tax shown in Table IV or Table V of section 3(b), and

"(C) for taxable years beginning after December 31, 1967, the lesser of the taxes shown in the corresponding tables prescribed under section 3(c).

"(3) Table V of section 3(a), Table V of section 3(b), and the corresponding table prescribed under section 3(c) shall not apply in the case of a husband or wife filing a separate return if the tax of the other spouse is determined with regard to the 10-percent standard deduction; except that an individual described in section 141(d)(2) may elect (under regulations prescribed by the Secretary or his delegate) to pay the tax shown in Table V of section 3(a), Table V of section 3(b), or the corresponding table prescribed under section 3(c) in lieu of that tax shown in Table IV of section 3(a), Table IV of section 3(b), or the corresponding table prescribed under section 3(c), as the case may be. For purposes of this title, an election made under the preceding sentence shall be treated as an election made under section 141(d)(2)."

(3) Section 4(f)(4) of such Code (cross references) is amended by striking out "and Table V in section 3(b)" and inserting in lieu thereof ", Table V in section 3(b), and the corresponding table prescribed under section 3(c)".

(f) The last sentence of section 6014(a) of such Code (relating to election by taxpayer) is amended to read as follows: "In the case of a married individual filing a separate return and electing the benefits of this subsection, Table V of section 3(a), Table V of section 3(b), and the corresponding table prescribed under section 3(c) shall not apply."

SEC. 3. (a) Section 3402(b)(1) of the Internal Revenue Code of 1954 (relating to percentage method of withholding income tax at source) is amended by striking out the table and inserting in lieu thereof the following:

"PERCENTAGE METHOD WITHHOLDING TABLE

"Payroll period	Amount of one withholding exemption
Weekly	$25.00
Biweekly	50.00
Semimonthly	54.17
Monthly	108.33
Quarterly	325.00
Semiannual	650.00
Annual	1,300.00
Daily or miscellaneous (per day of such period)	5.55"

(b) So much of paragraph (1) of section 3402(c) of such Code (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"(1)(A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee after December 31, 1967, a tax determined in accordance with tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee before January 1, 1968, a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a):".

(c) Section 3402(m)(1) of such Code (relating to withholding allowances based on itemized deductions) is amended by striking out "$700" and inserting in lieu thereof "$1,300".

SEC. 4. The amendments made by the first two sections of this Act shall apply only with respect to taxable years beginning after December 31, 1967. The amendments made by section 3 of this Act shall apply only with respect to remuneration paid on and after the first day of the first calendar month which begins more than ten days after the date of the enactment of this Act.

Something for Everybody Politics

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FINDLEY. Mr. Speaker, as required by law, the President has submitted his annual budget to the Congress for authorization and subsequent appropriation of funds. The $186.1 billion in total budget outlays is viewed by the President as a "barebones budget." He maintained that this is a "sensible budget," that we have great responsibilities, that we have the capacity to meet those responsibilities, and that "the question before us is whether or not our will and determination match that capacity."

The $186.1 billion administration budget represents an increase of $10.4 billion from the current fiscal year. The administration contends that "almost all of this increase is accounted for by raising outlays for defense and for relatively fixed charges under present laws." In other words, they have tried to create the impression that the budget is austere, and that the rising tide of expenditures is inevitable because of the war and rising interests rates.

What the administration tries to say is, that the steadily mounting expenditure levels are inevitable. This is an election year, and the war in Vietnam provides a convenient excuse for not taking decisive action in striking a blow for fiscal responsibility.

In October 1966, the noted columnist, David S. Broder, wrote an article which clearly illustrates the fact that the President's budgets are finely honed and well calculated to build political support for his administration. Mr. Broder has attached to the President's budgetary strategy the label "something for everybody" politics. In his article he quotes Samuel Lubell as saying:

The instrument that Johnson wielded with truly revolutionary political impact was the Federal budget. No previous budget had ever been so contrived to "do something" for every major economic interest in the Nation.

That observation is more pertinent today, when we are faced with the highest level of expenditures in the United States, than at any other time. The hard choice which we must face today is between political popularity on the one hand and fiscal and political responsibility on the other. The easiest course of action would be for the Congress to "sit on its hands and bask in shortrun popularity as our Nation's economy founders upon the rocks and shatters. The choice is clear and it is difficult.

Will we continue the "something for everybody" politics? Or will we live up to the trust which has been placed upon us by the American people?

Mr. Speaker, I am pleased to call to our colleagues' attention this important article by David Broder and hope that we will act with great urgency to restore our Nation to its usual position of economic strength:

[From the Atlantic Monthly magazine, October 1966]

CONSENSUS POLITICS: END OF AN EXPERIMENT

(By David S. Broder)

The conversation was in the tiny anteroom just off the formal Oval Office. It is a place where Lyndon B. Johnson likes to relax with a cool drink for an hour or two during his long working day. It was Friday evening, August 21, 1964, the Friday before the opening of the Democratic convention which would demonstrate to all the world that this remarkable man, twice frustrated in Democratic conventions, now controlled the Democratic Party, lock, stock, and pork barrel. Lyndon Johnson had become the Democrats' President by the acts of two other men—John F. Kennedy and Lee Harvey Oswald—but in this next week he would put the indelible stamp of his personality on that party in everything from the choice of the vice presidential nominee to the decorations in Atlantic City's Convention Hall.

Now, on the eve of what he knew would be his triumph, he was indulging his favorite sport of reading his public opinion polls to two callers. He rattled off his percentages from this state and that, and then remarked on what seemed to him the most significant finding of them all.

"You see," he said, jabbing his finger at one page of the bulky report on a Midwestern state, "right here's the reason I'm going to win this thing so big. You ask a voter who classifies himself as a liberal what he thinks I am, and he says 'a liberal.' You ask a voter who calls himself a conservative what I am, and he says 'a conservative.' You ask a voter who calls himself a middle-roader, and that's what he calls me. They all think I'm on their side."

Mr. Johnson fashioned his campaign for the presidency on that premise and won the most sweeping popular-vote victory in American history. Before and after that election, he tried to make the Democratic Party a home for all those voters who thought Lyndon Johnson was "on their side," and in so doing, he markedly changed the character of that party.

Today the polls make far less pleasant reading for the President. The consensus he sought is crumbling visibly. His party is in serious difficulty in the major states, and a breach appears to be opening between the President and his Vice President on one side, and younger Democrats who identify themselves with the cause of the Kennedys on the other.

None of this is news, of course, but the rudimentary facts must be set down as a preliminary to the examination of cause and effect. I hope to outline in the next few pages a theory—and admittedly, it is no more than a theory—of what might be called the rise, the flourishing, and the decline of Lyndon Johnson's "consensus politics."

The hardest thing for a journalist to do is to recognize a genuinely unique occurrence. So many events are just variants in the familiar pattern that we tend to seek out resemblances and ignore what is original. The Johnson era in Democratic politics is, I believe, unique. Let us begin with a simple but little-noted fact. Lyndon Johnson is the first President in our lifetime and longer who comes from a one-party state. The pressures of nominating-convention politics normally operate to produce presidential candidates from the swing states with big blocs of electoral votes, where the two-party competition is most fierce—men like Dewey and Roosevelt of New York, Stevenson of Illinois, Nixon of California, and Kennedy of Massachusetts.

Lyndon Johnson is the product of a very different kind of politics. While Texas has voted occasionally for a Republican presidential candidate and currently has one Republican senator, the affairs of the state, in both Austin and Washington, have been managed throughout Lyndon Johnson's lifetime almost exclusively by and through the Democratic Party. The real power struggles in Texas politics have been resolved, not between the parties, but within the Democratic Party—and for thirty years Lyndon Johnson has had an ever increasing role in resolving them.

I believe that the President's "consensus politics" is rooted in his Texas experience. In Texas, the Democratic Party for years has included most of the major elements found in the national Democratic Party: labor, the Negro and Mexican-American minorities, farmers, small-business men, and the less prosperous portions of the middle class.

But in addition to all these groups, the Texas Democratic Party has also included and effectively represented big-business men, oil and gas men, banking and insurance men, the educated, the wealthy, and the well-born—the groups that in two-party states provide the money and manpower for the Republican Party. In fact, the Texas Democratic Party includes many who are in everything but their nominal allegiance Republicans.

I well remember my shock when, as an outsider, in the spring of 1960 I attended the state Democratic convention in Austin which endorsed Lyndon Johnson as favorite-son candidate for President. The members of the Dallas County delegation were openly wearing Nixon buttons on their lapels, but so flexible was the definition of a Democrat in Texas, even a Democratic convention delegate, that no one challenged their right to be there. Four years later, when Mr. Johnson was finally on the ballot for President, many of those old Nixon-Democrats worked for him and helped him carry Dallas.

It is no exaggeration to say that Representative and Senator Johnson and his colleagues in the Texas Democratic Party for many years suppressed the emergence of a Republican Party there by taking in and giving service and satisfaction to the business groups and others who normally would have financed and supported the Republican Party.

Thus, when that same Lyndon Johnson as President of the United States said he viewed the Democratic Party as "a great big tent," big enough to hold Henry Ford II and Walter Reuther, Martin Luther King and Orval Faubus, John Connally and William Fitts Ryan, he was simply applying on the national scale a technique that had kept the Democrats in control of Texas for generations.

SOMETHING FOR EVERYBODY

The Johnsonian technique involves more than just the standard political wisdom of staying in the middle of the road. What makes it unique is its willful effort to expand personal and party support to the point where the opposition is left with nothing to organize except fringe-group sentiments. When the opposition obliges as nicely as the Republicans did in 1964, the technique can be dazzlingly successful.

The Model-T-for-Texas Democratic Party that emerged with a landslide majority from the 1964 election was a different creature from what it had been up until that time. Not all the differences were understod by the Democratic officeholders, officials, and workers who cheered Lyndon Johnson's inaugural. Nor was there any reason why any of them except the Texans should have been able to guess what the consequences would be. For it was that rare thing—something new in politics.

With the experience of almost three years of Johnsonian politics now behind us, we can see at least five distinguishing characteristics of his leadership techniques and their effects on the Democratic Party. First, his consensus politics is based on support from diverse elements of the electorate. To hold this wide variety of support, the President as party leader must provide some sort of incentive or reward to each of the major groups in his assembly.

Thus, Mr. Johnson was required last January, even in a time of rising defense expenditures, to lay before Congress a broad-front program of domestic proposals: from civil rights, to improvement of cities, to health and education measures, to repeal of right-to-work laws, to reform of election and campaign spending regulations. Not all these programs, by any stretch of the imagination, were of vital importance to him at the moment, but each of them had significance, at least as a symbol, to one or more of the groups that supported him. As Samuel Lubell wrote, "The instrument that Johnson wielded with truly revolutionary political impact was the federal budget. No previous budget had ever been so contrived to 'do something' for every major economic interest in the nation—medicare for pensioners, tax rebates for business, loosened production controls and a subsidy boost for farmers, antipoverty grants for Appalachia and for Negro slums, educational aids for a generally school-conscious public." The President had so many irons in the fire, one Democratic congressman remarked, "he damn near put the fire out." Such prodigality is necessary, for a consensus President cannot concentrate on one goal at a time without seeing his coalition split.

A second characteristic of Johnson-style politics is that it depends for its success largely on the skill, negotiating ability, and maneuvering of the President. Only the top man is in touch with all the diverse elements of his coalition. Only he knows how strong the civil rights bill must be to keep Martin Luther King pacified, whether the auto manufacturers will or will not put on all their pressure to kill reimposition of the excise taxes, whether George Meany will really cut off funds to Democratic candidates if 14(b) is not repealed. "This is," a veteran politician told the Associated Press's Saul Pett, "the most personalized presidency in our history."

COURTING THE LEADERS

A third characteristic, closely related, is that in consensus politics the President's relationships with "group leaders" are more crucial than his relationship to the general public. The tip-off to Johnson-style politics came in the parade of personages through his White House office in the first shattering days after the assassination—foreign rulers

first; then the rulers of the various domestic domains, the congressional satraps, the governors, the labor leaders, the top businessmen, the civil rights spokesmen, and, not least, the clergymen. Everyone with an identifiable constituency was drawn in to support the President in those first few critical weeks—and none of them has knowingly been cast out since.

Several, of course, have left of their own volition, some because they disagreed with the President's policies, others for more personal reasons. Mr. Johnson tends to be demanding of those who profess unquestioned loyalty but is accommodating to those who show signs of resistance. The turnover in his personal staff has been high. The rate of attrition in personal friendships among old and intimate political allies like Senator Mike Mansfield and Governor John Connally has been equally severe. But it is significant that neither of these men, nor any of the labor, business, or minority group leaders who have shown an inclination to wander off the LBJ ranch from time to time, has been allowed to stray far away. Mr. Johnson's politics do not permit him to indulge in the luxury of letting personal feuds imperil vital political alliances.

His reaction is always to reach out for the enemy and bring him back into camp. In the midst of the 1964 campaign, Mr. Johnson went straight from a partisan rally in downtown Indianapolis to a private luncheon with the city's archconservative publisher, Eugene Pulliam, a close personal friend of Barry Goldwater's. (He called on him again when starting his 1966 political forays in Indianapolis.) The President will do political business with anyone, and partly as a result of that fact, he commands deepfelt attachment from few.

Here we come to a crucial difference—crucial in its implications for the Democratic Party—between the Johnson leadership and that of a Roosevelt or a Kennedy, who based their power on their personal popularity with millions of individual voters. Their leadership necessarily involved the alienation, from themselves and their party, of millions of others. Some historians have suggested that Roosevelt practiced a form of consensus politics in his first term and even later, when he included Republicans in his wartime Cabinet. But, like Kennedy (who was automatically alienated by religion and the civil rights issue from millions of voters), he reveled in the opposition of businessmen and freely invoked the rhetoric of party loyalty. Both men were loved for the enemies they made. Mr. Johnson is not. The enthusiasm he stirs in the public at large is negligible.

He would not, as Roosevelt did, think that he could appeal to the mine workers over the head of John L. Lewis. In this summer's frustrating airlines strike, his appeals were always to the Machinists' Union officials, not the rank and file. His technique is to court the leaders—George Meany, Martin Luther King, the members of the Business Council, and, not least, Everett Dirksen—and count on them to keep their constituents in line. In Texas they had a saying, "Lyndon Johnson doesn't have an organization; he uses everybody else's." It recognized the history of his ever shifting alliances within the state, but more profoundly, it reflected the fundamental nature of his leadership—that Mr. Johnson does not deal with The Public; he deals with a great many little publics, and he deals with them through their leaders.

That is why, even though he advocates and enacts programs of far-reaching social consequences, this President is fundamentally, like almost every other Texas politician, an Establishment man. He recognizes as legitimate other men's claims to power in the area they control. He seeks solutions to problems that will permit them to prepare their power base as he preserves his. He is protective of their status and interests, and they in turn tend to protect him.

NO PARTISANSHIP

The fourth general characteristic of consensus politics stems directly from the basic Johnsonian technique we have been describing. His politics automatically minimizes the degree of partisanship that is permitted and reduces the role of the party organization in government. Partisanship, like race prejudice or class warfare, is the enemy of consensus. The decimation of the Democratic Party structure—the abolition of the centralized voter-registration effort that was the keystone of the Kennedy campaign, the 50 percent cutback in manpower at the Democratic National Committee, the collapse of communications between Washington and state party chairman—all these things have been described by critics as an expression of the antagonism to party organization that has been growing for eighteen years in Mr. Johnson, ever since he ended the first phase of his political career as a loyal Roosevelt agent within the Democratic Party.

The man who fought the Democratic National Committee openly in Paul Butler's day has told its current proprietors, "I'm damned if I can see why one guy and a couple of secretaries can't run that thing." Under him, the national party is beginning to resemble the Texas party, where the formal structure of state and county chairman exists only on paper.

In Texas, the governor runs the state convention, just as Mr. Johnson ran the 1964 national convention. Officeholders and candidates build their own personal organizations. Sometimes they use them to help each other and sometimes to war on each other. When a party campaign must be organized in a presidential year, the work is done by lawyer-lobbyists, men on loan from the big companies and union business agents. That is the way Lyndon Johnson staffed the key spots in his national presidential campaign. These part-time lawyer-lobbyists are his substitute-in-readiness for the party organization which the Kennedys had begun to build and he has methodically torn down.

But all this, I believe reflects something more fundamental that the "Texanization" of the party structure. A party organization, in textbook terms, functions on vertical lines to unite the purpose and power of the President and his national committee with those of Democratic governors and their state committees and local Democratic officeholders and their committees. But consensus politics operates on horizontal lines, with the President reaching out, across party barriers, for other leaders, who in turn bring along their followers to his cause. Thus, it is almost inevitable that a consensus President from a one-party state would ignore the party organization.

NEGOTIATION BUT NO DEBATE

Fifth and finally, consensus politics emphasizes decisionmaking by private negotiation, not public debate. Debate only arouses strong feelings and tends to lock people into antagonistic positions. Consensus politics tries to minimize such feelings and encourages everyone to maneuver his group into position for a compromise. The President's favorite plea "Come, let us reason together" does not mean "Let us gather in our schools, our legislative halls, or even around our television sets and hear our wisest men debate the issue, that we may arrive at a reasoned judgment." Rather, it translates, "Come, let us act like the practical men we are, sit down around the table, shut the doors, and work this thing out on a basis we can all live with."

There are hundreds of Washington anecdotes, from his days as Senate leader right up to his latest devices for avoiding press conferences, which illustrate Mr. Johnson's inherent antagonism to public debate as a positive function of democratic decisionmaking. My own favorite story concerns the phone call he made to Senator J. W. Fulbright two years ago, after Fulbright had delivered his celebrated speech on "old myths and new realities."

This was long before their serious split on Dominican and Vietnam policy and at a point where Fulbright's purpose was nothing more or less than to reopen the basic assumptions of American foreign policy to critical public examination. As the senator tells it Mr. Johnson's remarks were in the vein of "Bill, old pal, you know my door is always open to you. There's no need for you to go soundin' off on the Senate floor if you've got some little old thing that's troublin' you. You just trot on down here, and we'll see if we can't take care of it for you."

Abhorrence of public debate has its necessary concomitant in the effort to enforce strict secrecy and to keep the press out of the way during the decision-making or negotiating stages of policy formation. The technique is a useful, almost necessary device for a consensus President. But, as with Fulbright, it involves serious risks of alienating not only those who disagree with the final decisions but also those who disapprove of the methods by which they are reached.

Simply to describe such a system is to indicate how far it diverges from the sort of presidential leadership and party leadership we have known in the past. Indeed, it is so alien to the concepts and patterns of modern American politics that it seems remarkable in retrospect that President Johnson could make it work at all, let alone flourish as brilliantly as it did from his accession in 1963 through the end of the 1965 congressional session. I know of no other explanation for its success than the genius of the man for this peculiar style of politics—and "genius" is, I believe, the proper word.

Entering office in a time of national shock and grief, he refused to permit the nation to be paralyzed by its emotions, but instead harnessed them for a great forward thrust in the field of social legislation and civil rights. In the 1964 campaign, if he did not generate mass adulation, he concocted a substitute for it, blending fear-of-Goldwater with his own superenergized appearance as circus barker-cum-preacher-cum-politician-cum-handshaker-cum-haranguer, that registered as strongly at the polls as if it had been a genuine ground swell of affection. In 1965, he whipped through the Congress the greatest mass of social legislation in thirty years, so great that it all but destroyed a generation of theoreticians' strictures about the inability of Congress to keep pace with the country's needs.

THE SQUEEZE IS ON

The President has come a cropper, it now appears, on Vietnam. The rising cost of that war, in human terms and in treasure, is forcing the consensus President to do that which is most difficult and politically dangerous for him and his party: to assign priorities and choose between goals. In his salad days of 1964 and 1965, President Johnson managed almost literally to keep everybody happy. So long as profits stayed high, what did businessmen care if he squandered, as they put it, $2 billion in a war on poverty? If income taxes were being reduced for the young father, what did he care if the President simultaneously was boosting benefits and adding Medicare for the elderly?

But now the squeeze is clearly on. All year long the Administration has been walking the tightrope on a tax increase or a Reserve call-up, either of which would signal an end to domestic business as usual. In avoiding them, it has resorted to economic policies that have brought both tight money and inflation. Politically, the once happy allies of the Great Society consensus are chewing on each other. Labor is angry over the failure to repeal 14(b); the farmers are blaming Freeman for allegedly trying to slow the rise in food prices; the South is sore at the school desegregation "guidelines"; and even

the freshman Democrats elected on Mr. Johnson's coattails are chafing visibly at the rubber-stamp label.

As Alan L. Otten pointed out in the *Wall Street Journal*, the stance Mr. Johnson was forced to take in Congress this year was difficult to defend. He told Congress first "that it cannot cut any of his proposals a penny, because every cent is urgently needed to overcome long-accumulated and burdensome national deficiencies, but, second, that it cannot add a penny to what he has asked because that would aggravate inflationary pressures."

Mr. Otten noted, "This does not sit well with Congress. Many Senators and Representatives feel the President cannot reasonably expect to have it both ways. . . . Many have turned Mr. Johnson's two-edged argument to suit their own purposes, rather than his. If filling unmet needs is as important as the Chief Executive says, most lawmakers can't see why they shouldn't take care of a few of their own constituents' needs along with the President's. . . . Alternatively, if inflation is as ominous as the President portrays it when attacking increases in his budget, many Congressmen would be glad to help combat this dire threat by spiking a few of the innovations he's proposed."

The slippage of control must be galling to Mr. Johnson, especially when added to the frustration he frequently expresses at the obduracy of the other side in the Vietnam war. The President's whole political technique is geared to resolving issues, not letting them drag on. But here are those damned Communists, and neither bombings nor diplomatic blandishments will bring them to the conference table where men can "reason together."

While Vietnam is the source of the President's miseries and the Democrats' political problems, I am inclined to believe that if consensus politics had not foundered there, it would have been impaled on some other foreign crisis. The flaw in the system is that in this world no man's antennae, not even Lyndon Johnson's, are sensitive enough to warn him away from all the places where collisions can occur. An exceptionally smart politician can play the angles and maintain the delicate balance of forces inside Texas. He may even, for a time, under fortuitous circumstances, keep his equilibrium amid the shifting currents of the American economy and national politics. But the world will not hold still for the Johnson treatment.

Philip L. Geyelin points out in his excellent book, *Lyndon B. Johnson and the World*, that an essential ingredient of his success as a Senate leader, and in domestic politics, was his "sense of timing that told him the moment was not propitious." But, Mr. Geyelin correctly notes, no President, not even this one, can set the timetable for other nations or command international decisions to wait "until he has his ducks in a row." In the Dominican crisis and others, Mr. Johnson was forced to act hastily and saw spur-of-the-moment decisions turn sour.

A second factor noted by Mr. Geyelin is Mr. Johnson's lack of intimate knowledge of the players and methods of international politics. "The trouble with foreigners," he quotes him as saying in a wonderfully Johnsonian remark, "is that they're not like the folks you were reared with." Finally, by deepest instinct, Mr. Johnson is a mediator of conflict, a reactor to other men's initiatives. But the United States is not the middleman in world affairs; it is the most powerful nation and must take actions that other countries may find objectionable. This consensus President, some of his former advisers have said, lacks the confidence in his own instincts on foreign affairs to play the role assigned to him by the circumstances of history.

THE BIGGEST PROBLEM OF ALL

Be that as it may, Vietnam has shattered the consensus which the President labored to achieve. The consequences for his party and, indeed, the future of our politics are likely to be substantial.

More serious than the war itself, in political terms, is the spreading doubt about the President's capacity to end it on terms acceptable to the American people. If our view of Mr. Johnson is correct, if he is a political leader whose power rests not on widespread popular affection but on his capacity to solve the problems that threaten to disrupt the society, then his failure to resolve the prolonged conflict in Vietnam is certainly costly. What kind of problem-solver is it who cannot solve the biggest problem of them all?

The aura of omniscience and omnipotence so carefully cultivated during the 1964 campaign, the "Let Old Lyndon Take Care of *Your* Needs" psychology, once damaged will be hard to restore.

In visible ways, the Johnsonian system of consensus politics is coming unstuck. Debate, which he sought to stifle, is raging in the Senate, in the universities, and in the political campaign. The Republicans he sought to disperse or co-opt are regaining their identity and their sense of direction. Business leaders, civil rights leaders, labor leaders, and farm leaders, finding him preoccupied with the one great unsolved problem of Vietnam, are seeking independently to make their own political arrangements.

Younger Democrats, resentful of what they take to be his insistence on rigid support for his policy in Vietnam, are forsaking his leadership. Their disaffection is heightened by his habit, essential to his operations as a consensus President, of dealing with the politics of Congress and the fifty states on the seniority principle, favoring men of his own generation over the ambitious youngsters on their way up. The 1966 campaign among Democrats has turned out to be much more of an every-man-for-himself struggle for survival than the ratification of the Great Society President Johnson had in mind.

How all this will end no one can know. But it seems to me unlikely that consensus politics will prove to be more than a passing phenomenon.

There is a change in generations coming in American politics, more likely in 1972 than in 1968, but coming certainly. The struggle that is emerging is a battle for the allegiance of the intellectuals and the young between the Kennedys and their allies in the Democratic Party, on the one hand, and the bright new faces of the Republican Party—the Evanses, the Chafees, the Hatfields, and their like—on the other. The President barely speaks the language of this new generation. His methods of politics are not likely to be carried over into their era of ascendancy.

But even before these men in their forties have their turn, the politics of consensus will probably go into decline. Presuming that Mr. Johnson is willing and able to run again in 1968, he would clearly be the favorite. But never again, I daresay, even if he serves a second full term, will his rule be as unchallenged as it was in his first two years in office.

Should he give way in 1968, it would probably be to one of four men in their fifties—Hubert Humphrey, George Romney, Richard Nixon, or Ronald Reagan. All of them, it might be noted, come from the normal presidential breeding ground of competitive two-party states, and none of them seem remotely capable of adopting the peculiar Johnsonian style of consensus politics.

At some future date, we may conceivably have a President who is a super-Johnson—with the background and skill for manipulating the entire spectrum of domestic interests, plus the personality to attract genuine mass support, plus a sure touch in foreign affairs. Such a combination sounds more like a messiah than a President, however, and I for one do not expect to see him.

Meantime, even at this short remove, I find myself marveling at the unique and short-lived political artistry of Lyndon Johnson's 1963–1965 experiment in consensus politics. Look back on it in wonder; we shall not see its like again. Even the Democrats now realize that, like it or not, two-party politics is returning. For my taste, it will not be a moment too soon.

Address by Richard M. Nixon

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. FULTON of Pennsylvania. Mr. Speaker, I include the following address by Richard M. Nixon before the 72d Congress of American Industry of the National Association of Manufacturers on December 8, 1967:

ADDRESS BY RICHARD M. NIXON

As we meet here this evening, the word "war" has only one meaning for us—Vietnam.

Certainly Vietnam is on our minds—and rightly so. We owe support to our brave fighting men. We must understand the true stake in the struggle—not merely the fate of a small, remote country, not even the future of freedom in Asia, but above all the possibility that by halting aggression now in a limited war, we may avoid the risk of a catastrophic world war during this last third of the twentieth century.

Vietnam is not the only battleground on which America is being tested. Our forces and commitments circle the globe, holding ground for the cause of freedom. None of these testing places—not in Europe, not in Latin America, not in Asia—is of more vital importance than the ground we are standing on.

The ultimate testing-place of America is America itself. All of our power and prestige and ability to keep the promises that keep the peace—everything we stand for and dream of—rest in the end on the unity and strength of America. If we are divided, if we default on the promises we have made to ourselves, the foundation on which we are attempting to build a better future will crumble.

I believe this foundation is in grave danger. If we do not see clearly and act quickly, recognizing the war-in-the-making within our society, it will not matter what happens in Vietnam and elsewhere.

Consider what is happening. Even as American troops attempt to pacify hamlets in Vietnam, special Army teams are now touring scores of our cities, making contingency plans for their pacification next summer.

When Harlem erupted, and then Watts, the nation reacted with a shock born of surprise. But now we *expect* the terrible drama to be repeated, and we train and deploy troops as if girding for war. I use the word "war" advisedly. A riot is a spontaneous outburst. A war is subject to advance planning.

Year by year, the violence in our cities takes on more of the aspects of guerrilla war—and the rhetoric of its prophets escalates accordingly. In Detroit last summer, spontaneous rioting provided cover for organized sniping and arson. Now the revolutionaries are boasting that their war plans for next summer's riots include strikes at public utilities, at urban expressways, and at other nerve centers of our complex and vulnerable society.

These men, educated and articulate, are guerrilla leaders in the classic pattern. The violent few do not speak *for* the Negroes but they are speaking *to* them every day, planting the seeds of their hatred. Not for a century, not since the Civil War, has our nation

been so divided, our citizens so apprehensive toward one another.

Are we two nations, black and white, confronting each other at opposite poles, separated by irreconcilable issues and poised for irrepressible conflict? There can be only one answer—we are not. We are, and must ever remain, one nation and one people.

In the bleak winter of 1862, Abraham Lincoln said in a message to Congress, "The dogmas of the quiet past are inadequate to the stormy present. As our case is new, so we must think anew and act anew."

Difficult and tragic as was Lincoln's war, the conflict we confront at home today is equally tragic and more complex. Then, the side which had the most men and the most weapons was eventually bound to prevail. Today, while adequate police forces are part of the answer to the short-range problems, the long-range problems will not yield to superior force alone.

We must think anew and act anew. The place to begin is to put racial violence in its proper perspective.

We must speak with a new candor.

Under the illusion of the government's unlimited power to remake society, extravagant promises have been made to the Negro. He has been encouraged to believe that his historic injustices would be righted, his burdens lifted, and the obstacles to his progress removed—*immediately*. Worse than not keeping a promise is making a promise that cannot be kept. Much of the bitterness of the Negro slum dweller is the result of these false promises.

The rule of law itself is under attack. We find growing acceptance of a doctrine wholly inconsistent with a free society—the doctrine that when a cause is considered just, any action, legal or illegal, is justified to promote the cause. Protests for peace, for civil rights, for eduaction, whether in our cities or on our university campuses, increasingly boil over into violence and lawlessness.

Dissent is a necessary instrument for change and progress. But the greatness of America is that our governmental institutions provide the machinery for peaceful protest and peaceful change. In a nation which provides for progress through the rule of law, there is no cause which justifies resort to violence or lawlessness.

No one has a greater stake in preserving the rule of law than the Negroes in our great cities.

The urban Negro is the chief victim of urban violence. And if the trend toward racial guerrilla war runs unchecked to its tragic conclusion, the law-abiding Negro—the great, quiet majority—will feel most cruelly and unfairly the weight of repression.

We need to think anew and act anew. Ten years ago the first Civil Rights Act in a hundred years was signed into law by President Eisenhower. Since that time we have had a period of revolution in the field of civil rights legislation—and it has been a needed revolution. In housing, jobs, education, voting, public accommodations, barriers that stood for a hundred years have fallen.

But, after this decade of opening doors, we need a decade of preparing people to walk through these doors.

After a decade of revolution, we need a decade of reconciliation.

We must think anew and act anew.

We must cease to speak of the new crisis with the old vocabulary. The question today is not just whether this party will triumph or that ideological point of view will prevail.

The old quarrels—between management and labor, between Democrat and Republican, between liberal and conservative—must be put on the back burner, until we decide together if the society itself is going to survive.

The war in Asia is a limited one with limited means and limited goals. The war at home is a war for survival of a free society. Anything less than total mobilization of our resources would risk defeat.

We have listened too long to the extremes of the new left and the old right. America needs today to hear the voice of the broad and vital center.

This vital center is under savage attack. It must be held at all costs. This vital center embraces a core of beliefs which focus on concern with the lives and welfare of individuals, with their right to liberty, to private property, to the pursuit of happiness.

Fundamental to our system is the morality of nonviolence. We welcome dissent, we welcome change, we welcome progress—but we hold firmly that it must be achieved by non-violent means within the context of individual rights. Our system is based on the premise that reason, not force, is our tool of change.

These are the basic beliefs that have propelled this nation further, faster than any other nation in the history of the world. These are the foundations of a society that has provided—in a greater measure than ever before—individual freedom, material prosperity, and personal security. These are the beliefs which have been responsible for the most successful war on poverty civilization has ever known. In 190 years we have not only become by far the world's wealthiest nation—but that wealth is more widely shared than in any other great nation. And we must never forget that American progress has resulted not from what government did for people but from what people did for themselves.

In his eloquent address to Amercans for Democratic Action last September, Daniel Moynihan held out a hand that true conservatives should be quick to grasp. He warned his fellow liberals that they should "see more clearly that their essential interest is in the stability of the social order, and that given the present threats to that stability, it is necessary to seek out and make much more effective alliances with political conservatives who share that concern, and who recognize that unyielding rigidity is just as much a threat to the continuity of things as is an anarchic desire for change."

Let us not let the opportunity pass.

The answer to the militants is not to say "never"; it is not a wave of repression; it is not an angry outburst of hate or the furious silence of despair. Rather, it is to seize the initiative ourselves; to forge new alliances among the forces of progressive change, to accept the challenges that the disinherited have flung both to our conscience and to our ingenuity.

Business belongs in the forefront of social progress—and more often than many realize, that is precisely where it is. When businessmen have acted on their own—when they have identified their own interest with the curing of our explosive social problems—they have forged far ahead of other sectors of the community. As Dr. Kenneth Clark said recently, "Business is the least segregated, the least discriminatory, most free of the areas of society—better than education, religion, unions or government."

This is a record to be proud of and a record to build on.

The Negro wants and rightly seeks many things—many of them long denied. But he cannot fully achieve them in this society, until the economic stepping stones of meaningful and productive jobs are laid securely in place.

No force on earth, none in the history of man's experience, has ever shown the capacity for creating employment that has been shown by the private economy of the United States. It is a mighty engine of social progress.

And it is here that business can make its stand for the society of which it is so vital a part. It is here that the vital center is engaged; and it is here that the business of American business is America.

What can be done?

Government must do more to provide tax, credit and other incentives for business to go where the need is. But business itself must act from a greater sense of urgency than the normal pursuit of profit. For these are not normal times.

Business can reach out, for example, to recruit the hopeless in the slums where they live. Men who have given up on themselves must be shown that others have not. Business can re-think production processes, so that the job can be fitted to the man rather than the man to the job. Business can greatly expand its training and retraining programs. It can do more toward anticipating the difficulties faced by the poorly educated and the culturally alienated, as they enter the competitive world.

Gerald Phillippe this noon pointed out many more directions in which business can move. Your own organization's forward looking STEP program is a solid example of business moving—and successfully. All across the country hundreds of business firms are recognizing the urgency of the urban crisis—and they are not waiting for a Federal call to arms. They are enlisting now.

It was many years ago that the philosopher Alfred North Whitehead declared: "A great society is a society in which men of business think greatly of their functions."

America is in a deepening crisis today. But there is hope. A new coalition is forming—the great silent center of the American people, the vital center, has begun to speak and is beginning to act. The beneficiaries of the free society are rising to its defense. The same business community that retreated in confusion in the thirties is emerging with confidence in the sixties.

American business, men like yourselves, built the cities of this nation; and American business can rebuild them. The modern corporation is no longer simply an economic unit. It has become a social unit, an action unit, and its skills are needed where the action is.

Without your help it cannot be done; with your full enlistment the beleaguered cities of this country can be transformed from a hostile front to a frontier of hope.

Removal of Interest Rate Ceilings on All FHA and VA Insured Mortgages

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 7, 1968

Mr. HANNA. Mr. Speaker, today six of my colleagues and I join in introducing a bill to permanently remove the interest rate ceilings on all FHA- and VA-insured mortgages.

This measure is offered as a remedy to the distasteful necessity of charging discount points on real estate transactions. The problem of points has reached a heretofore unprecedented level. At present, banks, savings and loan associations, and other lending institutions are charging from 6 to 13 discount points on transactions involving FHA- or VA-insured mortgage loans.

The practice of charging discount points comes into play when the interest rate ceiling does not provide the lender with a competitive yield. To obtain a competitive return on his funds when lending to an FHA- or VA-insured mort-

gagor, the lender must find some way of equating the yield secured from the FHA- or VA-insured mortgage with the yield obtained from alternative conventional mortgage investment opportunities.

In California a conventional mortgage involving conditions similar to those included in FHA- and VA-insured mortgages would yield from 6½ to 7 percent. At present, lenders accepting FHA- and VA-insured mortgages cannot charge in excess of the 6-percent ceiling.

It is axiomatic that lenders will not accept FHA- or VA-insured mortgages yielding 6 percent when conventional mortgage investment opportunities are available at 6½ to 7 percent. Lenders have, by their actions, made it clear that they do not regard the Government backing of the obligation as being worth the one-half to 1 percent income that they would have to forgo to obtain it.

The system of discount points has been used to close the gap between the market rate and the fixed FHA–VA rate. This worked reasonably well as long as the variations were small fractions. However, as the disparity between the market rate and the FHA rate, limited by the absolute ceiling, broadened; the point system became less effective and the byproducts of the point system became more distasteful.

The evils of the point system are legend. First, it is complex and, therefore difficult for the potential buyer-borrower to understand. What the prospective mortgagor does not understand he suspects. The point system has caused many potential buyers to believe they are being fast-talked or flimflammed. This impression which, from my observations, is rather common. It makes it very difficult for the real estate agent to establish the relationship of personal trust and confidence which is basic to selling a home.

A second and even more egregious evil of the inflexible interest-rate ceiling is the burden it places upon the individual who wishes to sell his home. The general practice in marketing used housing is that the seller pays all, or nearly all, of the discount points required to secure the FHA- or VA-insured financing required to sell his home.

In simple terms this may mean that the seller will lose all the equity he has built up in the house. This amounts to a tax on the seller of used housing. This "tax" is unconscionable because it operates without regard to the equities of situation. Seldom is the seller able to make the question of discount a matter to be bargained upon on an equitable basis.

Moreover, the operation of the "tax" is contrary to two strong public policies: The first favoring alienation of property and, second, favoring economic progress. The points system discourages alienation of property by depriving potential new home buyers of the use of accumulated equity as a downpayment on a new and larger home. It also disfavors salutary business activity by severely penalizing those homeowners who, due to the high mobility of our society, are forced to move to secure career advancement. In short, the fixed interest rate which forces the seller to pay onerous discount points works as an unconscionable tax, a bar to alienation and a penalty on progress.

I do not agree with my well-intending colleagues who contend that if discounts were abolished the problem would disappear. The discount point system is not inherently evil. It has no moral character. It is a mere contrivance devised to correct an anomaly in the marketplace, an interest rate which cannot be varied to reflect the supply of and demand for mortgage credit.

It is far better to correct the anomaly than to outlaw the contrivance. This bill will do this by eliminating the interest rate ceiling on FHA–VA-insured mortgages. Once this is done the practice of using discount points will be returned to its appropriate place, as a fine timing device to be applied in a market in which interest rates on FHA–VA-insured mortgages are the prime indicators of the cost of money.

An excellent article on discounts appeared in the July 1967 issue of the Mortgage Banker. I will have the same reprinted at this point in the RECORD.

[The Mortgage Banker, July 1967]

EDITORIAL: FIXED RATES—FACT OR FICTION?

After the mortgage market crisis of 1966, can anyone seriously contend that fixing the interest rate on FHA and VA mortgages benefits the borrower? This delusion of more than 30 years is revealed every time the fixed rate fails to meet the yield available on competitive investments. It was most transparent in 1966 when the fixed rate bumped into the statutory ceiling. Prospective FHA and VA borrowers found credit unavailable at the fixed maximum rate. FHA and VA mortgages could be obtained, but only if builders or sellers were willing to pay the discount necessary to bring the maximum rate up to competitive market yields. When builders and sellers could no longer absorb the discount, they stopped building or took their houses off the market. The prospective buyer found fewer sources of credit and fewer houses to choose from. As a result, he paid more for the house he purchased or withdrew from the market.

These developments are not the result of capricious decisions of builders, sellers, or lenders. They are decisions based upon market conditions, but the fixed rate is not fully responsive to changes in market conditions and is not responsive at all when competitive yields approach the statutory ceiling. Rather than looking elsewhere for scapegoats, we should recognize the fallacy of rate fixing and reaffirm our confidence in the market system. We should acknowledge that lenders, however large, are the trustees of the savings of millions of individuals, and their responsibilities include putting those savings to work in investments that minimize risk and maximize return. These objectives hold for financial managers of any financial intermediary, whether it is a commercial or savings bank, a savings and loan association, or a life insurance company. Indeed, savers themselves seek havens for their funds that produce maximum interest earnings.

Even the U.S. Treasury, the world's strongest borrower, must meet the market's terms. When the Treasury offered a 4 percent bond in January 1965, it chose a 4 percent coupon for the convenience of fitting the issue into the pattern of multiples of ⅛ of 1 percent, but the issue was priced at a small discount to provide investors with a competitive market yield for 5-year issues at 4.18 percent. Of the $4.4 billion issued, the Treasury—the borrower—accepted somewhat less to provide a market yield.

Once issued, these bonds are regularly traded at yields that compete with alternative investments. The 4's of 2/15/70 were quoted at 98.20 in late April to provide a competitive yield of 4.42 percent. They were quoted at 95 18/32 on November 21, 1966, to provide a competitive yield of 5.51 percent. Thus, the discount is merely a means of adjusting the coupon rate to prevailing market rates.

This is a long-standing, and highly useful adjustment process in the nation's financial markets. No one would expect savers to purchase a 4 percent bond at par in today's market. And, financial managers of savers' funds would not be fulfilling their responsibilities if they did not obtain a yield commensurate with the risk involved *in the current market.*

The discount mechanism would appear to be an equally judicious way of adjusting the coupon rate on FHA mortgages to prevailing market yields. Indeed, it is just that when the discount adjusts yields on seasoned mortgages to changes in market yields, adjusts yields to regional differences in mortgage interest rates, or adjusts yields to differences in terms or the quality of the underlying security. And, the mortgage discount works reasonably well when it is small, 2 points or less.

However, large discounts on mortgages create market distortions and inequities for reasons that are not analogous to large discounts on outstanding securities.

1. *In the bond markets, discounts on new issues are never large, because they would require lenders to borrow amounts well in excess of the amounts actually received.*

The additional funds borrowed but not turned over by the lender would simply equalize the interest cost to the borrower. However, the borrower would not be in the market if he did not place a greater value on current dollars than the prevailing cost of borrowing.

Accordingly, large discounts are an unattractive sacrifice of current dollars from the borrower's viewpoint and are, therefore, avoided in pricing new issues.

Large discounts may occur on issues that have been outstanding for some time, but these transactions involve two investors, both of which are operating in the same time framework and market environment. Their decisions do not in any way affect the position of the original borrower.

2. *Conversely, discounts on newly originated FHA mortgages are often large.*

They are not negotiated by lender and borrower, but are determined by a fixed coupon rate that may have fallen far behind the market. Unlike transfers of seasoned bonds or mortgages between investors, large discounts on newly originated mortgages distort the mortgage and housing markets and impart inequities between the parties involved—the builder or seller, the borrower, and the investor.

3. *The investor, as pointed out earlier, must and does obtain competitive yields on FHA mortgage investments.*

In past periods, when the discount mechanism was outlawed, he abandoned the mortgage market to seek investments elsewhere. When the discount is permitted and appropriate yields can be obtained, investors may still leave the market when discounts deepen in order to avoid criticism.

4. *The builder has learned to live with small discounts. However, a large discount makes significant inroads into builder profits, very often eliminating them entirely.*

Whether large or small, prevailing regulations on discounts are inequitable because they force the builder to pay part of the buyer's cost of borrowing money. We would hardly expect General Motors to pay lenders any amount to reduce the borrowing cost to car buyers, as this inequity is enforced in FHA home mortgages.