SENATE— *Tuesday, October 1, 1968*

(Legislative day of Tuesday, September 24, 1968)

The Senate met in executive session at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore.

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

Eternal God, who committest to us the swift and solemn trust of life, since we know not what a day may bring forth, but only that the hour for serving Thee is always present, may we wake to the instant claims of Thy holy will, not waiting for tomorrow, but yielding today. Consecrate with Thy presence the way our feet may go, and the humblest work will shine and the roughest places be made plain.

May our individual lives be as lighted windows amid the encircling gloom. In this global contest beyond the light and darkness, make us as individuals the kind of persons which Thou canst use as the instruments of Thy purpose for all mankind.

Thus may we—

"Rise up, O men of God
Have done with lesser things.
Give heart and mind and soul and strength,
To serve the King of Kings."

In Thy name we ask it. Amen.

SUBCOMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, as in legislative session, I ask unanimous consent that the Subcommittee on Indian Education of the Committee on Labor and Public Welfare be authorized to meet during the session of the Senate today.

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

SUPREME COURT OF THE UNITED STATES

The PRESIDENT pro tempore. The question is on the motion to proceed to the consideration of the nomination of Mr. Abe Fortas to be Chief Justice of the United States.

The time is equally divided between the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER (Mr. SPONG in the chair). Who yields time?

Mr. HART. Mr. President, I yield myself 5 minutes.

It takes less time than that for me to advise my colleagues that I support this nomination. I believe the background of Mr. Justice Fortas as a law professor and a public servant, the outstanding career which was his at the bar, and his past 3 years of distinguished service on the Supreme Court leave no doubt about his qualifications. That is not a partisan assessment. It is the sentiment of the overwhelming majority of nonpartisans who have considered this nomination, free from the pressure of personal involvement and political involvement.

I hope I do not do a disservice when I oversimplify, in the interest of time, to say that there are approximately four categories of opposition, when the theme of the opposition is boiled down to its substance. There is the critic of the Warren court. There is the opponent of civil rights progress. There is political partisanship. There is the rightwing pressure group. None of this bears on what I conceive to be what should be the relevant question before us—the qualifications of Abe Fortas.

But put aside the question of partisanship and motivation, and simply accept the fact that some Members of the Senate do not wish to see Mr. Justice Fortas become Chief Justice. Let us accept that. It is neither startling nor remarkable. Except for the most inconsequential routine matters in the Senate, there will always be opposition views. The old saw is that neither the Ten Commandments nor the Bill of Rights would get through the Senate without some opposition.

That is the reason why the rules provide a very simple yet decisive means of resolving disagreement. After debate has been had, let us call the roll. If the "yeas" prevail, the question carries. If the "nays" prevail, the question fails. I have no doubt that if such a rollcall were permitted on this nomination, the "yeas" would prevail, and Mr. Justice Fortas would become Chief Justice. What I hope will not happen is that that kind of vote on the merits will be denied us.

Never in our history has a matter of the nomination of a Justice to the Supreme Court been resolved by filibuster. I hope that those who treasure precedent in this body will recognize the danger to the Court, to the country, and to the Senate if we, for the first time, establish that kind of precedent.

A very recent editorial quoted the dean of the Yale Law School as saying that a filibuster in this situation is an assault upon our constitutional system.

What is the question before us? That we advise and consent or not to the question of Mr. Justice Fortas? No. The question is, Shall we be permitted to consider the nomination?

The Constitution is clear. In this situation, the President shall nominate and the Senate shall advise either to consent or withhold its consent. The first duty under the Constitution has been discharged. Let us be put in a position to meet our responsibility under the Constitution, to advise and to permit a majority to say "We consent" or "We withhold our consent."

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement issued by the Lawyers' Committee on Supreme Court nominations, including a list of its members; a resolution adopted by the National Bar Association; and some letters bearing on the subject under discussion.

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

STATEMENT OF LAWYERS' COMMITTEE ON SUPREME COURT NOMINATIONS, SEPTEMBER 29, 1968

The Lawyers' Committee on Supreme Court Nominations today issued the attached statement urging the Senate to act promptly on the merits of the Supreme Court nominations pending before it. The Committee was formed September 12, 1968, and its membership comprises 162 lawyers from 49 states and the District of Columbia. The Committee opposes the use of the filibuster or other obstructive techniques to frustrate the appointive process. It also opposes the use of that process for indiscriminate attacks on the Supreme Court.

Included among this broadly representative group of lawyers are seven past presidents of the American Bar Association, many past and present officers of state bar associations and 22 law school deans. A list of the members is attached. The statement represents the personal views of the members of the Committee, and does not reflect the views of any institution with which they may be affiliated.

Inquiries may be directed to Jefferson B. Fordham, Dean of the University of Pennsylvania Law School.

STATEMENT

The Lawyers' Committee on Supreme Court Nominations respectfully urges the Senators opposed to the pending nominees to put their views to the test of a vote on the merits.

Over three months ago, the President submitted to the Senate for its "advice and consent" a nomination for Chief Justice of the United States. The nominee was questioned extensively before the Senate Judiciary Committee. A detailed record was compiled. Last week, a majority of the Senate Judiciary Committee reported out the nomination favorably. The sole question now before the Senate should be the qualification and fitness of the nominee for the position of Chief Justice.

No one would deny the need for careful consideration by the Senate of the qualifications of nominees to the highest court in the land. Nor is there any doubt that some period of debate and deliberation for that purpose is appropriate. But just as surely, the Senate has a duty not only to explore the issues but also to render a decision either granting or withholding its consent to the nominations.

If the pending nominations do not win the support of a majority of the Senate, they will fail. If they do win such support, they deserve the Senate's consent. Nothing would more poorly serve our constitutional system than for the nominations to have earned the approval of the Senate majority, but to be thwarted because the majority is denied a chance to vote.

Senators have never before employed a filibuster against a Supreme Court nomination. Indeed, prior Supreme Court appointments have seldom been debated more than one day, and none has been debated more than 8 days. Whatever the merits of the filibuster as a device to defeat disliked legislation, its use to frustrate a judicial appointment creates a dangerous precedent with important implications for the very structure of our Government.

Senators concerned about whether the courts have correctly applied the Constitution ought not to ignore their own constitutional duties. We therefore urge that after

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a reasonable time for debate the nominations be voted up or down on their merits.

MEMBERS

Brent M. Abel, San Francisco, Calif.
Stephen Ailes, Washington, D.C.
George E. Allen, Richmond, Va.
J. Garner Anthony, Honolulu, Hawaii.
Charles E. Ares, Dean, University of Arizona, College of Law.
Walter P. Armstrong, Jr., Memphis, Tenn.
H. Thomas Austern, Washington, D.C.
William H. Avery, Chicago, Ill.
Joseph A. Ball, Long Beach, Calif.
Frederick A. Ballard, Washington, D.C.
E. Clinton Bamberger, Jr., Baltimore, Md.
Edward L. Barrett, Jr., Dean, School of Law, University of California, Davis.
Marvin Berger, New York, N.Y.
Robert A. Bicks, New York, N.Y.
Peter W. Billings, Salt Lake City, Utah.
Hugo L. Black, Jr., Miami, Fla.
Bruce Bromley, New York, N.Y.
John K. Brubaker, Anchorage, Alaska.
John G. Buchanan, Pittsburgh, Pa.
Stimson Bullitt, Seattle, Wash.
Cecil E. Burney, Corpus Christi, Tex.
Floyd W. Burns, Indianapolis, Ind.
John D. Carbine, Rutland, Vt.
James D. Carpenter, Newark, N.J.
W. Graham Claytor, Jr., Washington, D.C.
Harry B. Cohen, Omaha, Nebr.
Roger G. Connor, Anchorage, Alaska.
Jerome A. Cooper, Birmingham, Ala.
Homer D. Crotty, Los Angeles, Calif.
Lloyd N. Cutler, Washington, D.C.
George R. Currie, Madison, Wis.
Robert E. Dahl, Grafton, N. Dak.
Norris Darrell, New York, N.Y.
Richard M. Davis, Denver, Colo.
Ted J. Davis, Oklahoma City, Okla.
Arthur Dean, New York, N.Y.
Eli Whitney Debevoise, New York, N.Y.
James C. Dezendorf, Portland, Oreg.
Richard C. Dinkelspiel, San Francisco, Calif.
Edward Griffith Dodson, Jr., Roanoke, Va.
Peter Dorsey, Minneapolis, Minn.
James M. Douglas, St. Louis, Mo.
John Draper, Oklahoma City, Okla.
Robert F. Drinan, Dean, Boston College Law School.
E. Charles Eichenbaum, Little Rock, Ark.
H. Vernon Eney, Baltimore, Md.
James E. Faust, Salt Lake City, Utah.
Sidney S. Feinberg, Minneapolis, Minn.
James D. Fellers, Oklahoma City, Okla.
John Shaw Field, Reno, Nev.
Walter T. Fisher, Chicago, Ill.
Jefferson B. Fordham, Dean, University of Pennsylvania Law School.
J. W. Foster, Professor, University of Wisconsin Law School.
Cody Fowler, Tampa, Fla.
George C. Freeman, Jr., Richmond, Va.
Arthur J. Freund, St. Louis, Mo.
G. M. Fuller, Oklahoma City, Okla.
Charles O. Galvin, Dean, Southern Methodist University Law School.
John J. Gibbons, Newark, N.J.
Terrell L. Glenn, Columbia, S.C.
John Raeburn Green, St. Louis, Mo.
George F. Guy, Cheyenne, Wyo.
Edward C. Halbach, Jr., Dean, University of California School of Law.
Milton Handler, New York, N.Y.
John L. Hannaford, St. Paul, Minn.
William Burnett Harvey, Dean, Indiana University School of Law.
Patrick W. Healey, Lincoln, Nebr.
Luther L. Hill, Jr., Des Moines, Iowa.
Joseph G. Hodges, Denver, Colo.
John V. Hunter, Raleigh, N.C.
Leon Jaworski, Houston, Tex.
Herbert Johnson, Atlanta, Ga.
Paul Johnston, Birmingham, Ala.
Charles W. Joiner, Dean, Wayne State University School of Law.
Donald F. Keefe, New Haven, Conn.
Robert H. Kennedy, Cleveland, Ohio.
Spencer Kimball, Dean, University of Wisconsin School of Law.
Rufus King, Washington, D.C.
Duane W. Krohnke, New York, N.Y.
Edward W. Kuhn, Memphis, Tenn.
James A. Lake, Sr., Professor, University of Nebraska Law College.
John H. Lashly, St. Louis, Mo.
Robert A. Leflar, Professor, University of Arkansas.
Morris I. Leibman, Chicago, Ill.
Walter Leichter, Union City, N.J.
Thomas B. Lemann, New Orleans, La.
Neil Leonard, Boston, Mass.
Arthur J. Levy, Providence, R.I.
James K. Logan, Lawrence, Kans.
Arthur Mag, Kansas City, Mo.
Ross L. Malone, New York, N.Y.
Bayless A. Manning, Dean, Stanford University School of Law.
Horace S. Manges, New York, N.Y.
Orison S. Marden, New York, N.Y.
Burke Marsshall, Armonk, N.Y.
David F. Maxwell, Philadelphia, Pa.
Richard C. Maxwell, Dean, UCLA Law School.
W. William McCalpin, St. Louis, Mo.
Don G. McCormick, Carlsbad, N. MMex.
Robert B. McKay, Dean, New York University Law School.
Robert W. Meserve, Boston, Mass.
Lester W. Miller, Jr., Anchorage, Alaska.
Vernon X. Miller, Dean, Catholic University of America School of Law.
Joseph Millimet, Manchester, N.H.
R. W. Nahstoll, Portland, Oreg.
Phil C. Neal, Dean, University of Chicago Law School.
Russell D. Niles, New York, N.Y.
Robert A. Nitschke, Detroit, Mich.
Gilbert Nurick, Harrisburg, Pa.
Louis F. Oberdorfer, Washington, D.C.
Joseph O'Meara, Emeritus Dean, Notre Dame University School of Law.
William H. Orrick, Jr., San Francisco, Calif.
Revius O. Ortique, New Orleans, La.
Ross H. Oviatt, Watertown, S. Dak.
James Dickson Phillips, Dean, University of North Carolina of Law.
Samuel R. Pierce, Jr., New York, N.Y.
Louis H. Pollak, Dean, Yale Law School.
Thomas W. Pomeroy, Jr., Pittsburgh, Pa.
William Poole, Wilmington, Del.
Robert H. Reno, Concord, N.H.
Robert R. Richardson, Atlanta, Ga.
Simon H. Rifkind, New York, N.Y.
John D. Robb, Jr., Carlsbad, N. Mex.
Herschel H. Rose, Fairmont, W. Va.
Samuel I. Rosenman, New York, N.Y.
Oscar M. Ruebhausen, New York, N.Y.
Terry Sanford, Raleigh, N.C.
Whitney North Seymour, New York, N.Y.
Francis M. Shea, Wahington, D.C.
Jerome J. Shestack, Philadelphia, Pa.
Herbert D. Sledd, Lexington, Ky.
William A. Sloan, Albuquerque, N.M.
Jerry V. Smith, Lewiston, Idaho.
Kendrick Smith, Butte, Mont.
William B. Spann, Jr., Atlanta, Ga.
Robert G. Sproul, Jr., San Francisco, Calif.
Robert G. Storey, Dallas, Tex.
John A. Sutro, San Francisco, Calif.
Seth Taft, Cleveland, Ohio.
Paul A. Tamburello, Pittsfield, Mass.
Samual D. Thurman, Dean, University of Utah Law School.
Maynard J. Toll, Los Angeles, Calif.
Howard J. Trienens, Chicago, Ill.
Jerry Tubb, Oklahoma City, Okla.
William Tucker, Dean, Cornell Law School.
Lehan K. Tunks, Dean, University of Washington Law School.
Calvin H. Udall, Phoenix, Ariz.
Lewis H. Van Dusen, Jr., Philadelphia, Pa.
David H. Vernon, Dean, University of Iowa School of Law.
Robinson Verrill, Portland, Maine.
Robert L. Wald, Washington, D.C.
William F. Walsh, Houston, Tex.
William C. Warren, Dean, Columbia University School of Law.
Bethuel M. Webster, New York, N.Y.
Herbert Wechsler, Professor, Columbia University School of Law.
T. Girard Wharton, Newark, N.J.
Thomas W. Wiley, Phoenix, Ariz.
Edward Bennett Williams, Washington, D.C.
Charles Alan Wright, Professor, University of Texas.
Wilson W. Wyatt, Louisville, Ky.
David W. Yandell, Burlington, Vt.
John H. Yauch, Newark, N.J.

RESOLUTION OF 43D ANNUAL CONVENTION, NATIONAL BAR ASSOCIATION, INC., WASHINGTON, D.C.

(By the Resolutions Committee)

Whereas, the National Bar Association, has always supported the Constitutional principle that the independence and the integrity of the Judiciary shall be inviolate; and

Whereas, the now Associate Justice of the United States Supreme Court, Abe Fortas, has achieved the highest honor that may be bestowed upon any lawyer and/or Judge; and

Whereas, the now Associate Justice Fortas has been nominated to be the Chief Justice and administrator of that Highest Court; and

Whereas, the now Associate Justice is awaiting confirmation to that position to which he has been nominated by our President; and

Whereas, we now note with dismay, the prolonged inquiry into the qualifications of Mr. Justice Fortas and particularly the efforts of some to relate their inquiries to decisions rendered by the Supreme Court; and

Whereas, we recognize the responsibility of the United States Senate to discharge its obligations to the American People;

Be it resolved that the National Bar Association assembled at Washington, D.C., in its 43rd Convention, does unequivocally, and without reservation, urge the Senate Judiciary Committee to recommend confirmation of Associate Justice Abe Fortas forthwith; respecting and supporting the wisdom of President Lyndon B. Johnson's judgment in naming Associate Justice Abe Fortas of the United States Supreme Court to be its Chief Justice;

And be it further resolved, that a copy of this Resolution be dispatched to the Chairman of the Judiciary Committee and to the Leadership of the United States Senate.

And be it further resolved, that a copy of this Resolution be dispatched to the Chairman and members of the Judiciary Committee and to the Leadership of the United States Senate.

Done this 30th day of July, 1968.

REVIUS O. ORTIQUE,
Chairman.

GEORGE LAWRENCE,
Cochairman.

Attest:

BILLY JONES,
President.

LEADERSHIP CONFERENCE ON CIVIL RIGHTS,
Washington, D.C., September 25, 1968.

DEAR SENATOR: Our long opposition to the filibuster, particularly, when it has been used to oppose the fight for full equality, leads us, now, to protest its impending use against the nomination of Justice Abe Fortas as Chief Justice of the United States.

As a non-partisan organization, the Leadership Conference on Civil Rights does not take positions on individual nominations. However, we believe there are issues, here, that threaten the independence of the Judiciary.

We express our concern in the enclosed statement.

We hope you will do all in your power to see that a filibuster is stopped and the Senate is given an opportunity to work its will.

Sincerely yours,

ROY WILKINS, *Chairman.*

STATEMENT BY THE LEADERSHIP CONFERENCE ON CIVIL RIGHTS ON THE ABE FORTAS NOMINATION, SEPTEMBER 24, 1968

The Leadership Conference on Civil Rights vehemently opposes the use of a Senate filibuster to block the nomination of Mr. Justice Abe Fortas to be Chief Justice of the United States.

Since the organization of the Conference, nearly 20 years ago, we have recognized how the filibuster has been used to block civil rights and social welfare programs essential to a democratic nation, and have sought to change Rule XXII in order to enable a majority of the Senate to work its will. Use of the filibuster against Mr. Fortas would only add the most ignoble chapter of all to the history of this parliamentary device. We urge all Senators who value the reputation of the Senate to vote for cloture whenever it is clear that opponents of the nomination have concluded fruitful debate and are simply talking to keep the body from acting.

We are shocked and concerned, too, at the manner in which some Senators have constituted themselves a board of review on Supreme Court decisions and appear to hold Mr. Fortas personally responsible for rulings they dislike. This is obviously improper; an incredible attempt to undercut the independence of the Judiciary.

It would be tragic if a minority of the Senate, including some of the leading opponents of civil rights legislation, were to so abuse the power of advise and consent as to attempt to intimidate the Court. Now, more than ever, we need the Court to speak for that national conscience that believes it is possible, through law, to correct the worst injustices of American society.

We therefore urge all Senators to support a cloture move and allow the nomination of Abe Fortas to come to a vote.

NATIONAL COUNCIL OF JEWISH WOMEN,
New York, N.Y., September 27, 1968.

Hon. PHILIP A. HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: The National Council of Jewish Women has for a number of years opposed the use of unlimited debate for the purpose of preventing Senate action on pending measures. It is interesting to note that in 1968, we are still confronted with the problem so eloquently described in 1893, by the late Senator Henry Cabot Lodge, when he wrote: "Of the two rights that of voting is the higher and more important. We ought to have both voting and debate—debate certainly in ample measure; but if we are forced to choose between them, the right of action must prevail over the right of discussion. The vote without debating is perilous, but the debate and never vote is imbecile." ("The Struggle in the Senate", North American Review)

On the basis of public statements by some members of the Senate and newspaper accounts, it appears that an attempt will be made to use unlimited debate for the purpose of preventing action on the pending nomination of Justice Abe Fortas as Chief Justice of the Supreme Court. We urge you to vote for cloture and offer all members of the Senate the opportunity to take action on the basis of the facts developed during purposeful and careful debate.

The purpose of the hearings on the nomination, which is to establish the qualifications of the nominee, was often obscured by outright attacks on the integrity of the Supreme Court. The full membership of the Senate is entitled to consider the nomination on its merits and render its decision. This will not occur unless you vote for limitation of debate. We hope you will do so.

Sincerely yours,

MRS. LEONARD H. WEINER,
National President.

AUGUST 16, 1968.

Hon. PHILIP A. HART,
U.S. Senator,
Washington, D.C.

DEAR SENATOR HART: We, the undersigned law enforcement officers and attorneys, strongly support the nomination of the Honorable Abe Fortas to be Chief Justice of the United States Supreme Court.

As Prosecuting Attorneys, we have worked hand in hand with *Miranda, Escobedo* and other Supreme Court decisions with which Justice Fortas' critics seek to condemn him. As law enforcement officers and attorneys we are cogently aware of the need for decisions like this and we simply do not feel that these controversial Supreme Court decisions have hindered our duty to protect the public and prosecute criminals.

Justice Fortas is a brilliant jurist and we strongly recommend his approval.

Sincerely yours,

S. Jerome Bronson, Prosecuting Attorney, Oakland County; Thomas G. Plunkett, Chief Assistant Prosecuting Attorney; Ronald E. Covault, Chief of Court Operations; Bruce T. Leitman, Assistant Prosecuting Attorney; Dennis Donohue, Chief Appellate Counsel; John J. Davey, Assistant Prosecuting Attorney; James A. Williams, Assistant Prosecuting Attorney; Michael S. Friedman, Assistant Prosecuting Attorney.

Mr. HART. I yield 3 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I support the nomination of Mr. Justice Fortas to be Chief Justice, and I shall vote affirmatively on the motion to effect cloture.

I wish to point out a very interesting anomaly which we should note. Those who oppose Justice Fortas on the ground that strict construction of the Constitution has not been the rule for the so-called Warren court, and the suspicion that he will continue his influence as a man of the same kind of thinking, do not observe it by being a party to a filibuster in order to prevent his confirmation; for strict construction of the Constitution requires only that a majority of the Senate vote to confirm him. Though some have attempted to suffocate that majority by a filibuster, I believe it will be clear, when we do have the vote that there is a majority ready to confirm him. That is precisely the kind of construction of the Constitution—to wit, an extraconstitutional restraint upon the Senate's action—which is condemned in the Warren court, and in a far more outrageous way in this instance, because here the precedent has been precisely the other way, even as to the use of the filibuster.

The arguments which have been made primarily against Mr. Justice Fortas have been dealt with here at length.

As to the individual cases in which the Justice has joined, these cases have been analyzed ad nauseum to demonstrate that if that rule were enforced upon confirmation, no sitting Justice could ever become Chief Justice of the United States.

I think Senators who are parties to a filibuster against Mr. Fortas' confirmation will one day deeply regret the precedent which would be set by a filibuster on a Supreme Court nomination. But be that as it may, this whispered issue is that opposition has arisen because of the nominee's faith. I have done my utmost as a responsible Senator to lay that talk to rest. However, one thing is a fact. It is being used by many anti-Semitic groups in the country to get a free ride. The dangers are being pointed out, and this happening in this Chamber does not help us to deal with this type outrage endorsed by various types of lobbying and telephone campaigns.

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

Mr. JAVITS. Mr. President, will the Senator yield to me for 1 additional minute?

Mr. DIRKSEN. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, therefore, some point must be made with respect to what is happening here. What the Senate does with respect to the confirmation of Mr. Justice Fortas; it will do. I believe he should be confirmed, and I hope that he is confirmed. But, I do protest the use of the filibuster for the purpose of an extraconstitutional requirement that there be two-thirds instead of a majority in order to do what the Constitution directs.

It is for those reasons I hope the Senate votes to invoke cloture and bring about the confirmation of Mr. Justice Fortas.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I shall vote against cloture. I voted for the confirmation of the nominee's appointment when it was originally before the Senate.

With reluctance I went to see the picture that was approved by five Justices of the Supreme Court. I watched 14 to 15 minutes of a presentation that was a scandalization of the womanhood of the United States and the world. The picture is of an abominable character, foul, filthy, suggesting perversion, and unfit to be witnessed by any human being.

If the nominee were my brother, I would not vote for him and I would still oppose cloture.

The television, the radio, the news media have not told the people of the country the true character of the picture that was approved. Arguments have been made that the picture dealt with playgirls. Arguments have been made that there was lust in the picture, but the true story has not been told.

If the people of the country could see the picture that was approved and then see the second picture that was issued on the basis of the decision in the Schackman case, they would drive out of the Senate every person who voted for the approval of that picture. One cannot understand the foulness of it. I would relate it here, but I do not want to desecrate this Chamber by a description of the picture that was shown.

The PRESIDING OFFICER. Who yields time?

Mr. COOPER. Mr. President, will the Senator yield to me for 3 minutes?

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Kentucky. I wish to say to the Senator that I am trying to ration the time.

Mr. COOPER. Mr. President, I shall vote for cloture and that the nomination of Mr. Justice Fortas to be Chief Justice

be brought formally before the Senate for debate.

It is proper, I believe, that the motion to consider this nomination to the Supreme Court should be approved and the nomination be voted upon by the Senate. It is necessary to maintain the proper relations between the executive branch and the Senate. It is likely that cloture may not be voted, and it may be that there will not be a second vote on cloture, and it may be that the motion will be laid aside. If this should occur in voting for cloture I would find myself in an ambiguous position, one in which it might appear that I had no position at all upon the nomination of Mr. Fortas to be Chief Justice. I think it right to express my position on the substantive issue—the confirmation of the appointment.

When the nomination was proposed to the Senate I did not join Senators in the statement of opposition to Justice Fortas. I went upon the presumption that the nomination to such an important position by the Chief Executive deserved the approval of the Senate and my vote, unless there was evidence to the contrary. I wanted to consider the appointment on the merits.

I do not take my position of opposition as expressed by some Members of this body directed against the Supreme Court. Like others, I have not agreed with every decision of the Supreme Court, but I do agree with those protecting the rights of individuals, and of equality to all citizens under the Constitution.

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

Mr. COOPER. Mr. President, will the Senator yield to me for 1 additional minute?

Mr. DIRKSEN. I yield 1 minute to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOPER. Mr. President, I consider the nominee to be an able and distinguished lawyer, but my presumption, as we went forward with the evidence, has been overturned. I will not go into the matter in great detail, but it seemed to me that the evidence of the relationship between a member of the Supreme Court and the Executive disturbs that relationship which has been called by the majority leader one of insulation between the two branches—the executive and the judiciary.

Other evidence adduced concerns the relations of Justice Fortas with former law clients in connection with the lecture series has caused me to have grave doubts about the propriety of this nomination.

Upon these grounds, and without going into detail because there is not sufficient time. I shall vote, if the matter comes to a vote, against the nomination of Justice Fortas

Nevertheless, because it has been my position always that such an important matter should come to a vote by the Senate and an opportunity given to the entire Senate to make its decision, I shall vote for cloture.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, will the Senator yield to me for 1 minute?

Mr. DIRKSEN. Mr. President, I wish to say to the Senator that I think I am dutybound. I first yield 8 minutes to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I thank the distinguished minority leader.

Mr. President, for the second time in the history of the United States, the Senate is about to withhold confirmation of a Presidential nomination for Chief Justice of the United States.

The first time was in 1795, when the Senate refused to confirm President George Washington's nomination of John Rutledge to be Chief Justice.*

Somehow the administration of George Washington managed to survive that setback, and his place in history was not seriously affected.

Nevertheless, the Senate registered an important point in 1795—a point which too many succeeding Presidents, and even the Senate itself, have ignored too often.

By asserting itself during the administration of George Washington, the Senate emphasized in loud, clear terms that the advice and consent power conferred by the Constitution is real and meaningful, particularly with respect to nominations for the highest court in the land.

That action in 1795 said to the President then in office and to future Presidents: "Don't expect the Senate to be a rubberstamp. We have an independent, coequal responsibility in the appointing process; and we intend to exercise that responsibility, as those who drafted the Constitution so clearly intended."

I am convinced that we have arrived once more at a point in history when it is not only desirable, but imperative, that the Senate stand up and speak out in terms that can be understood by this President and by future Presidents.

As we move toward this crucial and historic vote today, let the message go forth that the Senate once again takes seriously its advice and consent power conferred by the Constitution.

That, particularly with respect to nominations for the Supreme Court, the Senate will not be satisfied with anything less than application of the highest standards, not only as to professional competence but also as to such necessary qualities of character as a sense of restraint and propriety.

Let the word go out that the Senate deeply regrets even the appearance that a Chief Justice has participated with the President in an unprecedented arrangement to create a vacancy for political purposes.

If the Supreme Court is to be above and out of politics—where the people rightfully expect it to be—then each Justice of the Court must remain completely aloof from politics, and he must meticulously avoid even the suspicion that he acts with political motives.

On this point, I must take issue with some remarks made last Friday before the National Press Club by the candidate for Vice President of my party. He remarked that Mr. Warren "owes everything to the Republican Party."

Once a man takes the oath as Justice of the Supreme Court or as Chief Justice of the United States he must be under no obligation whatsoever. For a Justice's only obligation should be to a proper exercise of his judicial responsibilities.

My criticism of Chief Justice Warren goes to the fact that his so-called resignation was conditioned in such a way that it was not a resignation at all. In so doing, he created the impression of participating with the President in a political manipulation to force confirmation of a particular successor.

The creation of such an impression is wrong and unfortunate. And it would not be made all right, as the candidate for Vice President of my party seems to suggest, if Mr. Warren were to wait until after the election and then enter into a similar arrangement with a Republican President.

The point is that the Chief Justice should either withdraw his so-called resignation altogether—or he should resign as of a date certain.

The Chief Justice has no constitutional role whatever in the appointing process under which a successor for his office is nominated and confirmed. Only the President and the Senate are involved in that process.

Mr. President, from the very hour that this debate began, it has been characterized in some quarters as a filibuster.

This prompts me to ask: When is a filibuster?

The question before us is real and substantial: Should the Senate take up and consider the nomination of Mr. Justice Fortas as Chief Justice?

Those who suggest that this issue deserves little or no discussion overlook some important considerations.

In the history of our Nation, 125 nominations for the Supreme Court have been submitted to the Senate. Of that number 21—or about one-sixth—have not been confirmed by the Senate.

It is important to realize that it has not been unusual for the Senate to indicate its lack of approval for a nomination by just making sure that it never came to a vote on the merits.

As I said, 21 nominations to the Court have failed to win Senate approval. But only nine of that number were rejected on a direct, up-and-down vote.

The other 12 nominations just never came to a vote on the merits—for one reason or another.

As more senior Members of this body know so well, the Senate works its will in various ways. In the situation confronting us now, there are good and sufficient reasons for refusing to take up the nominatien. A strong case can be made for the argument that there is no vacancy to fill. Furthermore, the record of the hearings is so inadequate and incomplete, by reason of the refusal of Mr. Fortas and others to testify, that the Senate should well decide not to consider the nomination at this time.

But beyond that, Senators are not insensitive to the fact that Mr. Fortas may

*Two of President Grant's nominations for Chief Justice—George Henry Williams in 1873 and Caleb Cushing in 1874—were withdrawn by Grant before the Senate took any floor action.

continue to serve as an Associate Justice after this debate is concluded. If he is not going to be confirmed—and that is a conclusion shared by most observers—the reasons in the minds of Senators will be mixed and varied—some Senators object to the lack of a sense of propriety, others say there is no vacancy, and some object to the record of the Court in recent years.

Out of consideration to Mr. Fortas and the Supreme Court under such circumstances, Senators may deem it wise and appropriate to dispose of the pending nomination by voting on a preliminary procedural question—such as a motion to take up—rather than voting directly on the nomination itself.

Accordingly, a rush to vote on the pending question may be very unwise.

When is a filibuster, Mr. President?

Mr. President, thus far, there have been only 4 days of Senate debate on this very important, historic issue.

There have been no dilatory quorum calls or other dilatory tactics employed. The speakers who have taken the floor have addressed themselves to the subject before the Senate, and a most interesting and useful discussion has been recorded in the CONGRESSIONAL RECORD.

Those who are considering invocation of cloture at this early stage on such a controversial, complex matter should keep in mind that Senate debate last year on the investment tax credit bill lasted 5 weeks; that the Senate debated the congressional reorganization bill for 6 weeks; and that we spent 3 weeks earlier this year on the crime bill. And history provides numerous examples of long and careful deliberation by the Senate before passing on Supreme Court nominations.

If ever there is a time when all Senators should be extremely reluctant to shut off debate, it is when the Senate debates a Supreme Court nomination.

If Congress makes a mistake in the enactment of legislation, it can always return to the subject matter and correct the error at a later date. But once a lifetime appointment to the Supreme Court is confirmed by the Senate, the nominee is not answerable thereafter to the Senate or to the people, and an error cannot be easily remedied.

Mr. President, there are as many as 15 Senators—perhaps more—who still desire to address themselves to the subject before the Senate but have not yet had an opportunity to take the floor.

Under such circumstances, I am confident that the Senate will not see fit to invoke cloture.

Even though a filibuster, by any ordinary definition, is not now in progress, the opposition to this nomination is so deep and widespread that use of any and every legitimate procedural means to prevent confirmation can be expected.

Having served in the Senate for many years, the President must, or should have, taken that possibility into account before he submitted the nomination.

For, as he knows so well, when a matter runs into serious opposition in the Senate, the practical effect of the Senate's rules is to require approval by a two-third majority.

Whatever one's view may be concerning the practical effect of Senate rules with respect to the enactment of legislation, there are strong reasons for commending them in the case of a nomination to the Supreme Court.

For the good of the Supreme Court and the country, a nomination for so high an office as Chief Justice of the United States should have widespread support among Senators and among the people. If the administration were able to ram this highly controversial nomination for Chief Justice through a deeply divided Senate by a slim majority, it would not serve the best interests of the Supreme Court or of the Nation.

Mr. President, some have said that opposition to the pending nomination demeans and damages respect for the Supreme Court as an institution.

Unfortunately, the prestige and stature of the Court was seriously damaged and in need of repair before this controversy developed.

I took my stand, and I have worked so hard to build support for my position, precisely because I am concerned about the Supreme Court as an institution—because I believe the American people should respect the Court and hold it in high esteem.

I am confident that scholars will look back on this day not only as a significant day but also as a proud day in the history of the Senate.

For our action marks a turning point—a point of beginning again in building and maintaining the kind of relationship—the kind of checks and balances—between and among the several branches of Government envisioned by our Founding Fathers.

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

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from Michigan [Mr. GRIFFIN].

The PRESIDING OFFICER. The Senator from Michigan is recognized for 1 additional minute.

Mr. GRIFFIN. Mr. President, after today, the Senate will stand taller in the scheme of Government. We make it clear that we not only claim, but we intend once again to exercise with care and diligence, the constitutional power of advice and consent.

I am convinced that, after today, Presidents will take more care in submitting nominations, particularly those for the Supreme Court. And I believe there will be hope again that judges approaching the stature of a Learned Hand or a Benjamin Cardozo will be appointed to the Supreme Court—not for personal or political reward—but simply because they are among the best qualified in the land.

After today, Mr. President, there will be a sounder and a stronger foundation upon which to build confidence, and to restore public respect, for the Supreme Court as an institution.

That will be good for the Supreme Court. And that will be good for the Nation.

Mr. CASE. Mr. President, will the Senator from Michigan yield me 2 minutes?

Mr. HART. Mr. President, I yield 2 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 2 minutes.

Mr. CASE. Mr. President, I think we should always keep in mind what we are voting on, and that is a motion to close debate on a motion, not to confirm a nominee, but to take up consideration in the Senate of the question of whether he should be confirmed.

If this motion carries, all that will have happened will be that it will be before the Senate for full discussion. I agree with the Senator from Michigan [Mr. GRIFFIN] and all my colleagues who have urged full discussion and full consideration of this most important matter. Indeed, it should be so. I think it is a very different question when we are asked to vote on cloture to bring a matter before the Senate, and on closing debate upon that matter once it is before the Senate.

Thus, it seems to me very clear that a filibuster—if you will—or indefinite debate on a motion to bring up, can hardly help being regarded as a delaying tactic.

The rules of the Senate do permit delaying tactics, as they now stand. As I have said on other occasions, it seems to me very doubtful whether a delaying tactic, as such, is ever justified in a parliamentary body. But, if it is ever justified, perhaps it might be in the case of the oppression of a minority, which those protecting or attempting to protect the minority may feel justified in using all means to prevent.

That is not the case in the consideration of a legislative matter, or of consideration of Senate confirmation or approval of a nomination, or a treaty.

Therefore, since this is a motion not to pass upon anything finally, but merely to bring it before the Senate, we have had ample time—I think more than ample time—for the consideration of this motion, and I hope that it will be carried.

THE RESPONSIBILITY OF THE SENATE

Mr. KUCHEL. Mr. President, will the Senator from Michigan yield?

Mr. HART. Mr. President, I yield 3 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 3 minutes.

Mr. KUCHEL. Mr. President, 16 years ago, the first vote I cast in the Senate was against the filibuster. Today, in one of the last votes I cast here, I shall, once again, oppose the filibuster.

Let us clearly understand the question on which we vote. We shall vote on a motion to proceed to the consideration of the nomination. That is all. That is it. It is not a vote on the merits of the nomination. It is simply and only a procedural motion to take up the nomination.

In the entire history of the Supreme Court, there has never been a case in which the U.S. Senate has failed to act on a Supreme Court nomination because of a filibuster. Even in the most bitter fights against the confirmation of the nomination of such Supreme Court nominees as Justices Brandeis, Parker, Black,

and Frankfurter, no filibuster was ever attempted in an effort to thwart the nomination. The issues were, in each and every instance, disposed of on the merits.

Mr. President, today a new and dangerous precedent, as I see the light, is in the making. If this filibuster succeeds, if constitutional confirmation by majority is thus changed by filibuster into a new nonconstitutional rule requiring two-thirds of the Senate to vote to confirm, which would be precisely the result, then a new and ugly Senate custom, never before known, will have been set.

In a letter to the chairman of the Senate Committee on the Judiciary, the prestigious Lawyers Committee on Supreme Court Nominations, a committee made up of seven past presidents of the American Bar Association as well as 20 law school deans, stated the following:

> The threatened use of the filibuster technique to frustrate the appointive power which is vested by the Constitution in the President and the Senate would be a most unworthy assault upon our constitutional system of government. Just as the President is bound to nominate persons to fill vacancies as they occur, the Senate is bound to consider the nominations on the merits and to advise and either grant or deny its consent to the appointments.

Mr. President, I urge the Members of the Senate to heed these words. Let the objections be stated and debated when the nomination is before us. Let the disagreement be fully aired before a vote on the merits. But do not permit a minority, by indirection, to alter the American Constitution in its clear provisions for confirmation. Do not prevent this body from even considering the merits of the qualifications of Justice Abe Fortas to be Chief Justice of the United States. To deny this consideration would be to render a disservice to a distinguished nominee—who, I believe, is eminently qualified—and to the public responsibility each of us holds.

Mr. HART. Mr. President, I yield 10 minutes to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, shortly the Senate will determine whether to confine to 100 hours further debate on the pending procedural motion—whether to reach the merits of the nomination of Associate Justice Fortas as Chief Justice. More than 25 hours have already been consumed debating this simple motion. If the petition is agreed to, 100 hours will still remain. Never has the Senate refused the basic courtesy of speaking to the merits of a nominee. I can envision no circumstances that would justify the rejection of this Senate precedent—one should ponder deeply before overturning 180 years of experience.

If the motion to limit debate is rejected and the nomination of Mr. Fortas is never considered and disposed of on its merits, I believe every Senator should be fully aware of the significance of such a refusal. It is a departure. Its significance will be immense. For the first time the Senate—or more accurately, a minority of Senators—would frustrate the Senate's constitutional obligation on the question of nominations. For the first time, the device of a filibuster would be used to bring down a Presidential nomination.

Our institutions of Government and society are currently being attacked as inviable and thus incapable of responding adequately to the needs of today. These voices of dissent have been characterized even on this floor as a "noisy and willful minority." Few Members of this body should find consolation in a Senate action which itself serves to sustain and nurture this viewpoint.

But the simple fact is a filibuster has never occurred before on a nomination submitted by the President. Certainly there have been other nominations which have generated as much feeling and divided the Senate with equal enthusiasm—most recently the nomination of Mr. Strauss comes to mind. In the past the Senate has discussed, debated, at times agonized, but always it has voted on the merits. No Senator or group of Senators has ever usurped that constitutional prerogative. This unbroken tradition in my opinion merely reflects on the part of the Senate the distinction heretofore recognized between its constitutional responsibility to confirm or reject a nominee and its role in the enactment of new and far-reaching legislative proposals.

Indeed, there is nothing about this particular nomination that can justify in any way this unique attempt to bury it with a filibuster. To be sure, arguments have been made against confirmation; but no argument has been raised that would justify such a departure from precedent. Though I can appreciate the deep concern of many Members, such concern can be expressed—as it has in the past—when the question of the qualifications of the nominee is before the Senate. Unfortunately the real value and merit of these arguments have been lost. They have been lost in what has been reduced to an attack upon the institution of the Supreme Court.

I believe that if Members of this body who feel that any of these arguments have sufficient weight to justify rejection of Mr. Fortas they would permit that issue to come before the Senate. They owe it to the nominee. They owe it to the Senate. The vote today would simply permit consideration of these arguments; it would permit the Senate to exercise its constitutional obligation.

Let me say finally that the intention of rule XXII to limit debate by two-thirds has been jealously guarded by the Senate. Only where the question has concerned broad new legislative concepts or changes having enormous impact has the device of extended debate been used. No such concept or change is involved in the consideration of the confirmation of a nomination. In the past every Senator has appreciated this distinction—it reaches the essence of the Senate as an institution. To deny that basic distinction now, I would say, gives a good deal of credence to the arguments of those who urge a second look at rule XXII.

Clearly then, our responsibility is merely to evaluate the qualifications of the nominee and to record our pleasure or displeasure; to give our advice and consent or our advice and dissent. To be frustrated in this responsibility would set a dangerous precedent; a precedent that will not be easily forgotten.

When the roll is called I hope each Member will bear in mind the significance of his vote. I urge the adoption of the motion to limit further debate.

I yield back the balance of my time.

Mr. PASTORE. Mr. President, will the Senator yield me 2 minutes?

Mr. HART. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The proponents have 8 minutes remaining; the opponents have 14 minutes remaining.

Who yields time?

Mr. HART. Mr. President, I yield 2 minutes to the Senator from Rhode Island [Mr. PASTORE].

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PASTORE. Mr. President, the majority leader has put his finger squarely on the issue before us. I believe that those who have been talking the loudest and the longest on the ethics involved in the separation of powers, those who have been talking interminably on the question of the propriety of a Justice of the Supreme Court to receive an honorarium are the very ones who today are denying this Senate the democratic process—the right and responsibility to pass upon a Presidential nomination—to consent to it or to reject it—as we may choose as individuals.

But we should not be deprived of our opportunity to make our choice by the device of a minority manipulation of a legislative procedure which is antilegislative in its intent.

The question before us now does not involve the qualifications of Abe Fortas. That issue will come up when we are given an opportunity to consider the nomination made by the President. The issue before the Senate today is whether or not this body will be given that opportunity of doing our duty and making our decision on a nomination by the President of the United States, a nomination that not only demands but deserves our action whether that be "yes" or "no."

I repeat, those who have discussed the proprieties of a Justice receiving an honorarium for delivering a lecture are the very ones who, today, are indulging in the undemocratic process of denying to us the right to consider a Presidential nomination.

The PRESIDING OFFICER. Who yields time?

Mr. BROOKE. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield 1 minute to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I rise in support of the motion to conclude the present debate. It is, in my judgment, an unjustified and unnecessary diversion of the Senate's attention and energy from the only real question of concern: Is Mr. Justice Fortas qualified to be Chief Justice of the United States? Weighing the evidence considered by the Judiciary Committee and the arguments presented

here on the floor, I believe that the answer to that question is emphatically "Yes." But regardless of the Senate's opinion on the final issue of confirmation, surely we should be permitted to reach that issue and to vote upon it. Let us then, in good conscience and on full reflection, invoke the rules we have made for ourselves. Let us conclude this procedural discussion and move on to the weighty matter that should properly be before us. I urge the Senate to support the cloture proposal.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Mr. President, I yield such time as remains, or as much thereof as he desires, to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized. The proponents have 5 minutes remaining.

Mr. GORE. Mr. President, the responsibility of the Senate, under the advice and consent clause of the Constitution, is at test. The President of the United States has exercised his duty and responsibility by submission to the Senate of a nominee to be Chief Justice. Shall the Senate consider that nomination? That is the question.

Is not a nomination by the President of a Chief Justice of the United States a matter of sufficient moment to justify consideration by the Senate? I think it is. But what if the Senate determines it is not? What are the consequences of a decision by the Senate to decline to consider a nomination—not a decision to refuse or withhold its consent, but a decision to refuse to consider? Would not that be an invitation for the President of the United States, after Congress adjourns without taking action, without the Senate exercising its responsibility to advise and consent to a nomination to such a high office, to proceed to fill the vacancy?

Senators might find that offensive. Indeed, the Senate has passed a resolution expressing the sense of the Senate that the President not engage in the practice of making recess appointments. But that is merely a sense of the Senate resolution that we passed. The Constitution of the United States places responsibility upon the President and upon the Senate.

Mr. President, I do not suggest that the President proceed to fill a vacancy after Congress adjourns, in the event the Senate refuses to consider this nomination. But if he decides to do so, he could certainly cite the Constitution as authority. Moreover, he can cite actions of other Presidents as precedents.

I plead here with the Senate to give consideration to this nomination, and to vote on it upon the basis of merit.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. HART. Has the time of those in opposition been exhausted?

The PRESIDING OFFICER. The opponents of the motion have 14 minutes remaining.

Mr. DIRKSEN. Mr. President, I find myself in a strange dilemma. It had been my intention to vote for cloture, assuming, of course, that there had been ample debate, even on the procedural motion that is before us.

There has been ample reason for that course. The charge of cronyism seems to have vanished. The alleged violation of the doctrine of the separation of powers is not too persuasive to me. The seminar fee from American University was at most an indiscretion. The factual question of pornography was, I thought, actually not an issue, when I saw the analysis of the case before the Court. The principal question was whether the ordinances and statutes of the State were sufficiently precise and specific and unambiguous, and could survive the test of constitutionality. It did not involve the character of the films.

But now a different problem has arisen for me. Strangely enough, it did not arise during the hearings. It deserves attention. It springs from the Witherspoon case, decided by the Supreme Court in June of 1968. It has been in the courts for 9 years. Its substance can be simply stated:

Witherspoon killed a young Chicago policeman in 1959. A jury found him guilty beyond all reasonable doubt, and the death penalty was imposed. He was tried under an Illinois statute which reads:

> In trials for murder, it shall be a cause for challenge of any juror who shall, on being examined state that he has conscientious scruples against capital punishment or that he is opposed to the same.

Those holding such views were excused from jury service. At long last the case went to the Supreme Court. The opinion was written by Justice Stewart. A dissenting opinion by Justice Black was joined in by Justices Harlan and White, with an individual dissent by Justice White and a separate opinion by Justice Douglas. The sentence of death was reversed. The majority opinion referred to a jury so selected under Illinois law as a "hanging jury."

The opinion also stated that—

> The State of Illinois had "stacked the deck against the petitioner."

Meaning the defendant. It also stated that—

> No defendant can constitutionally be put to death at the hands of a tribunal so selected.

The Court was silent on the issue of guilt of the accused, so the opinion went mainly to the penalty.

In the dissenting opinion written by Justice Black and concurred in by Justices Harlan and White, these Justices point out that the case had gone to the Supreme Court of Illinois three times. They further point out that the opinion of the Illinois Supreme Court was written by Justice Walter Schaefer, a judge nationally recognized as a protector of the constitutional rights of defendants charged with crime.

It pointed out also that the petitioner was represented by very able, competent counsel. It also refers to the majority opinion as semantic camouflage. That is pretty strong language.

Since the Court held that the sentence of death cannot be carried out, the question arises as to what will be done with the convicted defendant. This in itself is serious business.

It becomes more serious—a lot more serious—when one is reliably advised—and I am—that 24 persons are now in Illinois prisons, found guilty of murder and sentenced to death. I am further advised that these convicted murderers may each have their cases reviewed in light of the Court's holding in the Witherspoon case.

Justice Fortas participated in the majority decision. So did other Justices. What protest I make must in fairness be directed at the other five Justices who share that majority opinion. But they are not before us and as to them the protest would appear moot. But it leaves me in a rather bewildering position in order to make some kind of a protest.

If as a result of the Court's decision in the Witherspoon case the 24 convicted murderers are to have their sentences reviewed or set aside, what do I say to the people of Illinois and to its legislature and to the members of the Illinois Supreme Court who unanimously affirmed the death sentence recommended by the jury in the lower court? What do I say when they allege that I had this one chance to protest and failed to do so?

Mr. President, parenthetically with respect to the time involved, probably not more than 25 hours have been devoted to this debate. And virtually all of it has been directed to the qualifications of the nominee. However, now an even more aggravated situation arises.

A man named Speck has been found guilty and sentenced to death for the murder of eight student nurses. He was tried in Peoria, Ill. He was convicted partly on circumstantial and fingerprint evidence, and on the testimony of one Filipino nurse who witnessed the heinous crime. That witness has now returned to her home in the Philippines and cannot be compelled to return here as a witness in any new trial.

How could there be a new trial? How could the death penalty invoked by the jury be reduced? Does this hardened criminal either go free or get a reduced sentence under the decision in the Witherspoon case? And who shall say what is going to happen to this multiple murderer in that light. These questions must be answered.

If such should be the outcome, the people of Illinois would be ready to rebel. Already a motion has been filed in court in the Speck case to secure the release of this multiple murderer and the Witherspoon case has been cited in the defendant's brief.

The nominee, whose name is presently before this Senate, participated in and concurred in the opinion in the Witherspoon case. I need not be reminded that other Justices concurred. My attitude toward them would be the same as toward the nominee before us. But the names of those other Justices are not before us.

Several times the opinions used the expression "the conscience of the community." I, too, am thinking of the "conscience of the community" where the crimes were committed and the con-

science of the larger community of the State of Illinois.

I am thinking also of a sentence in the national platform of my party which I helped to shape. It is very simple. It reads:

We must re-establish the principle that men are accountable for what they do, that criminals are responsible for their crimes.

We have had this abracadabra for 8 years, almost 9 years. In the case which was decided in June, and now in 24 others, the defendants will ask for a review. That is true also in the case of this man Speck, who was found guilty of murdering eight student nurses.

There was no question about the testimony. When defendants are tried and found guilty under the laws of my State and when a jury recommends the death penalty and when the high court of my State unanimously affirms the conviction and the penalty, I accept it. Abraham Lincoln accepted the Dred Scott decision, but he did not agree. It had to be undone.

This is one of the most challenging issues of the moment. We can imagine the dilemma it presents. On some occasions, I would go along with the nomination. Under these circumstances, however, I can scarcely do other than vote to impose cloture unless and until this matter has had far better scrutiny than I have been able to devote to it.

I would not like to see the Senate gag itself under those circumstances, because there are other things here that need exploration. That requires time.

Mr. President, I yield back the remainder of my time.

Mr. HART. Mr. President, I suggest the absence of a quorum with the understanding that we suspend further proceedings on the quorum call at 1 o'clock.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Pursuant to rule XXII, the hour of 1 o'clock having arrived, the Chair lays before the Senate the pending motion, which will be stated by the clerk.

The assistant legislative clerk read as follows:

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending motion to proceed to the consideration of Abe Fortas, of Tennessee, to be Chief Justice of the United States.

PHILIP A. HART.
MIKE MANSFIELD.
CLAIBORNE PELL.
BIRCH BAYH.
MARK O. HATFIELD.
JOSEPH M. MONTOYA.
GALE W. MCGEE.
FRANK E. MOSS.
QUENTIN BURDICK.
CHAS. GOODELL.
EDWARD W. BROOKE.
JENNINGS RANDOLPH.
WALTER F. MONDALE.
JACOB K. JAVITS.
CHARLES H. PERCY.
JOSEPH D. TYDINGS.
WARREN G. MAGNUSON.
STEPHEN M. YOUNG.
LEE METCALF.
HARRISON WILLIAMS.
THOMAS H. KUCHEL.
WILLIAM PROXMIRE.
CLIFFORD P. CASE.
VANCE HARTKE.
HUGH SCOTT.
CLINTON P. ANDERSON.

CALL OF THE ROLL

The ACTING PRESIDENT pro tempore. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 299 Ex.]

Allott	Hansen	Montoya
Anderson	Harris	Moss
Baker	Hart	Mundt
Bayh	Hartke	Murphy
Bennett	Hatfield	Muskie
Boggs	Hayden	Nelson
Brewster	Hickenlooper	Pastore
Brooke	Hill	Pearson
Burdick	Holland	Pell
Byrd, Va.	Hollings	Percy
Byrd, W. Va.	Hruska	Prouty
Cannon	Inouye	Proxmire
Carlson	Jackson	Randolph
Case	Javits	Ribicoff
Clark	Jordan, N.C.	Russell
Cooper	Jordan, Idaho	Scott
Cotton	Kennedy	Sparkman
Curtis	Kuchel	Spong
Dirksen	Lausche	Stennis
Dodd	Long, La.	Symington
Dominick	Magnuson	Talmadge
Eastland	Mansfield	Thurmond
Ervin	McCarthy	Tower
Fannin	McClellan	Tydings
Fong	McGee	Williams, N.J.
Fulbright	McIntyre	Williams, Del.
Goodell	Metcalf	Yarborough
Gore	Miller	Young, N. Dak.
Griffin	Mondale	Young, Ohio
Gruening	Monroney	

Mr. BYRD of West Virginia. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent on official business.

I also announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Idaho [Mr. CHURCH], the Senator from Missouri [Mr. LONG], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Oregon [Mr. MORSE], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Kentucky [Mr. MORTON], and the Senator from Maine [Mrs. SMITH] are necessarily absent.

The ACTING PRESIDENT pro tempore. A quorum is present.

VOTE

The question is, Is it the sense of the Senate that the debate on the pending motion shall be brought to a close? The yeas and nays are required under the rule, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRUENING (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE] and the senior Senator from Idaho [Mr. CHURCH]. If they were present and voting, they would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The assistant legislative clerk concluded the call of the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Louisiana, [Mr. ELLENDER] is absent on official business.

I also announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Idaho [Mr. CHURCH], the Senator from Missouri [Mr. LONG], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Oregon [Mr. MORSE], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER] and the Senator from Nevada [Mr. BIBLE] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Kentucky [Mr. MORTON], and the Senator from Maine [Mrs. SMITH] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. AIKEN] and the Senator from Maine [Mrs. SMITH] would each vote "nay."

The yeas and nays resulted—yeas 45, nays 43, as follows:

[No. 300 Ex.]

YEAS—45

Anderson	Hayden	Moss
Bayh	Inouye	Muskie
Brewster	Jackson	Nelson
Brooke	Javits	Pastore
Burdick	Kennedy	Pell
Case	Kuchel	Percy
Clark	Magnuson	Proxmire
Cooper	Mansfield	Randolph
Dominick	McCarthy	Ribicoff
Goodell	McGee	Scott
Gore	McIntyre	Symington
Harris	Metcalf	Tydings
Hart	Mondale	Williams, N.J.
Hartke	Monroney	Yarborough
Hatfield	Montoya	Young, Ohio

NAYS—43

Allott	Fong	Mundt
Baker	Fulbright	Murphy
Bennett	Griffin	Pearson
Boggs	Hansen	Prouty
Byrd, Va.	Hickenlooper	Russell
Byrd, W. Va.	Hill	Sparkman
Cannon	Holland	Spong
Carlson	Hollings	Stennis
Cotton	Hruska	Talmadge
Curtis	Jordan, N.C.	Thurmond
Dirksen	Jordan, Idaho	Tower
Dodd	Lausche	Williams, Del.
Eastland	Long, La.	Young, N. Dak.
Ervin	McClellan	
Fannin	Miller	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Gruening, against.

NOT VOTING—11

Aiken	Ellender	Morton
Bartlett	Long, Mo.	Smathers
Bible	McGovern	Smith
Church	Morse	

The ACTING PRESIDENT pro tempore. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is rejected.

Mr. NELSON. Mr. President, I have voted to terminate debate on this nomination because it has been adequately discussed and the business of the Senate should not be further delayed.

Though I do not know Mr. Fortas personally, he is highly respected by those who know him—both Republicans and Democrats.

Nevertheless, there is a sharp division in the Congress and the country on the

appointment. It is the kind of division, I think, which puts the Court into controversy unnecessarily. I think it would be in the best interests of the Court for the President to withdraw the appointment and submit a name such as Arthur Goldberg who could be quickly confirmed by the Senate.

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Nevada [Mr. BIBLE], who is necessarily absent today, I should like to announce that if he had been present and voting on the issue of cloture, he would have voted "nay." This is consistent with his previous record of voting on cloture over a long period of time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. It will be very brief.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, the Senate has refused to face squarely the issue of the nomination of Mr. Fortas.

Mr. PASTORE. Mr. President, may we have order?

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is correct. Let us have order in the Senate and listen to the statement of the majority leader. The Senate is not in order.

The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, to repeat, the Senate has refused to face squarely the issue of the nomination of Mr. Fortas—refused to allow the Senate to consider the merits. The President has proposed an appointment, as is his duty. The Judiciary Committee has held hearings and reported favorably its decision as is its responsibility. But the vote today indicates that the Senate is not yet ready to exercise its responsibility.

I respect the right of every Senator to make his views known and to cast his vote as he sees fit. That is our individual responsibility and I cast no stones—quite the contrary. I do think, though, that we have raised serious questions about the Senate's responsibility to advise and consent.

By the Senate's action today we have refused to permit the Senate to perform its constitutional duty to advise and consent. I am at least encouraged that a majority of those present have recorded themselves on this issue and have voted to face the merits. I believe that if the vote were permitted today on the merits of the confirmation a constitutional majority and more would vote to confirm Mr. Fortas.

Along with the highly important question of this nomination, there is the press of very urgent legislative business. Awaiting immediate action is the pending measure for the Department of Defense. Thus, it is my intention to return to legislative business at this time to commence action on that matter. I remind the Senate, however, that the executive business will remain the motion to proceed to consider the nomination of Mr. Fortas. I shall announce my intention on further efforts regarding this nomination within the next 2 or 3 days.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I now move that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate returned to the consideration of legislative business.

FOREIGN AID ASSISTANCE APPROPRIATIONS, 1969

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1583, H.R. 19908.

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

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 19908) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1969, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 o'clock tomorrow morning.

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

(Subsequently, the Senate modified this order to provide for a recess.)

THE DEPARTMENT OF DEFENSE APPROPRIATIONS, 1969

Mr. MANSFIELD. Mr. President, a short while ago, I called up the wrong bill, H.R. 19908, the Foreign Aid Act.

I ask unanimous consent that it be returned to the calendar.

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

Mr. MANSFIELD. Mr. President, instead, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1550, H.R. 18707, making appropriations for the Department of Defense.

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

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 18707) making appropriations for the Department of Defense for the fiscal year ending June 30, 1969, 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 Appropriations, with amendments.

AMENDMENT OF INTERNAL REVENUE CODE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the hour of 2 o'clock arrives, the unfinished business, H.R. 2767, to amend the Internal Revenue Code of 1954 to allow a farmer an amortized deduction from gross income for assessments for depreciable property levied by soil or water conservation or drainage districts be returned to the calendar.

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On September 26, 1968:

S. 20. An act to provide for a comprehensive review of national water resource problems and programs, and for other purposes;

S. 220. An act to authorize the sale of certain public lands;

S. 224. An act to provide for the rehabilitation of the Eklutna project, Alaska, and for other purposes;

S. 905. An act for the relief of John Theodore Nelson;

S. 1470. An act for the relief of the Ida group of mining claims in Josephine County, Oreg.;

S. 2706. An act for the relief of Yung Ran Kim;

S. 2720. An act for the relief of Heng Liong Thung;

S. 3566. An act to amend the Federal Aviation Act of 1958 with respect to the definition of "supplemental air transportation," and for other purposes;

S. 3578. An act to direct the Secretary of Agriculture to release, on behalf of the United States, a condition in a deed conveying certain lands to the South Carolina State Commission of Forestry so as to permit such commission subject to a certain condition, to exchange such lands; and

S. 3687. An act to direct the Secretary of Agriculture to release on behalf of the United States a condition in a deed conveying certain lands to the State of Ohio, and for other purposes.

On September 28, 1968:

S. 1440. An act to include in the prohibitions contained in section 2314 of title 18, United States Code, the transportation with unlawful intent in interstate or foreign commerce of traveler's checks bearing forged countersignatures;

S. 1637. An act to amend the Tennessee Valley Authority Act of 1933 with respect to certain provisions applicable to condemnation proceedings;

S. 2715. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Chickasaw Nation or Tribe of Oklahoma, and for other purposes;

S. 2759. An act conferring U.S. citizenship posthumously upon S. Sgt. Ivan Claus King;

S. 3182. An act to authorize the purchase, sale, exchange, mortgage, and long-term leasing of land by the Swinomish Indian Tribal Community, and for other purposes;

S. 3379. An act to designate certain lands in the Great Swamp National Wildlife Refuge, Morris County, N.J., as wilderness;

S. 3420. An act to authorize a per capita distribution of $550 from funds arising from a judgment in favor of the Confederated Tribes of the Colville Reservation;

S. 3620. An act to provide for the disposition of judgment funds on deposit to the credit of the Quechan Tribe of the Fort Yuma Reservation, Calif., in Indian Claims Commission docket No. 319, and for other purposes;

S. 3621. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Muckleshoot Tribe of Indians in Indian Claims Commission docket No. 98, and for other purposes;

S. 3671 An act to provide for the striking of medals in commemoration of the 200th anniversary of the founding of Dartmouth College;

S. 3728. An act to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma, and for other purposes; and

S.J. Res. 185. Joint resolution to grant the status of permanent residence to Maria Mercedes Riewerts.

On September 30, 1968:

S. 1004. An act to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

REPORT ON U.S. PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit the 22nd annual report on the participation of the United States in the vital work of the United Nations.

1967 was a year in which peace was challenged on three major fronts. On two of these fronts—the Middle East and Cyprus—the United Nations played a significant role in averting a wider conflict. We were not successful in our efforts to have the United Nations contribute to the search for peace in Vietnam, but there is still hope that the U.N. can help us find and implement an honorable settlement.

In the Middle East, despite all attempts to achieve a peaceful accommodation, war broke out in June of 1967. The Security Council, with the full support and encouragement of the United States, called for a cease-fire, which was accepted by both sides.

U.N. observers were posted on the cease-fire lines between Israel and the U.A.R. and between Israel and Syria. Though the peace was still tenuous, the Security Council was able to begin the difficult quest for a durable settlement. The principles for settlement adopted by the Council resolution were entirely consistent with those suggested and supported by the United States.

In November, war nearly erupted between Greece and Turkey over the island of Cyprus. The tension was greatly eased by the diplomatic efforts of my personal representative, Cyrus Vance. Appeals by the Secretary-General, with the complementary action of the Security Council, contributed to a peaceful accommodation.

But the broad purpose of the United Nations goes beyond peacemaking: It can lift human beings from the dark despair of hunger and poverty and disease and ignorance. This report shows that in 1967 several major steps were taken to improve social and economic conditions in many parts of the world—through the U.N. Development Program, the Food and Agriculture Organization, and the many other agencies and commissions which bring hope and compassion to the neglected corners of the world.

The U.N. also acted to extend international law to outer space, and a committee was created to study the unknown benefits—and the unforeseen problems—that will arise from the future use of the ocean depths.

In its 23 years of existence, the United Nations has not always succeeded in its humanitarian goals. But where it has failed, no other creation of man has yet succeeded. The U.N. continues to be man's best hope for a world of peace and progress, where conflict is replaced by cooperation, and violence by the rule of reason.

I commend this report to your attention.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *October 1, 1968.*

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

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

H.R. 6909. An act to amend item 709.10 of the Tariff Schedules of the United States to provide that the rate of duty on parts of stethoscopes shall be the same as the rate on stethoscopes;

H.R. 7567. An act to amend the Internal Revenue Code of 1954 with respect to the definition of compensation for purposes of tax under the Railroad Retirement Tax Act, and for other purposes;

H.R. 11394. An act to amend certain provisions of the Internal Revenue Code of 1954 relating to distilled spirits, and for other purposes;

H.R. 12012. An act to encourage worldwide interest in U.S. developments and accomplishments in military and related aviation and equipment by authorizing Federal sponsorship of an International Aeronautical Exposition in the United States;

H.R. 14095. An act to amend the Internal Revenue Code of 1954 so as to make certain changes to facilitate the production of wine, and for other purposes;

H.R. 15003. An act to amend the Tariff Schedules of the United States so as to prevent the payment of multiple customs duties in the case of horses temporarily exported for the purpose of racing;

H.R. 15023. An act to amend the Internal Revenue Code of 1954 to provide a longer period of time for disposition of certain assets in the case of regulated investment companies, furnishing capital to development companies;

H.R. 15114. An act to extend to savings notes the provisions of the Second Liberty Bond Act relating to the redemption of savings bonds and the payment of losses incurred in connection with such redemption;

H.R. 17332. An act to amend the Internal Revenue Code of 1954 regarding credits and payments in the case of certain use of gasoline and lubricating oil;

H.R. 18253. An act relating to the effective date of the 1966 change in the definition of earned income for purposes of pension plans of self-employed individuals;

H.R. 18486. An act to amend the Internal Revenue Code of 1954 with respect to the treatment of income from the operation of a communications satellite system; and

H.R. 18942. An act relating to the income tax treatment of certain statutory mergers of corporation.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

S. 1578. An act to authorize the appropriation for the contribution by the United States for the support of the International Union for the Publication of Customs Tariffs;

H.R. 2155. An act to amend the Tariff Schedules of the United States with respect to the classification of Chinese gooseberries;

H.R. 6862. An act for the relief of Slator C. Blackiston, Jr.;

H.R. 8140. An act to provide for the settlement of claims against the District of Columbia by officers and employees of the District of Columbia for damage to, or loss of, personal property incident to their service, and for other purposes;

H.R. 17104. An act to extend until July 15, 1969, the suspension of duty on electrodes for use in producing aluminum;

H.R. 17524. An act to amend section 502 of the Merchant Marine Act, 1936, relating to construction-differential subsidies;

H.R. 19831. An act to provide funds on behalf of a grateful nation in honor of Dwight David Eisenhower, 34th President of the United States, to be used in support of construction of educational facilities at Eisenhower College, Seneca Falls, N.Y., as a distinguished and permanent living memorial to his life and deeds;

H.J. Res. 1459. Joint resolution recognizing the significant part which Harry S. Truman played in the creation of the United Nations; and

H.J. Res. 1461. Joint resolution making continuing appropriations for the fiscal year 1969, and for other purposes.

HOUSE BILLS REFERRED

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

H.R. 6909. An act to amend item 709.10 of the Tariff Schedules of the United States to provide that the rate of duty on parts of stethoscopes shall be the same as the rate on stethoscopes;

H.R. 7567. An act to amend the Internal Revenue Code of 1954 with respect to the definition of compensation for purposes of tax under the Railroad Retirment Tax Act, and for other purposes;

H.R. 11394. An act to amend certain provisions of the Internal Revenue Code of 1954 relating to distilled spirits, and for other purposes;

H.R. 14095. An act to amend the Internal Revenue Code of 1954 so as to make certain

changes to facilitate the production of wine, and for other purposes;

H.R. 15003. An act to amend the Tariff Schedules of the United States so as to prevent the payment of multiple customs duties in the case of horses temporarily exported for the purpose of racing;

H.R. 15023. An act to amend the Internal Revenue Code of 1954 to provide a longer period of time for disposition of certain assets in the case of regulated investment companies, furnishing capital to development companies;

H.R. 15114. An act to extend to savings notes the provisions of the Second Liberty Bond Act relating to the redemption of savings bonds and the payment of losses incurred in connection with such redemption;

H.R. 17332. An act to amend the Internal Revenue Code of 1954 regarding credits and payments in the case of certain use af gasoline and lubricating oil;

H.R. 18253. An act relating to the effective date of the 1966 change in the definition of earned income for purposes of pension plans of self-employed individuals;

H.R. 18486. An act to amend the Internal Revenue Code of 1954 with respect to the treatment of income from the operation of a communications satellite system; and

H.R. 18942. An act relating to the income tax treatment of certain statutory mergers of corporations; to the Committee on Finance.

H.R. 12012. An act to encourage worldwide interest in U.S. developments and accomplishments in military and related aviation and equipment by authorizing Federal sponsorship of an International Aeronautical Exposition in the United States; to the Committee on Foreign Relations.

THE NONPROLIFERATION TREATY

Mr. PELL. Mr. President, I urge that the Senate give its advice and consent to the nonproliferation treaty at the earliest possible time. And, in doing this, I would add my hope that the President would deposit our instrument of ratification as soon as possible.

While recognizing that the Soviet Union's bullying and heinous tactics in Czechoslovakia are unsettling to the peace of the whole world, I nevertheless believe that, on balance, our Nation and the world has more to gain by the earliest possible ratification of this treaty rather than by its postponement in order to give an object lesson to the Soviet Union or for reasons of domestic politics.

To relate the heinous occupation of Czechoslovakia by the Soviet Union to the ratification of this nuclear test-ban treaty is to relate, in farming terms, a seasonal drought to a long-term irrigation project.

I also believe it is a most undesirable precedent for the Senate to advise and consent to a treaty, and, at the same time, advise our President to delay depositing the instrument of ratification. That is what the majority report recommends. That report reads:

> The Committee urges the President, once the Senate has acted, to consider delaying the process of depositing the United States instrument of ratification until such time as he has received positive assurances that a majority of those countries nearest to a nuclear-weapons capability intend to adhere to the Treaty.

This is a poor precedent since, in effect, it enlarges the importance of the period between the Senate's giving its advice and consent and the ministerial act, the actual deposit of the instrument of ratification.

Our tradition has been that the action of deposit of the instrument of ratification is primarily a procedural formality following automatically upon the Senate's giving its advice and consent to a treaty.

Although I realize there have been instances when the President has substantially delayed deposit, or withheld deposit, of an instrument of ratification, I do not think the Senate should give its advice and consent to a treaty and then pass the buck back to the President encouraging him to choose the timing of deposit. This will result in further derogation in the powers of the Senate and its constitutional role in the treaty process.

Accordingly, I not only urge my colleagues to advise and consent to this treaty at the earliest possible time, but also urge that the President then promptly proceeded to deposit the instrument of ratification.

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

Mr. PELL. I yield.

Mr. PASTORE. Mr. President, I want to associate myself with the statement made by my distinguished colleague. I think it comes at a very opportune time. I remind the Senate that the nonproliferation treaty, contrary to the common point of view, is not an accommodation to Russia. I think we have to remember that. All of us consider the Russian action against Czechoslovakia as a dastardly act that should not have been committed, but we have to remember that the nonproliferation treaty is not an accommodation to Russia. It is really an accommodation to the survival of mankind. It means, in pure and simple language, that the nations which have nuclear power will not distribute the power throughout the world; that we will limit, as much as we possibly can, this destructive power so we can bring it under control.

I hope we remember that this treaty—I repeat again—is not an accommodation to Russia. It is not an accommodation to the United States of America. It is not an accommodation to any nation as such. It is an accommodation to the survival of mankind, and I hope we all remember that.

Mr. PELL. I thank my colleague.

ORDER FOR RECESS TO 10 A.M.

Mr. MANSFIELD. Mr. President, for the information of the Senate—and I hope the attachés will take notice of this—there is a very strong possibility that there will be rollcall votes this afternoon and tomorrow. I would urge all Senators to keep that fact in mind and the attachés on both sides to call the offices of their respective Senators and apprise them of this knowledge.

Mr. President, instead of adjourning tonight, I change my request. I ask unanimous consent that when the Senate concludes its business tonight, it recess until 10 o'clock tomorrow morning.

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

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1969

The Senate resumed the consideration of the bill (H.R. 18707) making appropriations for the Department of Defense for the fiscal year ending June 30, 1969, and for other purposes.

Mr. RUSSELL. Mr. President, I desire to present as briefly as the subject will permit, H.R. 18707, the Department of Defense appropriation bill for fiscal 1969. I can assure the Senate that I do not intend to make a lengthy presentation. No one could hope to cover the multitude of individual items contained in this measure in an hour or a day or even a week. Instead, I shall briefly present the highlights of the bill by title, explaining the committee's action on items of special importance, and follow this with some personal observations that I hope will be of importance to your understanding of the bill and to the security of our country. At the conclusion of my remarks, I shall be available for questioning, of course. You also have before you the committee report, which explains in detail each of the actions of the committee as well as the anticipated utilization of the funds contained in the bill.

BILL SUMMARY

The bill before you contains a total of $71,886,893,000. This is an amount of $352,807,000 under the $72,239,700,000 provided by the House of Representatives and $5,187,107,000 under the budget estimate of $77,074,000,000 for fiscal 1969.

I point out that, with the amendments of the Senate, this bill meets the requirements of the Revenue and Expenditure Control Act of 1969 and provides for more reductions in the appropriations than are suggested in that act.

The bill is likewise $2,265,419,000 under the appropriation for fiscal year 1968 of $74,152,312,000.

TOTALS BY SERVICES

The recommended appropriation for each of the services is approximately as follows:

For the Department of the Army, $23,221,494,000; for the Department of the Navy, $20,379,939,000; for the Department of the Air Force, $24,320,724,000; and for Defense agencies, $3,964,736,000.

Let us now examine the bill by title.

TITLE I—MILITARY PERSONNEL

Title I relates to military personnel, the men who are in the service. The committee recommends appropriations totaling $22,571,600,000 for the various military personnel appropriations. This sum is a reduction of $442.4 million below the budget request and $113.4 million below the House figure.

The reductions recommended by the committee are based on recent reviews of requirements, along with certain actions taken by the Department of Defense that will result in some savings in these appropriations. The funds recommended will support an Army with an end strength of 1,500,000, a Navy with an end strength of approximately 794,000, a Marine Corps with an end strength of approximately 306,000, and an Air Force with an end strength of approximately 868,000. The committee recommenda-

tions include $2,275,000,000 that is required for pay of the retired personnel of the armed services.

The recommendations of the committee, with respect to each military personnel appropriation, will be found on pages 6 to 17 of the committee report.

TITLE II—OPERATIONS AND MAINTENANCE

The committee recommendations include $21,765,000,000 for the various operation and maintenance appropriations. This sum is a reduction of approximately $1,022,000,000 below the budget request and $35 million below the House bill. These funds provide for the day-to-day operating expenses of the military services, the pay of most of the civilian employees of the Department, the training costs of military personnel, the cost of logistical support to the services, the cost of communications, and a multitude of other costs of this nature.

The recommendations of the committee, with respect to each operation and maintenance appropriation, will be found on pages 18 to 29 of the committee report.

TITLE III—PROCUREMENT

The committee recommends appropriations of $19,962,900 for the procurement programs of the services and agencies of the Department of Defense. The sum recommended is a reduction of $3,291,100,000 below the budget estimates, and a reduction of $336.1 million in the House bill. In addition to the appropriations recommended, the committee recommends concurrence in the provisions requested in the budget and included in the House bill that provide for the transfer of $1,560,000,000 to these appropriations from the various working capital funds.

The committee's recommendations, with respect to each procurement appropriation, will be found on pages 29 through 42 of the committee report.

I think I should call attention particularly to one specific recommendation of the committee.

The budget program and the House bill included $482.6 million for the conversion of six Polaris A–3 submarines to carry the new Poseidon missile. The committee has recommended funds for the conversion of only two of these submarines. It was the view of the committee that the two conversions recommended, along with the two in the fiscal year 1968 program, is as far as we should go until the reliability of this new Poseidon missile is clearly established. The Poseidon is to be one of the most complicated weapons ever conceived, and if we have learned anything since we entered the missile age, it is the fact that you can expect to encounter development problems with each new missile undertaken.

It should also be noted that there has only been one test flight of the Poseidon and this took place in August. On the other hand, I want to make it perfectly clear that once the reliability of this missile is thoroughly demonstrated by adequate test flight programs, the committee will be prepared to proceed with the conversion program.

TITLE IV—RESEARCH AND DEVELOPMENT

The committee recommends appropriations totaling $7,587,393,000 for the various research, development, test, and evaluation programs of the Department of Defense. This sum is a reduction of $418,807,000 in the budget estimates but an increase of $131,693,000 over the House bill. This is the only title in the bill, as it came to us from the other body, that was increased by the committee. The recommendations of the committee, with respect to each appropriation in this title, will be found on pages 43 through 51 of the committee report.

The recommended increase over the House bill includes an additional $100 million for the development of the Navy's proposed VFX–1 aircraft. It was the view of the committee that inasmuch as a considerable amount of time had been lost in connection with the terminated F–111B aircraft—the Navy' version of the TFX—it was imperative that we proceed as fast as we possibly can to develop an aircraft to meet the Navy's requirements. However, it should be made clear that in providing these additional funds the committee expects the program definition phase of the VFX–1 to produce an aircraft concept that will perform the required Navy mission.

The other major increase over the House bill is the recommendation of an appropriation of $50 million for the emergency fund, which is the full amount authorized for this appropriation. It is the view of the committee that these funds should be made available in order that the Department of Defense will have a capability to meet unforeseen research and development requirements.

GENERAL PROVISIONS

The committee recommends the deletion of section 541 of the House bill dealing with disturbances at institutions of higher learning, and the insertion of a new provision dealing with this matter that is in accord with a similar provision adopted by the Senate as a floor amendment, offered by the distinguished Senator from Oregon [Mr. MORSE] to the Departments of Labor and Health, Education, and Welfare appropriation bill.

I might say, Mr. President, speaking only for myself, that I would have preferred a much more rigid directive, but the majority of the Senate thought otherwise in striking out of that measure the provision that came to us from the other body.

At the direction of the Committee on Appropriations, I will at the appropriate time offer an amendment, legislative in character, providing an exemption to the employee limitation provisions of the Revenue and Expenditure Control Act of 1968 for 150,000 civilian employees that are involved in Department of Defense activities in direct support of combat operations in Southeast Asia.

I might add, Mr. President, that I am of the opinion that the defense authorization bill has in it an exception which would exclude from the operation of those provisions the operations in Southeast Asia. Thus, in the spirit of the act the employees in Vietnam should have been excluded, but were not. The committee, at the request of the Department, is including this provision in this bill.

LARGEST SINGLE APPROPRIATION BILL

At this point I feel impelled to digress from the dollars and cents of this bill and speak of it in the framework of recent events and the future of our country.

Once again the members of your committee find ourselves in the position of advocating the passage of a huge defense appropriations bill. This is a bill that is substantially greater than any single appropriation bill passed in World War II. It is, in fact, the largest appropriation bill in American history. No one regrets the necessity of this more than I. We are all aware of the increased tax burden on our citizens who must pay the bill. We are also aware of the inflationary effect any such huge appropriation must have when it is translated into terms of expenditure. We all know the many desirable programs that could be financed with these funds and we are aware that there are some of us present who are old fashioned enough to cherish the almost forgotten hope of a balanced budget. Finally we realize, all too painfully, the divided opinion in America regarding the Vietnam war—a war that I initially opposed, but one, I believe, that we must now fully support until we can arrange a just and equitable peace. That is the one side of the coin.

NATIONAL SECURITY PRIMARY CONCERN

Unfortunately, there is the other side—a side that, to me at least, is equally compelling, a side that we would be foolhardy to disregard. Your committee views as its primary concern the security of our country, or in the words of our Founding Fathers, to "provide for the common defense." It little behooves us as a nation to promote the general welfare by providing a full dinner pail, a chicken in every pot, or two cars in every garage, as some of our predecessors would have it, if, in the process, we jeopardize or even lose the very liberties which made these blessings possible.

Our national security your committee has, through the years, attempted to provide. Through the turbulent years of the past two decades, we have wholeheartedly supported the programs our best military experts have believed essential. As chairman of the Defense Appropriations Subcommittee for the past 6 years, as a member of the subcommittee for the past 34 years, as chairman or member of the Armed Services Committee for the past 21 years and as a member of the Naval Affairs Committee for the previous 14 years, I know of no occasion during these years when we have not provided the military establishment with all that was required to maintain that national security. I say this, not in personal pride, but with the conviction that the Members of the Congress have fulfilled their duty in providing for the national defense to the extent of their powers and abilities. It is true that, whenever it has been possible, we have reduced Defense appropriations. We have forced the Department to abandon unnecessary innovations, such as the STEP program. We have patiently approved research funds, but refused to provide production funds for such highly questionable programs as the F–111B. We have held the feet of the Department to the fire and refused to appropriate funds for duplicating programs. But our reductions have never jeopardized our national

security in an iota. Instead, we have bolstered our defense posture on our own initiative by insisting that necessary programs be carried forward expeditiously. The 70-group Air Force, the B–36 program, the retention of the B–52's, the Polaris program, the maintenance of strong reserve components, adequate ammunition supplies, a modern Navy with modern aircraft carriers—all these and many others have been successfully pushed by the Congress and your committee when faced with the compelling need to provide adequately for the national defense. Since World War II, and particularly since the Korean buildup, there has never been any doubt in my mind as to our defense capability.

In this present bill, however, we are faced with a somewhat different situation. Let me explain.

REVENUE AND EXPENDITURE CONTROL ACT OF 1968

The President's budget estimate for fiscal 1969 fixed expenditures at $186.1 billion. However, the Congress, in the Revenue and Expenditure Control Act of 1968, imposed a ceiling of $180.1 billion on fiscal 1969 expenditures—a reduction of $6 billion. Mr. President, I supported that measure because I view a sound fiscal policy as the primary cornerstones of our system of Government.

The executive branch of the Government has decreed that of this $6 billion reduction, $3 billion must be made in those Department of Defense expenditures, exclusive of those relating to operations in Vietnam which are specifically excluded. It should be remembered that there is nothing in the law or the legislative history of the law that expresses a legislative intent that non-Vietnam defense expenditures were to be reduced by $3 billion. The executive branch is responsible for this decision.

Let us take a look at what a $3 billion reduction in Department of Defense expenditures means. The President's budget estimated Department of Defense expenditures at $77.1 billion, of which $25.8 billion was for Vietnam operations, and the balance of $51.3 billion was for non-Vietnam operations of the Department. Following the Tet offensive of the North Vietnamese and Vietcong in January and February, additional funds were required for the Department of Defense—and the second supplemental appropriation bill included $3.8 billion for the Southeast Asia emergency fund. Of course, this had a substantial impact on estimated fiscal 1969 expenditures. The current estimate for Department of Defense expenditures for fiscal year 1969 is $79.5 billion, of which $27.2 billion is for Vietnam operations and $52.3 billion is for non-Vietnam operations.

It is, therefore, very evident that the $3 billion reduction will have to be made in the $52.3 billion for non-Vietnam operations, which is a reduction of 5.7 percent. The major portion of this $3 billion reduction will have to be made in programs funded from appropriations in this bill for military personnel, operation and maintenance, procurement, and research and development. While it is impossible to state precisely the expenditure reduction impact of the recommendations of the committee, I estimate such impact at about $1.8 to $2.1 billion. This means that the Department of Defense will have to take further actions to reduce and defer programs in order to reduce expenditures by an additional $1 billion.

Mr. President, I ask unanimous consent to have included in the RECORD at this point a colloquy I had with the Deputy Secretary of Defense during the hearings on the impact of the $3 billion reduction in expenditures.

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

Senator RUSSELL. Mr. Secretary, I would like to take a minute or two in order to be sure that I understand fully the impact that the $6 billion reduction in fiscal year 1969 expenditures will have on the Department of Defense. As I recall, Secretary Clifford has indicated that the Department of Defense has been directed to make a reduction of $3 billion in fiscal year 1969 non-Southeast Asia expenditures.

How much did all Department of Defense expenditures total during fiscal year 1968 and how much of this total was for Southeast Asia?

Mr. NITZE. DOD expenditures for fiscal year 1968 totaled $77.9 billion. Of this amount it is estimated that expenditures for Southeast Asia were approximately $27 billion. This latter amount has been derived on the basis of the statistical relationships rather than precise accounting records.

Senator RUSSELL. The President's budget for fiscal year 1969 estimated total DOD expenditures for fiscal year 1969 at $77.1 billion.

How much of that total is for Southeast Asia?

Mr. NITZE. $25.8 billion.

Senator RUSSELL. Of course the Second Supplemental Appropriation Act, 1968 included substantial funds for the Department of Defense, including $3.8 billion for the Southeast Asia emergency fund that will increase fiscal year 1969 DOD expenditures. What is the current estimate of total DOD expenditures for fiscal year 1969 and how much of that total is for Southeast Asia?

Mr. NITZE. Adjusting the President's budget estimate for fiscal year 1969, total DOD expenditures for the July 1, 1968 pay raise, for the impact of the Second Supplemental Appropriation Act of 1968, and for increases in retired pay and life insurance premiums, our estimate of total DOD expenditures for fiscal year 1969 is $79.5 billion. Of this amount, $27.2 billion is our calculation for support of Southeast Asia operations.

Senator RUSSELL. How much of the original and revised total is for programs funded from this bill, how much for programs funded from the military construction bill, how much for military assistance, and how much for civil defense?

Mr. NITZE. The total new obligational authority requested by DOD for fiscal year 1969 is as follows:

[In millions of dollars]

	Fiscal year 1969 President's budget	Fiscal year 1969 President's budget adjusted for July 1, 1968, pay raise, etc.
Basic DOD bill	77,149	78,614
Military construction and family housing	2,032	2,032
Civil defense	77	77
Military assistance	540	540

After subtracting $221 million from these amounts to reflect the new budget concepts, the total new obligational authority requested for DOD in the President's budget was $79.6 billion which compares to our revised request of $81 billion.

Senator RUSSELL. Mr. Secretary, as I look at this situation, it seems that the Department of Defense is going to have to make a reduction of $3 billion in those planned fiscal year 1969 non-Southeast Asia expenditures estimated at $52.3 billion, most of which will have to be made in programs funded from appropriations in this bill for military personnel, operation and maintenance, procurement, and research and development. Do you agree with this conclusion?

Mr. NITZE. Yes.

Senator RUSSELL. Unadjusted for the new budget concepts, the President's budget included requests for new obligational authority which totaled $79.8 billion, including $77.1 billion in this bill, $2 billion in military construction requests, $76.8 million for civil defense, and $540 million for military assistance. The bill before us represents reduction of $4.8 billion below the request, and the conference committee on the military construction, which just concluded, has agreed on reductions totaling $273 million.

Mr. Secretary, how much of the total request for new obligational authority is for the support of Southeast Asia operations?

Mr. NITZE. The President's budget request contained $24.9 billion of new obligational authority for support of Southeast Asia operations.

Senator RUSSELL. This means that those Department of Defense requests in the President's budget for activities not related to Southeast Asia totaling $54.9 billion are going to be reduced by about $5 billion, which is a reduction of approximately 10 percent. Do you agree with this?

Mr. NITZE. Yes.

Mr. RUSSELL. Mr. President, I want to make it very clear that, for the most part, these reductions are deferrals and not savings. I would not be fair and honest with the Senate if I did not make that perfectly clear. They will reduce cash expenditures during fiscal year 1969, but expenditures and appropriations for fiscal years 1970 and 1971 will undoubtedly have to be increased accordingly.

RESERVATIONS ON FUNDING ADEQUACY

If you will examine the RECORD, you will find that in past years I have reported to you that the funds provided in the Defense appropriations bill were sufficient to the needs of our national defense. Today I do so again. But I wish it clearly understood that it is with some reservation that I make the same report to the Senate today. There is no hesitation in my mind in stating that we cannot continue to support a war, be capable of honoring our commitments abroad, and maintain an adequate defense posture without substantially increasing the size of our Defense budget in the near future. As reluctant as Congress will be to accept that statement, I make it unequivocally and without fear of contradiction.

Why is it, you may ask, that the present gigantic Defense budget is not more than sufficient to our needs? Let me give just a few examples. To begin with, we are fighting a war on terms dictated, more or less, by the enemy. And we are doing that willingly, because we are not compelled to do so. We do it through choice and apparently in fear of world opinion. It is a war which is costing us—in addition to the lives of so many of our brave youth—in the neighborhood of

$30 billion annually. Bear in mind that figure is almost 2½ times the total Defense budget at the time of the outbreak of the Korean war.

INCREASED COST OF WEAPONS

Second, the sophisticated weapons that we employ today are far more costly than those of only a few years ago. I will give a few examples of this. In the past 8 years, since 1960, the average cost of civilian employment in the Air Force has risen over 54 percent, officer pay 40 percent, and airmen's pay over 37 percent. A medium bomber in World War II cost $218,000. Today one costs $7 million. We could procure a B–36 during the Korean war for $3.7 million. The RS–71, our most modern plane, costs close to $25 million today.

Navy increases are equally as dramatic. A world War II attack submarine cost $4.7 million. The latest nuclear attack submarines cost $77 million—more than 16 times as much. Aircraft carriers of the *Essex* class, built during World War II, cost $55 million. The *Forrestal* carrier, built during the Korean war, cost about $190 million. The latest aircraft carrier, the *John F. Kennedy*—just launched very recently—cost $277 million. Destroyer costs are comparable. A destroyer laid down during the Korean conflict cost about $18 million. The present cost of a modern equivalent is over $40 million.

The same thing is true of almost every article that can be procured for the troops, particularly the materials of war. Take the Army. We procured M–1 rifles in 1946 for $31 apiece. Today an M–16 costs $150. A 1946 machinegun cost $74. Today's equivalent costs $579. In 10 years a manpack radio has gone from $300 to $487.

I think it is vital, Mr. President, that the American people understand this. They say, "Why can't there be substantial reductions in the cost of maintaining the Department of Defense?"

The truth about the matter is that today we do not get half as much defense for the same dollar that we did at the end of the Korean war.

I requested the Secretary of Defense and the Secretary of the Air Force to prepare tabulations illustrative of these increases in cost.

Mr. President, I have those tabulations to which I referred, and I ask unanimous consent that they be printed at this point in the RECORD.

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

COST INCREASES: DEPARTMENT OF DEFENSE
THE SECRETARY OF DEFENSE,
Washington, D.C., July 8, 1968.

HON. RICHARD B. RUSSELL,
Chairman, Subcommittee on Department of Defense, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During my appearance before the Senate Subcommittee on Defense Appropriations you asked that I have a chart prepared that would show the escalation in the cost of weapons, not only because of the loss of purchasing power due to inflation but also because of the far greater complexity of modern systems.

Members of my staff have completed such a tabulation, and I am enclosing copies for whatever use you may wish to make of it. As you so correctly noted during the hearings, you cannot buy anything near the amount of military hardware now with $80 billion that you could have during World War II. The data on the enclosed chart clearly confirm that judgment. It is indeed a sobering fact that the cost of the FY 1967 nuclear-powered guided missile frigate, an escort ship, is estimated at $200 million, twice the original cost of the battleship *New Jersey*.

If we can be of any further assistance to you in this regard, please let me know.

Sincerely,

CLARK M. CLIFFORD.

EXAMPLES OF RISING UNIT COSTS FOR U.S. WEAPONS SYSTEMS—WORLD WAR II TO THE PRESENT

The following tables attempt to illustrate for selected classes of weapons systems the range of unit cost increases experienced over the past three decades. These cost increases, of course, reflect not only the rise in prices and wages which have affected the economy generally, but also the great increases in capability and technological sophistication (and frequently in sheer physical size) which the later weapons systems involve. Still another factor influencing many of these average unit costs (and one for which no adjustment has been attempted in the data below) is the considerable variance in the number of each model procured and, therefore, in the relative opportunity to benefit from "learning curve" economies. (This is particularly true of current on-going procurement programs and especially of those just getting underway where large quantities planned for production after FY 1969 could be expected to drive average unit costs down appreciably.) These factors aside, however, it is clear from the examples below that unit costs of weapons systems have risen sharply, both since World War II and in more recent years.

	Unit cost
Air Force strategic aircraft: [1]	
Medium bombers:	
B–17 (World War II)	$218,000
B–29 (World War II)	680,000
B–47 (Korean war)	2,000,000
B–58 (fiscal years 1955–61)	20,700,000
FB–111 (fiscal years 1967–69)	7,000,000
Heavy bombers:	
B–36 (Korean war)	3,700,000
B–52 (fiscal years 1952–61)	7,900,000
RS–71 (fiscal years 1964–66)	24,600,000
Air Force fighters:	
F–51 (World War II)	54,000
F–47 (World War II)	89,000
F–86 (Korean war)	298,800
F–84 (Korean war)	465,990
F–100 (fiscal years 1952–58)	740,540
F–101 (fiscal years 1953–59)	1,800,000
F–105 (fiscal years 1954–63)	2,500,000
F–4 (fiscal years 1962–69)	2,100,000
F–111A (fiscal years 1965–69)	6,800,000
Air Force transports:	
Medium:	
C–47/53 (World War II)	94,000
C–46 (World War II)	262,000
C–119 (Korean war)	662,730
C–130 (fiscal years 1963–68)	2,400,000
C–141 (fiscal years 1962–67)	6,300,000
Heavy:	
C–124 (Korean war)	1,700,000
C–133 (fiscal years 1953–68)	8,900,000
C–5 (fiscal years 1967–69)	22,000,000
Navy fighters:	
F–4U (World War II)	102,000
F–2B (Korean war)	328,400
F–9F (Korean war)	280,290
Navy fighters—Continued	
F–8 (fiscal years 1954–63)	$1,100,000
F–4 (fiscal years 1955–69)	2,600,000
Navy attack aircraft:	
Light:	
TBM (World War II)	101,000
AD–4 (fiscal years 1948–52)	253,860
A–1E (fiscal years 1951–54)	417,870
A–4B (fiscal years 1955–62)	522,460
A–4E (fiscal years 1960–64)	816,290
A–7 (fiscal years 1966–69)	1,800,000
Attack submarines:	
SS (World War II)	4,700,000
SS (Korean war)	22,000,000
SSN (fiscal year 1951 program)	58,000,000
SSN (fiscal year 1962 program)	72,000,000
SSN (fiscal year 1968 program)	77,000,000
Attack carriers:	
Conventionally powered:	
CVA (World War II, *Essex* class)	55,000,000
CVA (fiscal year 1942 program, *Midway*)	90,000,000
CVA (fiscal year 1951 program, *Forrestal*)	189,400,000
CVA (fiscal year 1961 program, *America*)	249,000,000
CVA (fiscal year 1963 program, *John F. Kennedy*)	277,000,000
Nuclear powered:	
CVAN (fiscal year 1960 program, *Enterprise*)	451,300,000
CVAN (fiscal year 1968 program, *Nimitz*)	545,000,000
Destroyer types:	
DD (World War II)	8,700,000
DD (Korean war)	17,900,000
DDG (fiscal year 1961 program)	33,300,000
DLGN–35 (fiscal year 1962 program)	130,300,000
DLGN–36 (fiscal year 1967 program)	200,000,000
DLGN–37 (fiscal year 1968 program)	180,000,000
Battleship:	
New Jersey (1940–43)	100,000,000
New Jersey (activation costs, fiscal year 1968)	20,000,000
Medium tanks:	
M–3A4 (fiscal year 1946)	55,244
M–48 (fiscal year 1959)	155,600
M–60 (fiscal year 1968)	188,800
Machine guns:	
0.30 cal. M–1919 (fiscal year 1946)	74
7.62 millimeter, M–60 (fiscal year 1968)	579
Rifles:	
M–1 (fiscal year 1946)	31
M–14 (fiscal year 1959)	135
M–16 (fiscal year 1968)	150
Antiaircraft gun, self-propelled:	
M–19, 40 millimeter (fiscal year 1946)	55,731
M–42, 40 millimeter (fiscal year 1959)	92,841
XM–163, 20 millimeter (fiscal year 1968)	210,000
105 millimeter howitzer (towed):	
M–3 (fiscal year 1946)	8,262
M–102 (fiscal year 1968)	40,000
115 millimeter howitzer (towed):	
M–1 (fiscal year 1946)	15,642
M–14 (fiscal year 1968)	30,316
8 inch howitzer (towed):	
M–1 (fiscal year 1946)	31,119
M–2A1 (fiscal year 1959)	56,693
M–115 (fiscal year 1968)	65,784
106 millimeter recoilless rifle:	
M–40A1 (fiscal year 1959)	3,500
M–40A1 (fiscal year 1968)	7,736
81 millimeter mortar:	
M–1 (fiscal year 1946)	669
T–227 (fiscal year 1959)	2,200
M–29E1 (fiscal year 1968)	2,430

Footnote at end of table.

4.2 inch mortar:	
T–13 (105 millimeter) (fiscal year 1946)	$834
T–201 (fiscal year 1959)	3,000
M–30 (fiscal year 1968)	5,700
Semitrailer, 6-ton van:	
Fiscal year 1946	2,288
Fiscal year 1959	3,000
Fiscal year 1968	7,800
Manpack radios:	
SCR–300 (World War II)	253
AN/PRC–8 (fiscal year 1958)	300
AN/PCR–77 (fiscal year 1968)	487
Vehicle-mounted radios:	
SCR–508 (World War II)	1,400
AN/GRC–3 (fiscal year 1958)	1,500
AN/VRC–47 (fiscal year 1968)	2,350
Sea mines:	
Typical World War II type	2,381
Typical fiscal year 1968 type	13,944
Lightweight torpedoes:	
MK–43/1 (fiscal year 1951–59)	6,509
MK–44/1 (fiscal year 1959–68)	13,800
Heavy torpedoes:	
MK–16/6 (fiscal year 1945–59)	25,176
Heavy torpedoes—Continued	
MK–16/8 (fiscal year 1961–67)	$32,000
MK–46 (fiscal year 1964 to current)	48,346

[1] All aircraft data are average unit flyaway costs. Note also that cost data do not reflect projected procurement beyond fiscal year 1969.

COST INCREASES: DEPARTMENT OF THE AIR FORCE

The President's Budget for the Air Force for FY 1960 totaled $18,682.2 Million ($18.7 Billion), and for FY 1969 $26,969.4 Million ($27.0 Billion). Extracting SEA support costs from the latter figure, we arrive at an 18.7 and 20.3 Billion dollar figure for FY 1960 and FY 1969 respectively—an increase of $1.6 Billion or 8.5% over a nine-year period excluding SEA support.

Price increases attributable to the rising cost of living during the same time frame, or less, on like items inherent to mission accomplishment have soared in comparison with the 8.5% overall budget increase, i.e.:

	Fiscal year 1960	Fiscal year 1968	Increase	Percent increase
Man-year cost (civilian)	$4,862.00	$7,500.00	$2,638.00	54.3
Man-year cost (officer)	8,573.00	12,033.00	3,460.00	40.4
Man-year cost (airman)	3,478.00	4,790.00	1,312.00	37.7
JP–4 (per 1,000 gallons)	98.00	111.00	13.00	13.3
115/145 aviation gas (per 1,000 gallons)	185.00	195.00	10.00	5.4
Synthetic jet lube oil (per 1,000 gallons)	3,850.00	4,480.00	630.00	16.4
Reciprocating engine lube oil (per 1,000 gallons)	400.00	460.00	60.00	15.0
Construction cost index (skilled labor and material)	(825.00)	(1,100.00)	(275.00)	33.3
Building cost index (skilled labor and material)	(550.00)	(700.00)	(150.00)	27.2
T–37 aircraft	145,000.00	177,000.00	32,000.00	22.1
16-week jet aircraft mechanical course	3,040.00	3,950.00	910.00	30.0
Air War College	20,895.00	27,970.00	7,075.00	33.9
Cot, folding canvas	6.90	15.00	8.10	117.3
Airman cloth bag	178.65	233.66	55.01	30.8
Chair, straight with arms	70.00	92.00	22.00	23.9
Desk, flattop	36.25	62.00	25.75	71.0
M117 (empty) bomb	45.90	161.50	115.60	251.8
Generator set MB–18	3,600.00	6,500.00	2,900.00	80.5
Generator set MB–17	5,900.00	8,200.00	2,300.00	39.0
Generator set MB–16	6,300.00	10,200.00	3,900.00	61.9
Bus, 12–36 passenger	4,730.00	5,476.00	746.00	15.8
Truck, pickup, ½ ton, 4 x 2	1,403.00	1,472.00	69.00	4.9
Truck, S. & P., 1½ ton, 4 x 2	2,155.00	2,580.00	425.00	19.7
Truck, dump, 5 ton, 4 x 4	4,385.00	6,137.00	1,752.00	40.0
Tractor, towing A/C MB–4	6,400.00	6,972.00	572.00	8.9
Crane, truck mounted	26,315.00	38,608.00	12,293.00	46.7
Distributor, water, 1,500 gallons	10,600.00	14,493.00	3,893.00	36.7

Additionally, among the aircraft being delivered in FY 60 was the F100 at a Flyaway cost of $1.0 Million. The comparable aircraft being purchased in FY 69 are the A–7 and F–4 at (deleted) and (deleted) Million respectively.

If the Air Force budget requests were to have risen in line with the cost of living increases alone, i.e., approximately 35% over the past nine years, not to mention the increased costs of the extremely sophisticated hardware added to the present inventory over the past nine years, the FY 69 Air Force budget *excluding SEA support* would equal the President's FY 69 Budget which includes $6.6 Billion for SEA support.

Management innovations, cost consciousness at every level, increasing cost effectiveness in our planning and procurement policies and the most efficient utilization of manpower and material have more than served to offset the normal cost growth being experienced by our nation's economy today.

MATERIAL REPLACEMENT REQUIRED

Mr. RUSSELL. Mr. President, third, wisely or unwisely—and you and the American people can be the judge, although in part at least it is the responsibility of Congress—we have been utilizing stocks of war materiels for the present war without replacing those to the degree previously thought necessary. But our stockpile of implements of war is not inexhaustible. We are scraping the bottom of available surpluses and further reductions would, in my opinion, jeopardize our defense potential in the event of an outbreak of large-scale hostilities. In the past few years we have had both guns and butter, but we have had the guns—or the multitude of components that make them usable—at the expense of the reserves of equipment that are necessary in a larger war until production can match the pace of consumption.

I am not trying to tell a scare story, Mr. President. We are still the strongest nation on earth, militarily and economically. And the situation is not irreparable. But I am giving my frank opinion to the Senate today, as well as to Congress and to the people of this country, that we cannot afford to continue in our present direction and have any sort of effective fighting organization. We have drawn down too long from the pantry shelf of military hardware for us not to realize that the day of reckoning must come, and it will come very soon. The time is coming when we must modernize our tanks. We must replace our aging ships, and equip modern ships with reliable missiles. We must replace our wornout B–52's with modern bombers, our present fighters with better ones. Real property maintenance cannot be reduced or deferred indefinitely, though we have reduced it and deferred it in large scale over the last 3 or 4 years. We must match our potential enemies missile for missile, and our missile defenses must be made as impenetrable as is humanly possible. I view these as absolute necessities if we are not to invite aggression, accompanied by disaster, through weakness.

INCREASED RUSSIAN CAPABILITY

There are many people who, until recently at least, hoped that a detente with Russia could reasonably be anticipated in the foreseeable future. Perhaps this is still possible, but recent events—not only recent events but also the long history of our negotiations, dealings, and treaties with the Soviets—do not inspire me to optimism. This pious hope was based, I believe, more on our heartfelt desires for a lessening of world tensions than on a sober analysis of Russian actions.

Consider for a moment recent developments. During the past few years the Soviets have developed a military flexibility that includes long-range aircraft, a much enlarged navy—I may say that it is almost entirely new as compared with our obsolescent if not obsolete vessels—and a capability to deploy conventional forces on a broad geographic basis. More specifically, they are continuing to maintain large-scale ground forces supported by tanks. They are continuing medium and heavy bomber production. They are building up a fleet of nuclear-powered submarines and have developed submarine-launched ballistic and cruise missiles. They are constantly introducing new fighters and helicopter carriers. They have developed an antibomber system and an anti-ballistic-missile system and are markedly increasing their land-based missile launching system. They are known to be developing a fractional orbiting bombardment system, which is in fact a new intercontinental ballistic missile system of very low trajectory. Soviet defense expenditures have risen over 30 percent since 1965, reflecting, in part at least, continued expansion of the Russian defense effort.

CONTINUED RUSSIAN AGGRESSION

Of course, there are other signs. Russia continues to be one of the main sources of supply of war materiel for North Vietnam and Russian weapons are continuing to kill American boys in South Vietnam. There is continued evidence of increased Russian activity in the Mediterranean and other parts of the world. Only recently new strictures were placed on Berlin travel, strictures which could only be enforced with Soviet backing.

Even if these events and postures were disregarded, the wholly unwarranted invasion of Czechoslovakia speaks for itself. This is the true measure of the "truce of the Russian bear," that Kipling wrote about so knowledgeably. This is the true measure of the degree of sincerity behind the policy that Khrushchev referred to in 1957 when he said:

The Communist system must be based on the will of the people, and if the people do not wish this system, let them establish the way of life they prefer best. This is why we will unflinchingly withdraw our troops from all the countries in which they are stationed—from Poland, Hungary, Rumania, Eastern Germany—and I am sure that the

peoples of these countries will defend their system even better then.[1]

We cannot afford to be lulled into a false sense of security resulting from soft words that conceal the mailed fist. The philosophy of Marx, Lenin, Stalin, and Khrushchev remains uncompromising and adamant. Only last March Mr. Breshnev is reported to have said:

> Our Party has always warned that in the ideological field there can be no peaceful coexistence.[2]

There it is, in black and white. Yet it takes a Czechoslovakia or a Hungary or a Poland or a Berlin wall or a Berlin airlift every few years to bring the American people back to commonsense, to demonstrate that the Soviets have not changed, that peaceful coexistence can be maintained only by a strong national defense as a deterrent, that eternal vigilance is the price of liberty today as surely as it has ever been.

RED CHINESE THREAT

I need not remind Senators that in the Pacific, Red China sits there, huge and enigmatic, with the capability to deploy the largest potential army in the world. At present they are in the throes of an internal political, social, and economic upheaval. How long this may last and what the outcome will be one can only guess. But meanwhile, let us remember, they are in the process of harnessing atomic power with nuclear weapons as an end product. Their Marxist philosophy, if one can believe their published statements, is even more adamant, more virulent, more implacable than that of Communist Russia.

Just where does all this leave the United States? Your committee labored long and hard to forge a bill which would weld together two almost conflicting objectives: to maintain the national security and to reduce to a minimum defense spending consonant with the directives imposed by the expenditure limitation. We believe that we have accomplished this in the best manner possible under the given conditions. I will not belabor the point, but in my deliberate opinion, any further reductions of a large-scale nature could do immeasurable harm to our defense posture. It could result in complete disaster.

Before I conclude, I wish to express my sincere appreciation to the members of the subcommittee who have given unstintingly of their time and effort in the preparation of the bill. Their cooperation and guidance have made pleasurable the onerous tasks during the many months this bill has been before the subcommittee. Particularly, I wish to express my deepest appreciation to my friend, the senior Senator from North Dakota [Mr. YOUNG] the ranking minority member, whose invaluable assistance has been most noteworthy. He has met at all hours of the day and night to wrestle with these various problems in an effort to produce the best defense position with the available dollars. To him and to all the members of the committee I and, I feel, the country owe a real debt of gratitude.

Mr. President, I urge and hope that the Members of this body will pass this bill in its present form. Let us always keep in mind that what we do here today is certain to affect the lives of future generations.

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

Mr. RUSSELL. I yield, if I have the floor.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The Senator from Missouri is recognized.

Mr. SYMINGTON. Mr. President, first I congratulate the distinguished chairman of the Committee on Armed Services and the Subcommittee on the Department of Defense Appropriations of the Committee on Appropriations for his superb presentation today.

Mr. RUSSELL. I thank the Senator.

Mr. SYMINGTON. Mr. President, I do not think any bill has ever been worked on more thoroughly, nor studied more carefully in Armed Services and Appropriations than this bill.

There is one matter about which I would ask the able Senator from Georgia. The United States has a gross national product of over $800 billion and a population of over 200 million people. We have now been engaged for a period of years in an extended, bloody war with a little country of some 17 million people that has practically no gross national product.

Only last week I was looking at the casualty list. One year ago today 13,500 American youths had been killed, 85,000 had been wounded. Today, 28,500 have been killed with 176,000 wounded.

With great respect, because he is known among us all as the authority on military matters in this body, I would ask the distinguished chairman why it is, with this gigantic financial expense he referred to in his address, and despite those heavy costs in what is far more important—the lives of these thousands of young Americans—we continue to make so little progress in this war.

Mr. RUSSELL. Mr. President, I have expressed my views on this question a number of times. As I stated many times, I was very much opposed to ever having anything to do with this war, and I have been terribly disappointed in the way the war has been fought.

The Senator's statement with respect to the strength of this country and the losses on the battlefield is, of course, accurate. With respect to the tragic picture we have in casualties, which the Senator outlined, no one grieves over that more than I, or worries more about the prospects than I, as I am blessed with an unusual number of nephews and great nephews of military age. Several are even now in the military service and one is now in Vietnam, and another is on orders to go; and as the Senator knows one of my nephews was wounded while serving with the Army in Vietnam.

I think it is because of the policy we follow in fighting this war on the enemy's terms. We have been at least 2 years late in every action we have taken in Vietnam. We have delayed and hoped that we would be able to work out some peaceful solution, although every public statement of Ho Chi Minh has grown more and more intransigent and threatening. As far I know, he has never abandoned his original position that he would not talk peace until we evacuated South Vietnam, which is something I do not think we can do.

It is unfortunate that we are there and losing our young men and leading our country to the edge of fiscal bankruptcy—if it is not bankruptcy it is leading to a rate of inflation that will greatly further reduce the value of the dollar.

But despite that, I do not think we can afford to abandon our efforts and withdraw our forces. I have thought from the beginning that we should fight this war with all the conventional weapons at our command; and if we did, we could bring it to a close in a short period. If we had had the courage to blockade the coast of North Vietnam and to have bombed incessantly the railorad that comes in from China, instead of quivering and quaking every time somebody mentioned Russia or China, this war could have been ended 3 years ago. I do not mean we would have brought all our troops back by now, but there would have been an end of the fighting 3 years ago.

But everything has been delayed 2 years. As the Senator knows, the Armed Services Committee has long urged the increasing of naval activity against the North Vietnamese, and only yesterday the battleship *New Jersey* fired its first salvos at the defensive positions of the North Vietnamese.

We could have won the war in a very short period of time if we had made up our minds to take the steps to do it, and had forgotten about world opinion, and our fears of Russia and China. I think we are particularly fortunate that during most of that period Russia and China were at each other's throat. Russia was ill prepared in the nuclear field, as far as delivering nuclear warheads across the great reaches of the Atlantic Ocean or the North Pole to strike at this country was concerned. Russia has cured that now. She is at least equal to us in the delivery of land-based nuclear ICBM's, if not ahead of us.

My ideas on how to bring this war to a conclusion have been altered somewhat by the changed conditions, but I still think that if we hope to be able to get out of Vietnam with honor and by saving the lives of our men, we should utilize the air power and the naval power we have, in order to throttle North Vietnam to where they would be compelled to surrender. I have made that statement in every conference I have attended, and I have made it constantly in all the hearings.

I have just been looking at the hearings on this bill in which I was talking to the Secretary of Defense, and in which I said:

> You don't think that the improvement of the morale of the population in the North is a significant factor in all this?

He had said, parenthetically, it was apparently getting stronger.

> Of course, a major portion of the population of North Vietnam lives north of the

[1] *Soviet World Outlook*, Department of State, Washington, D.C., 1959, p. 222.

[2] Conquest, Robert: "The Limits of Detente", *Foreign Affairs*, July, 1968, p. 742.

20th parallel. The fact that they know we aren't bombing lets them go about their business as normal. They know they aren't going to have to run for one of those holes along the streets they have for bomb shelters.

The Secretary of Defense said:

I do not attach any real significance to that from a military standpoint.

I answered that by saying:

I hope you are right and that I am wrong, but I frankly don't agree with that appraisal.

I have stated on many occasions that I did not favor getting into this war, but after we did I felt strongly that we should do whatever was necessary to bring it to a close. As you know, I urged from the beginning taking whatever action was necessary to deny to the North Vietnamese the free use of Haiphong Harbor.

Mr. President, I could go into detail, but the testimony is replete with statements as to why shipping in Haiphong Harbor has increased greatly since we limited bombing the north. They have not only repaired their roads and highways but, I understand, are building a new railroad there now, as well as new airfields.

The great difficulty of this war, the great tragedy of this war, is the fact that we have fought it altogether on terms dictated by the enemy instead of utilizing the strength we have or availing ourselves of the advice of men this Government has trained at the expense of the Treasury for 30 years who know what to do in a military situation of this kind.

Mr. SYMINGTON. I thank the able Senator from Georgia and my distinguished colleague from North Dakota [Mr. YOUNG] who should properly be speaking now. I wanted to ask that question of the chairman before he yielded the floor.

Let me only say that I hope every American will read this answer to my question the Senator from Georgia has given this afternoon, because he is the foremost authority in Congress on matters which pertain to the military.

It is becoming increasingly difficult for the American people to understand why, despite this gigantic loss in treasure and lives, we have made so little progress. It is one reason why so many of us have changed our position with respect to the whole question of this Vietnam war.

Mr. RUSSELL. If the Senator from North Dakota will indulge me one more moment, let me say that so far as the Paris talks are concerned, I shall be very much surprised if any good comes out of them.

I believe that the North Vietnamese accepted the invitation to attend these peace talks so that they would have a breathing spell to recoup, rearm, and restore the hopes and confidence of their people. They were getting a little shaky as a result of our bombing of the north, even though we were doing it in a half-hearted fashion. If we had used to the fullest extent our air and naval capability, I think we would have already achieved our goal.

Personally, I have very little hope that any good will come out of the Paris talks, particularly as long as we talk about reducing the bombing, or stopping it altogether.

Mr. SYMINGTON. The distinguished Senator stimulates me to ask one more question.

There is much talk in the newspapers from many people as to whether or not we should stop the bombing of North Vietnam. Inasmuch as we announced back in March that we would not bomb north of the 20th parallel, and inasmuch as 95 percent of the military targets of North Vietnam are above the 20th parallel, does not the Senator from Georgia agree that what we are doing now in the war of bombing is largely a matter of form rather than one of substance?

Mr. RUSSELL. Of course the limitation on bombing restricts us to targets just north of the DMZ. This allows the North Vietnamese to freely move men and equipment from the north to the infiltration routes into South Vietnam. While these limited bombing efforts have saved some American lives, I would think that an all-out use of our air and naval power, including the closing of Haiphong Harbor, would increase the number of American lives saved by a factor of 10 to 15.

Mr. SYMINGTON. I thank the able Senator.

Mr. YOUNG of North Dakota. Mr. President, I deeply appreciate the comments of the chairman of the committee with reference to my work on the committee.

It is not the privilege of many committees to have such an able chairman as the Senator from Georgia [Mr. RUSSELL] who has had such wide experience in this field and who, in my opinion, is more knowledgeable than anyone in the Pentagon on overall defense questions.

We also have the benefit of excellent staffing on the committee. No committee was ever blessed with better staff members than Bill Woodruff, Francis Hewitt, and Ed Hartung.

Mr. President, the distinguished Senator from Georgia [Mr. RUSSELL], chairman of the Subcommittee on Defense Appropriations, has very ably presented this $71.88 billion Defense appropriation bill.

It is just impossible to provide all the funds requested now to finance the many new multibillion-dollar programs the Federal Government has embarked upon and at the same time provide all the necessary funds for national defense.

While we may differ as to how we got into the war in Vietnam or what has been done either to win the war or find an honorable solution, I feel that we have no alternative but to provide everything necessary to support our troops in Vietnam.

This defense budget has been cut from $77.1 billion, which was proposed by the Bureau of the Budget, to $71.9 billion. This is $5.2 billion under the budget estimate—and $352.8 million under the amount allowed by the House. While this is a tight budget, I feel that it will take care of all of the most urgent needs of the military.

If more money would be required—and I, for one, would be willing to vote for sizable increases—if the Johnson administration had plans or was willing to proceed in the development of much-needed new weapons of war such as the 2,000-mile-an-hour bomber and higher speed and more modern fighter aircraft. At any rate, Mr. President, if this budget is not adequate to meet the needs, the administration can request further funds through future supplemental appropriation bills. The defense of this country should have the highest priority.

It has been clearly established that during the past decade the Soviet Union has matched the United States stride for stride, and in certain areas has moved ahead of the United States in the development of new weapons systems.

Our defense posture was discussed in great detail through extensive hearings. A great deal of attention was given to the threat now faced by the United States and those charged with keeping our defense system equal to or better than those of any potential aggressor.

Unfortunately, the TFX program has been a disastrous failure. The F–111B is already on its way out. We are experiencing continuous and serious problems with the F–111A. The Defense Department had great plans for these planes to meet our Air Force and Navy requirements. In our national defense we will have to turn as fast as possible to the development of newer and better planes capable not only of matching the Soviet aircraft but also surpassing them.

For more than 5 years we have had superior mach 3 interceptors, such as type YF–12. We have yet to recognize the need to provide for a production program of an improved version.

The latest Air Force interceptor, the YF–12A is already second rate by comparison with the Soviet E–266 or the Foxbat which recently regained air speed supremacy in the 500 and 1,500 kilometer closer course.

In the past year, no fewer than nine different new Soviet aircraft have been displayed. This is evidence of an accelerated development program.

If the United States is to embark on a program designed not only to catch up with Soviet Union technology, but also to put us back in the lead, important and difficult decisions must be made and they must be made soon.

In the process of developing any given weapons system to meet the complex challenges of modern warfare, we have bogged ourselves down in masses of paperwork, programing, planning, and so forth, to the point that we have delayed production beyond a reasonable time period. In this bill, we have made an attempt to eliminate unproductive areas yet retain and provide the impetus for newer weapons so critically needed to meet the challenge.

In Vietnam we have not seen the full Soviet capability. The North Vietnamese have been provided with Mig–21's, an older aircraft in the Russian inventory. The Russians have not provided them with their more sophisticated aircraft.

With tensions rekindled in Europe, our present aircraft, as well as our submarine force, are hardly adequate to meet all possible contingencies there.

The Russians are in the process of developing the TU–144. This supersonic

transport will make the Russians competitive in the field of advance aircraft. There is a potential inherent in this plane which, I feel, is worthy of consideration. I am told by experts that it would not take much effort on the part of the Soviets to transform their commercial model into an effective bomber. Not only does it have the range and speed, but from the outgrowth of materials technology it will also provide a base for the next family of weapons systems.

They are well along in their schedule for production of this aircraft. Conversion from peaceful competition to a much more deadly form of competition may also be scheduled.

It would not be fair for me to say that the United States is doing nothing to meet these challenges. The well publicized FX and VFX–2, both in the design stages, are highly sophisticated aircraft. However, the leadtime to have them available in the inventory is extremely long.

This worries me greatly for it is obvious that the Soviet Union is not standing still with the Foxbat, and that something better will have already been developed by the time the FX and VFX–2 are in our inventory.

It would seem the very essence of commonsense that at some point we translate the paper studies of new aircraft and other weapons systems into actual hardware. This we have tried to do in this bill.

The reductions that we have recommended in this bill have been in areas that will not affect the support of American servicemen in Vietnam. This bill does, however, provide some much needed stimulus to advanced new weapons systems.

Mr. President, I fully support this Defense appropriation bill and I hope it will be approved by the Senate without any crippling amendments.

TOWARD A COMMONSENSE DEFENSE BUDGET

Mr. CLARK. Mr. President, I desire to speak on the subject of "Toward a Commonsense Defense Budget." I rise to object to waste—open, conspicuous, notorious, demonstrable waste. This is the largest appropriation bill ever brought before the Senate of the United States. It is called the Department of Defense appropriation bill for fiscal 1969. It should be called the Department of Offense appropriation bill for fiscal 1969, for in fact and in truth it is not really directed to the defense of the United States, but, rather, to maintaining our role in an offensive capacity as the policeman of the world. As reported by the Committee on Appropriations, this bill would appropriate a total of $71,886,893,000.

It is late in the session to be debating a matter of this magnitude. Indeed, if we were to follow the requirements of the La Follette-Monroney Legislative Reorganization Act of 1946, we would have adjourned sine die at the end of August. But the lateness of the hour is no excuse for failing to meet our responsibilities with regard to this mammoth bill.

I indicated earlier that it seemed to me unwise, to use a very moderate term, to attempt to pass a bill of this magnitude in a few hours on the floor of the Senate. I for one intend to do what I can to see that this mammoth bill gets at least a modicum of debate on the floor of the Senate. I have filed at the desk some 10 amendments, each of which is documented with supporting material from impartial sources, each of which would cut significant amounts from this bill without imperiling or endangering in any way our national security.

Before I proceed with my argument, I should like to commend the Appropriations Committee for having eliminated from the budget estimates for 1969 some $5,187,107,000. This is no mean achievement, and I commend the committee for having done so. And yet, in my judgment—and I shall attempt to document it—the additional sum of $8,524,293,000 can safely be cut from this bill without, as I say, adversely affecting in any way our national security.

The figures involved are so huge that it is sometimes hard for us to grasp just what they mean. Perhaps some historical comparisons will help. The amount of money involved in this bill is greater than the entire Federal administrative budget for the year 1958—and that was just 10 years ago. In other words, we will be appropriating in this bill, if we accept it as it came from the Appropriations Committee—and this bill does not represent the entire defense budget for 1969—more than the entire Federal Government spent for all its functions, civil and military, just a decade ago.

We should remember that this bill does not represent the entire Defense budget for 1969. Not too long ago we passed an additional bill for military appropriations which totaled in the neighborhood of $2 billion.

Last year the Defense Establishment ate up nearly 60 percent of all Federal revenues. This year the percentage may be higher. In fact, you have to go back to 1950, nearly a generation, to find a year in which defense expenditures amounted to less than half of the total Federal budget.

I think the time has come to ask ourselves, what is happening to our economy and to our country, as a result of this spending? Does the security of the United States really require a military budget of more than $80 billion a year, or are we just caught up in the "mad momentum" of an arms race, about which Robert McNamara warned us before he left the office of Secretary of Defense? Are we not distorting our budget, our Federal programs, and our whole society with these massive military expenditures?

Do they not indicate a frightening inadequacy in determining our national priorities, a failure to put first things first, in terms either of commonsense or moral value? I think they do.

There are, as I see it, three great problems confronting our Nation today, and all of them, to a greater or lesser degree, are implicated in the appropriation bill before us today.

The first is the problem of Vietnam, and how to obtain an honorable peace as soon as possible. We are told that the war in Vietnam is costing us between $25 billion and $30 billion a year. All of us hope that this tragic war can be ended soon and I am confident it will be ended soon if we accept the sound advice of the Vice President of the United States in the splendid address he made on nationwide television last evening. And when the war is ended, of course, we can hope for a significant decrease in military appropriations.

Let me point out that shortly after World War II, our military budget was only $15 billion. At the height of the Korean war, it was $50 billion. Now it is $82 billion. Of that sum, only somewhere between $25 and $30 billion is allotted to the war in Vietnam. One wonders where the other $52 billion are going, and I shall dwell on that in greater detail a little later. From a strict budgetary standpoint, even if the war in Vietnam were to be ended tomorrow we would still be left with a military budget for the coming year which will cost us more than $50 billion, or more than the total amount of our military budget at the height of the Korean war. This is an incredible sum for a peacetime military budget.

The second problem confronting the Nation today is the problem of the dollar, and how to prevent its devaluation and the consequent damage to the savings of all Americans and loss to all of those who must rely on savings, fixed value pensions, and social security benefits to care for themselves in their old age. Obviously our ability to maintain the value of the dollar depends on our success in avoiding, in times of high employment such as the present, highly inflationary budget deficits. When we engage in deficit spending—and our budget deficit for fiscal 1968 was $25.4 billion—to maintain an enormous defense establishment, we are taking money out of the hides of our old people who live on pensions, savings, and social security, and people who live on fixed incomes, like schoolteachers, policemen, and firemen—and, one might add, most Members of Congress—in order to meet these tremendous military requests.

The third is the problem of our domestic needs: education, the cities, the poor—both rural and urban—highways and the many other programs which benefit all Americans, such as the control of air pollution and water pollution. All of these programs cost money, many of them billions of dollars at the Federal level, in addition to huge costs at the local and State levels. Take, for example, the problem of providing adequate police services to help bring crime under control. All of the courts in the land working 24 hours a day could not stop crime, even if they threw out the whole Bill of Rights—as some of the rightwing voices in the country seem to be advocating—without well trained, well equipped police forces. Yet in most cities, the pay of the average policeman is well below what it ought to be. Many cities lack the number of police they need, either because they cannot pay them enough money, or because they cannot obtain the recruits under the salaries and working conditions which

prevail. Training is often far from adequate. And the products of the developing police technology are not present on most police forces because they are too expensive.

As a former mayor, I think I know as well as anyone in the Senate that the cities simply do not have the means of raising the money they need to provide the bare minimum of essential municipal services. A tax on real property, or on personal property whether tangible or intangible, can only be pushed so far—after a certain point, businesses will flee to the suburbs where taxes are lower. Sales taxes are the most regressive kinds of taxes ever devised, and are a poor means of raising revenue, although in my State we have the highest sales tax of any of the 50 States of the Union. And wage taxes present a whole range of problems of their own. They, too, stimulate emigration to the suburbs.

The States are in many ways as badly off as the cities. They, too, are hard pressed for revenues to meet essential needs. They, too, are short on tax resources.

The money must come from somewhere else, and that somewhere can only be the Federal Government. It was, after all, the Federal Government which stole the goose that laid the golden egg when the 16th amendment authorizing the imposition of a graduated income tax, was approved by the requisite number of States in 1913. The graduated income tax is the most equitable means ever devised for raising the money necessary to provide basic social services in a populous, industrialized society. Yet many States, including my own, have been unwilling, because of vested interests, representing in large part the wealthy, to provide State income taxes, which, in turn, would be deductible from the Federal income tax. So until some way is found for cutting the States and cities in on the proceeds of the Federal income tax, and until those backward States, including Pennsylvania, are prepared to provide for State income taxes on a graduated basis, the Federal Government will have to continue to bear a heavy responsibility for helping States and cities meet what are essentially State and local needs.

I remind the Senate that the maintenance of law and order, and, indeed, the maintenance of justice, is primarily a local problem, the responsibility of the mayors of our cities and the county commissioners and township supervisors in our rural areas. It is only secondarily the responsibility of State governments. The State Governors, when riots occur and law and order is threatened, can call out the State police or call out the National Guard. Ordinarily, that is adequate to reestablish law and order, but it is never adequate to establish justice, because the States have been notoriously backward, to some extent because of their revenue lack, to move into those fields where social justice is so badly needed in so many areas of our country. It has been left to the Federal Government to move into programs of compassion. And so the Federal Government will have to continue for the foreseeable future to have a heavy responsibility for helping States and cities, as I say, to meet these essentially State and local needs.

Congress recognized this when we passed the Safe Streets and Crime Control Act this year. We acted, in title I of that bill, to establish a Federal program of grants to State and local law-enforcement agencies to help them do their job of keeping the peace and combatting crime. In passing that bill we have made a promise to the people of the United States that the Federal Government will stand behind their local law-enforcement agencies. But this is a promise which we may not be able to keep if we continue to pour six-tenths of our national budget into defense spending.

What has been said of law enforcement is demonstrably true of other programs of great importance for our people. As chairman of the Subcommittee on Employment, Manpower, and Poverty, of the Committee on Labor and Public Welfare, I am particularly sensitive to the effects of the budget squeeze, made necessary by our ballooning Defense costs, on antipoverty programs across the country. In my own State of Pennsylvania, the result has been a 14-percent cutback in badly needed antipoverty funds including Headstart, Job Corps, VISTA volunteers, and community action program allotments.

The same is true in the field of housing and urban redevelopment. As mayor of Philadelphia, I was required to have intimate knowledge of the projects in housing and urban redevelopment in my city and came to know how essential the assistance of the Federal Government in these areas was.

As a member for 8 years of the Committee on Banking and Currency of the Senate and its Subcommittee on Housing, I had the privilege, together with former Senator Paul Douglas and our colleague, the Senator from Alabama [Mr. SPARKMAN], of drafting and piloting through the Senate a number of housing and urban redevelopment bills which did make essential funds available to the cities of America.

There are 324 projects in my State which have been approved by the Department of Housing and Urban Development as meriting Federal assistance, but each of these projects is stuck on dead center because of the lack of Federal money to help pay for them. I ask unanimous consent that a list of these 324 unfunded Pennsylvania projects be placed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. CLARK. Mr. President, in the field of education, which is certainly no less vital, the story is the same. For example, Pennsylvania's allotment of Federal funds under title I of the Elementary and Secondary Education Act suffered a short fall of roughly $23 million in the current fiscal year.

In my efforts as a member of the Subcommittee on Education, so ably chaired by the senior Senator from Oregon [Mr. MORSE], and in the conference which we just concluded with our friends in the House—and I had the honor to be a conferee—we envisaged a further drastic cutback in our educational program.

Why are these cutbacks taking place? It is a combination of the $25 billion deficit which we ran in our administrative budget in the last fiscal year and the obsession—and I use the word "obsession" advisedly—of the Joint Chiefs of Staff, the President of the United States, the Armed Services Committees of both Houses, and the Appropriations Committees of both Houses with our military offensive budget.

We expect to spend, as I noted earlier, somewhere in the neighborhood of $30 billion on the war in Vietnam in the coming fiscal year. We expect to spend some $52 billion on the rest of our military budget. And it is this obsession with being the policemen of the world, with conflict as opposed to cooperation—as I said when I started my talk—and the problem of open, conspicuous, notorious, and demonstrable waste that causes Pennsylvania and the other 49 States of the Union to fall short in the domestic programs which I have just summarized.

No one in his right mind believes a massive tax increase is the answer to this problem. The Congress would not pass it. The people would not stand for it.

We had trouble enough passing the temporary 10-percent surtax earlier this session. I voted for that surtax increase, but I voted for it most reluctantly. I did it primarily to protect the dollar and because of the results of a continuing balance-of-payments deficit. I would hope that I would not have to do it again, although I see little hope at the present moment of our being able to terminate that so-called temporary 10-percent surtax when it expires on June 30 next.

So I say, and I stress this, that our problem is not one of choosing guns or butter. It is one of choosing between guns and bread. And I, for one, opt for bread—bread for the poor, bread to furnish our education programs with the fiscal sinews needed to continue them, bread for the whole host of domestic programs which were referred to a few moments ago.

To return to the 10-percent surtax which I have supported with great reluctance and misgivings, these misgivings arose from the nature of the tax which was approved as well as from our failure to face up to this swollen and totally unnecessary military budget. My misgivings about the surtax come from my view as to what kind of taxation is fundamentally most just. I do not favor surtaxes. I would have much preferred to see us do something we should have done a long time ago: close the notorious loopholes in our existing tax laws which make it possible for the very rich to escape paying their fair share of our tax burden. We should have seized the opportunity to repeal, or at least reduce, the oil depletion allowance. We should have seized the opportunity to crack down on the corporate stock option gimmick. We should have seized the opportunity to introduce a new tax system which would be sensible, simple, and fair. But we were not ready to face up to this. I have been around here for quite a while now, 12 years to be exact, and I no longer hope

for miracles like that to happen. So I resigned myself to voting for the surtax.

The other reason for my concern about the surtax bill was a rider, appended to it over the insistent opposition of the White House, requiring a $6 billion cutback in Federal expenditures. My concern was not about the size of this cutback. I believe $6 billion and more can and should be pruned from the Federal budget. In fact, I shall propose cutting that amount and more from this bill. If we are to keep our budget deficit down and prevent an inflationary spiral which would rob the savings of all Americans, I believe we must cut more than that from the budget—more than the $6 billion, I mean. What I was concerned about was where those cuts should be made.

When the tax bill was on the Senate floor, I offered an amendment to lay down priorities for the President in making spending cuts. I think it is the duty of Congress to establish priorities for the President. It is easy to tell the President to cut the budget wherever he likes and reserve the right to complain whenever he cuts a Senator's pet project. It is easy to be for economy in general and against all cuts in particular, especially when they affect one's own State. But the honest course is for Congress to take the responsibility for indicating to the President the areas in which it believes cuts should be made. We in Congress control the purse strings, not the President. He recommends. But we must appropriate or, in the alternative, refuse to appropriate.

My amendment would have directed the President to concentrate the budget cuts in the foreign military aid program, the space program, and the Defense Department budget, to the extent that cuts in defense spending would in no way endanger the security of the United States or the safety of U.S. troops, particularly in Vietnam.

I assert categorically that we could cut $8 billion out of this defense bill, and the American people would never know it was gone; that the Russians and the Chinese or any other potential enemies would not be able to take the slightest advantage of it, and that the security of the United States would not be adversely affected. I state that because the cuts which I propose are only cuts in waste. I say again: Open, notorious, conspicuous, and demonstrable waste.

I had intended to include, as an area for spending cuts, the proposed supersonic transport—that quaint, modern invention which will splinter the eardrums of all those who live near airports, breaking the windows of those who live within a slight distance of takeoff and landing. The bugs are not out of it yet, and to start to build that supersonic air transport now, I think, would be most unfortunate. But I was assured by the chairman of the Senate Commerce Committee, the Senator from Washington [Mr. MAGNUSON], that the administration does not intend to spend any money on this project in the coming fiscal year in any event. So I did not offer an amendment to strike sums for the supersonic transport from the relevant appropriation bill.

According to testimony submitted recently by Budget Director Zwick to the Joint Economic Committee, Congress has so far cut a little better than $3 billion of the required $6 billion which we imposed on the President. The job, in other words, is about half done. If we do not do it in this bill—and I shall propose that we do, to the extent of more than $3 billion—then the remainder of the job will have to be done by the Executive, a task we should not ask any President to perform. Of course, the task will have to be done to a substantial extent not by President Johnson but by the next President of the United States, whoever he may be; for, after January 20, 1969, we shall assuredly have a drastic changing of the guard in all positions of responsibility, no matter who should win the Presidency.

Our moment of truth on the remaining $3 billion—and more besides—in expenditure reductions is here today, in this bill. This is the Congress of the United States, the sole body which, under the Constitution, has the responsibility for raising and appropriating revenues. We are the ones who have mandated a reduction of $6 billion in spending for the present fiscal year. We are the ones who bear the responsibility for making those reductions. And we have before us today the bill from which those reductions, and more, must be made.

Thus far I have spoken only in terms of money. But there are other reasons, which cannot be counted in dollars and cents, which require us to go over this bill with a fine-tooth comb and search out the waste and the boondoggling and the empire building which have brought us to the point where only $0.40 out of every tax dollar can be spent on debt service, administration, and the taxpayer's health and welfare as a human being.

In an excellent book entitled, "The Weapons Culture," Dr. Ralph Lapp, a nuclear physicist who worked on the Manhattan Project—which, as is well known, resulted in the building of the atomic bomb which was dropped on Hiroshima and Nagasaki—has written:

> No nation can devote so much of its ingenuity, manpower and resources to the works of war without at the same time being deeply changed in the process.

Lapp asserts—and I agree—that—

> Gradually the U.S. involvement with defence industry has proceeded to the point where weapons-making begins to dominate our society. This protracted dedication of American effort to devising and manufacturing new arms has created a techno-military establishment that threatens to make great inroads upon our economy. A central problem for democracy is the control of this military-industrial complex that has grown in influence as its political connections have ramified.

The central theme of this warning—that we must guard against the influence of the military-industrial complex—is not unique with Dr. Lapp. As all now know, and it has become almost a cliche, the true author of these comments is none other than the leading soldier-statesman of our generation, President Eisenhower, who said in his justly famous farewell address as he left the White House:

> In the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

Mr. President, perhaps another and more terse way of putting the same thought would be that we should keep the generals and admirals on "tap" and not on top. They have been on top now for almost 5 years. I think it is time we put an end to it.

This warning, in my judgment, has not been exaggerated. It is more valid today, as we face a defense appropriation bill of $71.9 billion, than it was when General Eisenhower uttered it. In the intervening years, the military-industrial complex has continued to wax and grow fat, fed by a bloody, costly war in Vietnam, and a continuing nuclear and conventional arms race with the Soviet Union. Dr. Lapp asserts that all in all, our Nation has spent about $1 trillion on its postwar World War II armaments.

Mr. President, what have we got to show for it? As a matter of fact, we have literally nothing except uncertainty and fear.

Surely it is time to call a halt to this senseless escalation of our arms establishment. Surely it is time to begin to resist the pressures which will in the end, if unchecked, convert our country into a garrison state.

The question we must ask is not how much can our generals and admirals use. We already know the answer to that. It is more, and more, and more.

It is not for the Pentagon or the Joint Chiefs of Staff to set our priorities, I suggest, and I hope the comment is not taken amiss, that it is not for the Committee on Armed Services or the Committee on Appropriations to set our national priorities. It is for the Congress, through its control of the purse strings, to do so. The military and the Committee on Armed Services have no responsibility to see to the education of our children. They have no responsibility to purify our streams and the air we breathe. It is not their job to clean up the inner cores of our cities and train the hard core unemployed.

They do not engage in the war against poverty. In fact, they compete with the war on poverty in the other wars they fight or seek to be prepared to fight on foreign soil at the drop of a hat. The Joint Chiefs of Staff and the military have only one mission—to insure the security of the United States from foreign aggression; and not to send troops and vessels all over the world to act as an international policeman. That is a noble mission, deserving of the hard-working intelligence of able men. I support them for it. I say again we must not let them run our country, and as this appropriation indicates they are on their way to running our country, with the inevitable result that they are going to do one of three things. There will either be a massive tax increase levied on the taxpayers of the United States, who are already complaining and groaning under the load of our present tax burden; or they will have the dollar devalued and absorb the savings of all our old people or anybody living on pensions

or social security or fixed incomes; or they are going to cut back on domestic programs initiated a long time ago by Franklin Delano Roosevelt, Harry Truman, John Kennedy, and by Lyndon Johnson, for there is a seamless web running from the New Deal of Franklin Delano Roosevelt when we began to act as a Nation of compassion to deal with the problems of our underprivileged citizens, and the splendid mission of the Kennedy-Johnson administration to get the country moving again, as the late President Kennedy said.

This seamless web of progress is being torn asunder by the exorbitant demands of the military. The more money we give them, the more money they ask. The more they get, the better they think they can do the job of acting as the world's policeman.

Yet even on the issue of national security, which is their field of expertise, their vantage point is limited and hence their judgment is not entirely conclusive. Robert S. McNamara, who was, in my view, although some Senators may disagree, the greatest Secretary of Defense this country ever had, once said:

> In the end, the root of man's Security does not lie in his weaponry. In the end, the root of man's security lies in his mind. What the world requires is not a new race towards armaments. What the world requires is a new race toward reasonableness.

So I have called this speech, "Toward a Commonsense Defense Budget."

The essence of former Secretary McNamara's insight is that true security does not have to derive from piling weapons upon weapons, but rather from the negotiation of effective treaties and agreements to reduce armaments. Our trillion dollars worth of armaments has not bought us a nickel's worth of security vis-a-vis the Soviet Union or Communist China. Every gun, every airplane, every nuclear weapon we have bought has been matched by a gun, a bomb, or a plane or nuclear weapon that they have produced.

Today we find ourselves in a situation where both the United States and the Soviet Union possess the capacity to destroy the other without regard to which country strikes first. Despite all that we have spent, and despite the numerical superiority in strategic nuclear weaponry it has given us, "the blunt, inescapable fact remains"—and I am quoting from former Secretary McNamara—"that the Soviet Union could still—with its present forces—effectively destroy the United States, even after absorbing the full weight of an American first strike."

If we had the wisdom to pursue effective arms control and disarmament agreements with as much ingenuity and energy as we have expanded on the production of new weapons systems, we would be far closer to the goal of peace than we are today. But perhaps disarmament pacts are less popular because they do not generate huge Government contracts with high profits.

Whatever the reason, we have downgraded the Arms Control and Disarmament Agency to the point where it is little more than a bureau, half in the Department of Defense and half in the State Department, although that was certainly not the intention of Congress when the legislation was passed. So the least effective agency of all in attempting to fight back the military and industrial complex, or to move towards arms control and disarmament to cut back swollen military budgets, is the very agency which the Congress created for the purpose of riding herd on the Defense Establishment and moving forward with the express purpose of negotiating those treaties on arms control and of general and complete disarmament under enforceable world law which President Kennedy so eloquently advocated in three major speeches delivered within a year of his assassination.

Before this session closes, I hope that the Senate will have an opportunity to take a significant new step to peace by approving the Nuclear Nonproliferation Treaty. I am not one who believes that if the Senate ratifies it—and I hope it will, before we adjourn this year—the President should hold back in carrying it into effect. I believe that in this area we should lead and not follow, that we have an obligation to the rest of the world to be at the forefront of those nations which seek to control the further spread of nuclear weapons and, indeed, that we should be at the forefront with the Soviet Union in reaching mutually compatible arms control agreements, so that we and the superpowers should be making a strong and firm effort to reduce the crushing burden of armaments which is causing such havoc in our own country and which, no doubt, is creating even greater havoc in the Soviet Union where its people yearn for those consumer goods and a higher standard of living which we in the United States have enjoyed for many a long year. It has the virtue—or perhaps it is a defect—of all arms control agreements: it will not put a strain on the Federal budget. It is unique in one regard: it does not really bind this country to do anything we would not do anyhow. Its principal effect will be on nonnuclear countries, in that they must commit themselves not to acquire or manufacture nuclear weapons.

I know that the President hopes—and I share the hopes—that this treaty will lead promptly to new agreements between the Soviet Union and ourselves to control and reduce offensive and defensive strategic weapons. Indeed, the treaty itself commits us to make this an earnest effort to this extent. But all of these matters are for the future. The Senate cannot wait to see what happens if these negotiations develop. We must act on the bill before us. And we must ask ourselves, how much of this $71.9 billion is unrelated to our security? How much fat is there in this bill?

I contend there is at least $8.5 billion worth of waste or fat here.

(At this point, Mr. KENNEDY took the chair as Presiding Officer.)

Mr. CLARK. Mr. President, earlier this year, Congressional Quarterly, a highly authoritative periodical available to Members of Congress and the public, published a detailed analysis of the Defense budget, based in large measure on information supplied by highly placed sources in the Pentagon.

On Monday, July 15, I spoke on the floor on the subject of responsible cuts in defense spending, and placed in the RECORD a senatorial how-to-do-it, and copies of my talk which incorporated within it the initial comments as to how the military budget could be cut made by Congressional Quarterly, were sent to Members of the Senate. Accordingly, many colleagues, or at least their staffs, are presently advised as to the arguments-in-chief in support of the amendments I shall shortly submit.

Since July 15, the Pentagon issued a detailed, so-called rebuttal to the statements of Congressional Quarterly which it sent to Members of the Senate and, I imagine, to all Members of the House as well.

Thereafter, Congressional Quarterly, on September 20, 1968, issued a counter-rebuttal, to my way of thinking rather completely demolishing the comments of the Pentagon.

I ask unanimous consent that this fact sheet of Congressional Quarterly, entitled "Pentagon Rebuts Assertions of $10.8 billion in Fat," published September 20, 1968, be printed at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. CLARK. Mr. President, on the basis of the information supplied by these sources, the editors of Congressional Quarterly concluded, and then confirmed their own conclusions, that $10.8 billion could be cut from the $82 plus billion defense budget without prejudicing our security. On the basis of my independent study of the facts, I believe that figure to be reasonable.

Nine areas in the Defense budget were singled out for cuts: First, antiballistic missile system—ABM; second, bomber defense system—SAGE; third, surface-to-air missiles; fourth, manpower; fifth, tactical aircraft programs; sixth, antisubmarine carrier forces; seventh, attack carrier forces; eighth, amphibious forces fast deployment logistic ships—FDL's; and ninth, manned orbiting laboratory. In each of these areas substantial cuts can be made in the defense budget without detracting from our national security. I do not propose now to go into detail on each of these areas. I intend to discuss them at some length in connection with amendments which I shall be offering to the bill.

There is a 10th area where I believe cuts can be made without any danger to the national security, and that is to reduce appropriations for research and development to the figure appropriated for the preceding fiscal year.

However, let me make just a few comments now with respect to the amendments, dealing in generalities. I have argued from the beginning that the deployment of an admittedly ineffective ABM system at an enormous cost is an act of pure folly. Secretary McNamara, I am confident, recognized this folly for what it was. It was he who pointed out that we do not now have, nor can we ever reasonably hope to build an ABM umbrella which could afford effective protection for our people against the full

thrust of a Soviet missile attack. I simply do not see how one can argue that it strengthens our hand in negotiating with the Russians to proceed with the deployment of this ineffective system. We know it does not work. The Russians know it does not work.

We know their system does not work, either. They are perhaps fooling their people because their people do not have access to a free press or freedom of speech, which unquestionably would reveal the inadequacies of the Moscow ABM system defense and, if it is a ballistic defense system, which is in doubt, the Tallinn system, which is deployed elsewhere in Russia.

One of the matters which I intend to discuss later relates to manpower. We now have approximately 3.4 million men under arms. Of these, only about 500,000 are in Vietnam. That leaves somewhere in the neighborhood of 2,900,000 Americans in uniform stationed here in the United States and throughout the rest of the world. I think it is imperative for us to pause and ask ourselves what these men are doing and why we seem to need so many. Unless we really do intend to be the world's policeman—and I devoutly hope not; the administration keeps saying we do not, and then acts quite differently from what they say—it seems to me that we can afford to make significant cuts without jeopardizing our national security. When one considers that the average annual cost of maintaining one single man in uniform for 1 year is approximately $10,000, it is obvious that savings can and should be made.

In addition, there are now about 1.2 million civilian employees serving the military, with a total payroll of about $10 billion. Just as cuts must be made in uniformed personnel, I believe cuts must also be made among nonessential civilian personnel.

In testimony made public just last week, Adm. Hyman G. Rickover charged that the Defense Department has become so excessively large that it has "gone out of control."

He said—and these are his words, and not mine:

> In a homely manner of speaking, the Defense Department is constipated; it must be purged or it will become increasingly torpid.

In my judgment, this is true, not just of the headquarters staff, but of the whole Defense Establishment. It is too big, too fat, too sluggish, too overweight, to function at its best.

I have never advocated, and I am not arguing now, for cuts which would impair the ability of our military services to perform their duty to defend this Nation against foreign aggressors.

Let us think for a moment. Who are the foreign aggressors threatening the United States of America at home? Actually, there are not any. Wherever we are resisting aggression, or participating in resisting aggression, the action occurs across wide seas and thousands, sometimes tens of thousands, of miles from our shores. It is now 27 years since Pearl Harbor, and that was the last time when the territory of the United States of America was attacked by a foreign foe.

And so I argue against a bloated military budget, a wasteful budget as represented by this bill, swollen out of all proportion to the actual needs of our country, a budget which has distorted our Federal budget and thrown our sense of national priorities into utter disarray. We are starving our domestic programs and scrimping on housing, education, the war on poverty, and conservation, to feed the vast engines of our Military Establishment, and to feed it for aggressive action overseas, and not in defense of the shores of the United States of America. We have imperiled the dollar with a growing national debt incurred as a result of the unbalanced budgets of past wars and present military spending.

I made the comment the other day, before an audience composed largely of individuals interested in investments and securities, bonds and stocks, that what we were doing to keep the Government going in the face of our huge deficit was to print paper money. And, of course, this creates something approaching panic in the hearts and minds of those who think in terms of a safe dollar. It brings back memories of runaway inflation in Germany after the end of World War II. But, in fact, it is true. We call them Government bonds, and they have lovely embossed and glossy fronts, but nevertheless it is paper money. Any effort to disguise that fact cannot be logically or economically successful.

We have, as I say, imperiled the dollar with a growing national debt incurred as a result of the unbalanced budgets of past wars and present military spending. And we have permitted the growth of a towering military-industrial-congressional-journalistic complex, which is threatening to take control of our country, and is already placing in jeopardy the very freedoms which we are purportedly arming to defend.

Konrad Lorenz, the author of "On Aggression," has written:

> An unprejudiced observer from another planet, looking upon man as he is today, in his hand the atom bomb, the product of his intelligence, in his heart the aggression drive inherited from his anthropoid ancestors, which this same intelligence cannot control, would not prophesy long life for the species.

Mr. President, I am not as pessimistic as Konrad Lorenz. I am not ready to concede than man cannot, by the use of his intelligence and his compassion, control his aggressive instincts. I believe that we have within our grasp the means to rein in the dogs of war, to disarm the national states, and to establish through international institutions a rule of enforceable law—as opposed to a rule of armed force and threats—in dealings between nations.

Until that rule of law has been established, we must of course provide for our own security, and I have voted for every single so-called defense or, in juster terms, military appropriations bill since I came to the Senate. I intend to vote for this bill, whether or not my amendments to reduce it prevail. For in the end, if my judgment does not meet the judgment of my colleagues, we still have to provide for the safety and the national security of our country. But I say that we are overproviding, we are overreacting, we are preparing to appropriate totally unnecessary sums to provide for that security, and hence I shall press for my amendments.

I believe we must provide for our own security, but through a commonsense defense budget, one which we control, not one which controls us. Let us test it, item by item, against the realistic defense needs of our country, keeping constantly in mind the fact that every dollar which goes into the design or production of sophisticated weaponry, and every dollar that goes into maintaining a swollen and wastefully large Army, Navy, Air Force, and Marine Corps, is a dollar which we cannot spend on better schools, better housing, cleaner streets, or purer air.

Lest I be misunderstood, I am confident that for the next fiscal year, we shall have to have a large and well-armed Army, Navy, Air Force, and Marine Corps. But I am equally convinced that we do not have to maintain them at their present strength. Therefore, later in this debate, I shall move to cut military personnel by a total of 10 percent.

And while we are dealing with this military budget, let us remember the other priorities of our country. Let us think where the money would go if it did not go into these swollen offensive items. Let us remember that we must have money for better schools, better housing, cleaner streams, and purer air.

Let us free ourselves, above all, from the weapons cult which robs our savings, warps our communal life, and threatens to bring about the destruction of civilization. It is the Golden Calf of our nationhood. Let us cast it out for the false idol which it is and bring our country back to the path of wisdom, maturity, and peace, by adopting a commonsense defense budget.

Tomorrow, I hope—I may possibly be forced to do it today, but I hope not—I shall propose a series of amendments, which are at the desk, and all except one of which have been printed. That amendment will be printed tonight. There are a total of 10.

The first one (No. 985) deals with the antiballistic missile system. The second, which deals with the bomber defense system known as SAGE, is No. 986. The third (No. 987) deals with surface-to-air missiles. The fourth deals with personnel cuts, but that amendment has been rewritten, and we do not know what the new number will be. It will not be No. 998; it will be in substitution for 998.

There is a corrected amendment, numbered 1001, which is a substitute for No. 989, and deals with the limitation on the production of helicopters.

In this connection, may I say that I have been grossly misquoted by the press, both in Washington and in Philadelphia, with respect to the amendment dealing with helicopters. My intention has always been, and is now, to curtail the production of helicopters to a figure adequate to provide for attrition in Vietnam. It was never my intention, though I was thus misrepresented in the press, to eliminate the further production of helicopters. Furthermore, my proposed

amendment would not result in one single individual in the Commonwealth of Pennsylvania losing his job. I should say also that, as a result of my own trip to Vietnam earlier this year, I know that we have helicopters coming out of our ears in Vietnam, to such an extent that it is very difficult indeed to persuade a sergeant to ride in a truck. Also, it is obvious that the value of the helicopter as a weapon in the Vietnamese war, while still great, has decreased substantially since the enemy has learned new and improved techniques for dealing with them.

My next amendment, which is No. 990, deals with antisubmarine carrier forces, and the next amendment (No. 991) deals with attack carrier forces. The next, which is No. 992, deals with amphibious forces. The next (No. 993) deals with the Manned Orbiting Laboratory, known as MOL; and the final one (No. 994) deals with the effort to hold research and development expenditures at the 1968 level.

With respect to the last amendment, No. 994, dealing with research and development, I ask unanimous consent that the name of the senior Senator from Michigan [Mr. HART] be added as a cosponsor of that amendment.

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

Mr. CLARK. Mr. President, I yield the floor.

EXHIBIT 1

GRANTS FOR URBAN PLANNING ASSISTANCE PENDING AS OF JULY 31, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Project No.	Localities or areas	Applicant	Grant amount
255	Lackawanna	Department of Community Affairs	$7
256	Lancaster	do	60
260	Allegheny	do	89
266	Berks	Berks County Planning Commission	14
	Total		170

OPEN SPACE LAND (702) PENDING AS OF AUG. 15, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.[1]	Applicant	Number of acres	Grant amount
City of Throop	Pa. OSA-99	Borough of Throop	75	$25
City of Mohnton	Pa. OSA-157	Township of Cumru	54	23
City of Pittsburgh	Pa. OSA-181	County of Allegheny	2,336	1,486
City of Erie	Pa. OSD-183	Erie County Authority	134	887
City of Spring City	Pa. OSA-187	Borough of Spring City	7	12
West Deer Township	Pa. OSD-196	County of Allegheny	16	206
Elizabeth Township	Pa. OSD-197	do	2	31
North Fayette Township	Pa. OSD-198	do	2	32
City of Archbald	Pa. OSA-207	Borough of Archbald	84	25
Troy Township	Pa. OSA-208	Board of County Commissioners, Bradford County.	24	11
Hampton and Indiana Townships.	Pa. OSA-209	County of Allegheny	857	866
City of New Castle	Pa. OSD-212	County of Lawrence	105	171
City of Jessup	Pa. OSA-214	Borough of Jessup	8	23
Lower Saucon	Pa. OSA-217	Lower Saucon Township	104	76
Lower Paxton Township	Pa. OSC-218	Township of Lower Paxton	22	115
City of Dickson City	Pa. OSA-219	Borough of Dickson City	21	30
Ransom Township	Pa. OSA-221	Township of Ransom	28	21
City of Perryopolis	Pa. OSA-226	Borough of Perryopolis	20	18
Adams and Richland Townships.	Pa. OSA-229	Board of Commissioners, County of Cambria.	1,339	381
Upper Dublin Townships	Pa. OSA-230	Upper Dublin Township	17	32
City of Dupont	Pa. OSA-234	Borough of Dupont	4	5
City of Wilkes-Barre	Pa. OSA-237	City of Wilkes-Barre	46	91
City of Mayfield	Pa. OSA-238	Borough of Mayfield	19	10
City of Vandergrift	Pa. OSA-246	Borough of Vandergrift	75	38
Plymouth Township	Pa. OSA-247	Plymouth Township	19	39
City of Reading	Pa. OSA-250	City of Reading	12	31
Athens Township	Pa. OSA-251	Athens Township Supervisors.	414	16
Harbor Creek Township	Pa. OSD-252	Township of Harbor Creek	140	25
Export and Franklin Townships.	Pa. OSA-253	Borough of Export	22	15
Borough of Delmont and Township of Salem.	Pa. OSA-256	Borough of Delmont	14	15
City of Monessen	Pa. OSC-258	City of Monessen	32	55
Adams and Richland Townships.	Pa. OSA-259	Board of Commissioners of the County of Cambria.	1,297	196

OPEN SPACE LAND (702) PENDING AS OF AUG. 15, 1968, STATE OF PENNSYLVANIA—Continued

[Dollar amounts in thousands]

Locality	Project No.[1]	Applicant	Number of acres	Grant amount
Independence Township	Pa. OSA-261	Independence Township Supervisors, Washington County.	78	$15
Total			7,427	5,022

[1] OS, OSA—open space acquisition; OSD—open space development; OSC—open space combined acquisition and development.

URBAN MASS TRANSPORTATION TECHNICAL STUDIES—SEC. 9, PENDING AS OF AUG. 15, 1968

[Dollar amounts in thousands]

Project No.	Applicant	Type	Grant Amount
PA-T9	Schuylkill County	Origin-destination study	$16
	Total		16

GRANTS FOR BASIC WATER AND SEWER FACILITIES PENDING AS OF JULY 31, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.	Type of project	Grant amount
Bellefonte	0116	Water distribution, water storage, water treatment.	$1,135
Altoona	0130	Sewer collection	717
Rostraver	0140	do	170
Philadelphia	0175	Storm sewer collection	1,226
Lancaster	0211	Sewer collection	1,500
Mammoth	0233	do	281
Chartiers	0243	do	76
Irwin	0253	do	1,434
Bellwood	0275	Water transmission	181
Landenburg	0304	Storm sewer collection	113
Bristol	0307	do	634
Ambridge	0315	Sewer collection	66
Collingdale	0318	do	93
Morgan	0319	do	535
Clearfield	0325	Water distribution and treatment sewer	330
Mount Pleasant	0326	Sewer collection	270
McKees Rocks	0333	do	1,234
Canton	0342	Sewer collection and pumping	967
Indiana	0344	Sewer collection	80
Lewistown	0345	Water storage	1,500
North Strabane	0348	Water distribution	258
Bloomsburg	0349	Sewer collection	1,580
Avondale	0353	do	118
Philadelphia	0364	Water distribution and sewer collection	1,500
Do	0366	Sewer collection	1,482
Do	0367	Water line	1,482
Connellsville	0373	Sewer collection	725
Total			19,687

MORTGAGE INSURANCE FOR SPECIAL PURPOSE MULTIFAMILY PROJECTS PENDING AS OF JUNE 30, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.	Name of project	Number of housing units	Mortgage amount	Status[1]
Urban renewal housing, sec. 220:					
Wilkes-Barre	034-32015	Provincial Towers	109	$2,520	AIP
Philadelphia	034-32012	Aspen Village, Inc.	48	537	CO
Pittsburg	033-32004	Manhattan House, Inc.	156	3,442	CO
Total, 3 projects			313	6,499	
Rental housing, sec. 207: Stroudsburg	034-00105	Terrace Hill Apartments	35	420	AIP
Nursing homes, sec. 232: Easton	034-43016	Northampton Nursing Home	[2] 120	1,122	AIP

[1] AIP—Application in process; CO—Commitment to insure outstanding.

[2] Beds.

GRANTS FOR RENT SUPPLEMENTS PENDING AS OF JUNE 30, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.	Name of project or sponsor	Type of program [1]	Housing units		Supplement amount	Status [2]
				Total	Supplement		
Philadelphia	II-47	Presbyterian Apartments	MR	100	100	$80	P
Harrisburg	034-35002	Parkside Apartments	MR	200	200	171	F
Philadelphia	034-35003	Friends Housing	MR	39	39	34	F
Easton	034-35005	Colonial Apartments	MR	84	84	97	F
Philadelphia	034-35008	Mill Creek Gardens Cooperative	MR	113	113	90	F
Do	034-35009	....do	MR	63	63	50	F
Punxsutawney	033-35004	Sycamore Realty Co	MR	40	40	51	F
Steelton	034-35001	Bright Homes	MR	128	128	77	F
Philadelphia	034-35007	Fairmont Manor Apartments	MR	110	110	88	F
ittsburgh	033-35006	Harriet Tubman Terrace	MR	56	56	63	F
Do	033-55019	Sterrett-Collier	BMIR	144	10	5	F
Total 11 projects				1,077	943	806	

[1] BMIR—FHA insured low- and moderate-income housing (below market interest rate); MR—FHA insured low- and moderate-income housing (market interest rate).

[2] P—Preliminary reservation; F—Formal reservation.

MORTGAGE INSURANCE FOR SPECIAL-PURPOSE MULTIFAMILY PROJECTS PENDING AS OF JUNE 30, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.	Name of project	Number of housing units	Mortgage amount	Status [1]
Low- and moderate-income housing (below-market interest rate), sec. 221:					
Lancaster	034-56027	First Presbyterian	8	$190	AIP
Philadelphia	034-56008		8	68	AIP
Do	034-56009	Interfaith Council	5	52	AIP
Do	034-56010	....do	7	78	AIP
Do	034-56012	....do	7	78	AIP
Do	034-56013	Maple Mantua Rehabilitation	8	101	AIP
Do	034-56014	Philadelphia Housing Development Corp	5	58	AIP
Do	034-56015	....do	7	97	AIP
Do	034-56017	....do	6	65	AIP
Do	034-56019	....do	5	50	AIP
Do	034-56020	....do	5	50	AIP
Do	034-56022	....do	7	54	AIP
Do	034-56028	....do	6	78	AIP
Do	034-56029	....do	6	93	AIP
Do	034-56030	....do	6	78	AIP
Do	034-56031	....do	6	81	AIP
Do	034-56032	....do	8	111	AIP
Do	034-56033	....do	5	56	AIP
Do	034-56034	....do	6	78	AIP
Do	034-56035	....do	5	70	AIP
Allentown	134-55007	Lancaster Park Apartments	110	1,272	CO
Bethlehem	134-55009	Bethlehem Townhouse Apartments	111	1,279	CO
Lancaster	034-55008	Adams Musser Towns	80	1,055	CO
Philadelphia	134-56002	Council of Clergy	7	57	CO
Do	034-56003	....do	7	61	CO
Do	034-56004	Philadelphia Housing Development	5	57	CO
Do	034-56005	....do	7	80	CO
Do	134-56006	....do	6	70	CO
Do	013-56018	....do	6	73	CO
Do	034-56023	....do	5	46	CO
Do	034-56024	....do	7	81	CO
Do	034-56025	....do	7	69	CO
Do	034-56026	....do	5	49	CO
West Chester	034-56016	Citizens Better Housing	6	73	CO
Pittsburgh	033-55013	Kelly Hamilton, Inc	66	816	CO
Do	033-55019	Sterrett Collier	144	1,853	CO
Total, 36 projects			705	8,577	
Low- and moderate-income housing (market interest rate), sec. 221:					
Punxsutawney	033-35004	Sycamore Realty Co	40	436	AIP
Philadelphia	034-35007	Fairmont Manor Apartments	10	1,365	AIP
Steelton	034-35001	Bright Homes	128	1,586	AIP
Pittsburgh	033-35006	Harriet Tubman Terrace	56	644	CO
Total, 4 projects			334	4,031	

[1] AIP—Application in process; CO—Commitment to insure outstanding.

ADVANCES FOR PUBLIC WORKS PLANNING PENDING AS OF JULY 31, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.	Type of project	Loan amount
Kennedy Township	3756	Parks	$27
Lancaster	3761	Education	172
Pottstown	3765	Streets	20
Erie	3766	Courthouse	50
Scranton	3776	Convalescent (home)	125
York	3783	Hospital	87
Derry Township	3799	Sanitation	82
Valley Township	3803	....do	59
Johnsburg	3808	Streets	15
Harrison Township	3809	Sanitation	50
Canton Township	3812	....do	52
South Pymatuning	3813	....do	20
Saegertown	3814	....do	12
Lower Burrell	3815	....do	80
Oak Ridge	3816	....do	38
Williamsport	3818	Water system	$127
Minersville	3821	Sanitation	54
Collegeville Borough	3826	....do	36
Robinson Township	3828	Municipal building	19
Union Township	3829	Sanitation	41
Shippen Township	3830	....do	19
Freedom Township	3832	....do	17
Sugar Grove	3834	....do	16
Limerick	3835	....do	25
Borough of Deer Lake	3836	....do	8
Township of Unity	3837	Drainage	85
Windber	3838	Sanitation	33
Leighton	3839	....do	13
Back Mountain	3840	....do	282
Punxsutawney	3841	....do	18

ADVANCES FOR PUBLIC WORKS PLANNING PENDING AS OF JULY 31, 1968, STATE OF PENNSYLVANIA—Continued

[Dollar amounts in thousands]

Locality	Project No.	Type of project	Loan amount
Hempfield	3842	Sanitation	$68
Newville	3843	do	55
Confluence	3844	do	20
Franconia Township	3845	do	34
Township of Indiana	3846	do	7
Coopersburg	3847	do	28
York Haven	3848	do	13
Salem Township	3849	do	39
White Deer Township	3850	do	8
Windgap	3851	do	32
Manor Township	3853	do	52
North Strabane	3854	Water system	29
North Union Township	3855	Sanitation	90
Towanda	3856	do	12
Chester	3857	Heating system	125
Cornwells	3858	Sanitation	125
Total			2,419

GRANTS FOR URBAN RENEWAL—NEW PROJECT APPLICATIONS PENDING JUNE 30, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.	Project name or type	Grant amount
Carnegie	E-9	Carnegie CE Program Area No. 1	$983
Pittsburgh	E-11	Garfield CE area	4,740
Philadelphia	M-13	Demolition Grant No. 2	140
Boyertown	R-357	Colonial Corners	1,157
Chester	R-323	Chester CBD	26,827
Do	R-326	Hopewell urban renewal area	1,888
Danville	R-336	YMCA urban renewal area	336
Easton	R-340	Southside urban renewal area	8,564
East Stroudsburg	R-352	Courtland Plaza	2,301
Grove City	R-341	Civic center project	385
Hanover Township	R-337	Oxford urban renewal area	1,295
Homestead	R-278	Homestead urban renewal area	1,548
Lebanon	R-364	Northside urban renewal area	7,579
Mansfield	R-316	Mansfield State College	121
Milton	R-362	Central Milton	3,302
Monongahela	R-355	Monongahela business district	1,459
New Castle	R-335	Central area urban renewal project	10,518
Philadelphia	R-304	Ontario urban renewal area	1,250
Do	R-351	Strawberry Mansion	124
Pittsburgh	R-305	Federal Anderson	8,424
Do	R-366	Manchester urban renewal project	10,452
Pittston	R-353	South Pittston urban renewal area	4,003
Plymouth	R-361	East Main St. project	828
Sunbury	R-363	Sun. Cen. project	5,469
Williamsport	R-356	West Edwin St. urban renewal	1,365
Harrisburg	E-12	CE project	478
Latrobe	E-13	CE	1,331
Darby Township	M-20	Demolition	10
Erie	M-19	do	94
Shamokin	R-37 GN	Shamokin Gnrp. area Project No. 1	0
Bristol	R-343	Bristol Terr. II	1,111
Franklin	R-369	13th St. project	2,418
Harrisburg	R-370	Hamilton urban renewal area	6,841
Latrobe	R-365	Central urban renewal area No. 2	7,041
Lock Haven	R-322	Bald Eagle St. urban renewal area	533
Philadelphia	R-346	Einstein Southern area	528
Do	R-367	Market St. East urban renewal area Unit No. 1.	15,119
Do	R-368	Market St. East urban renewal area Unit No. 2.	6,953
Shamokin	R-372	Shamokin Gnrp. area, Project No. 1	3,483
Uniontown	R-339	South Gallatin Ave. urban renewal area.	298
Total (40 projects)			151,294

GRANTS FOR URBAN BEAUTIFICATION AND IMPROVEMENT—NEW APPLICATIONS PENDING JUNE 30, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.	Grant amount
Philadelphia	B-9	$511

URBAN PARKS (DEVELOPED LAND)—NEW APPLICATIONS PENDING JUNE 30, 1968, STATE OF PENNSYLVANIA

[Dollar amounts in thousands]

Locality	Project No.[1]	Applicant	Number of acres	Grant amount
Bellefonte	OSA-257	Borough	0.83	$69
York	OSA-260	City	4.045	166
Total, 2 projects			4.875	235

[1] OSA—Open space acquisition.

LOANS FOR ELDERLY AND HANDICAPPED HOUSING PENDING IN STATE OF PENNSYLVANIA, AS OF JULY 31, 1968

[Dollar amounts in thousands]

Locality	Project No.	Applicant	Number of housing units	Loan amount
Allentown	27	Phoebe Apartments	131	$1,680
Erie (Harbor Creek Township).	28	Conrad House, Inc	133	1,660
Philadelphia	29	Fraternal Order of Police	92	1,275
Do	30	Overmont Corp	188	2,570
Pittsburgh	31	Episcopal Residences, Inc	203	2,635

LOANS FOR COLLEGE HOUSING PENDING IN STATE OF PENNSYLVANIA AS OF JUNE 30, 1968

[Dollar amounts in thousands]

Locality	Project No.	Institution	Number of accommodations[1]	Loan amount
Annville	245	Lebanon Valley College	350	$1,265
Bethlehem	253	Lehigh University	264	1,265
Coraopolis	260	Robert Morris Junior College	200	990
Elizabethtown	254	Elizabethtown College	300	885
Erie	246	Mercyhurst College	203	1,085
Huntingdon	251	Juniata College	307	1,205
Johnstown	261	University of Pittsburgh	301	945
Pittsburgh	252	Carnegie Mellon University	144	700
Philadelphia	248	Drexel Institution of Technology	407	1,975
Do	250	St. Joseph College	307	1,205
Villanova	256	Villanova University	498	2,000
Washington	247	Washington-Jefferson College	121	705
York	255	York Junior College	136	825
Do	262	York Hospital School of Nursing	105	705

[1] Count of dormitory beds, faculty, and student family units. Projects may consist of any combination of housing, dining, student union, or infirmary facilities.

ASSISTANCE CONTRACTS FOR LOW RENT PUBLIC HOUSING PENDING AS OF APR. 30, 1968 PENNSYLVANIA

NA denotes number not yet assigned; AIP denotes application in process; RA denotes reservation approved]

Locality	Reservation or project No.	Housing units		Status
		Total	Senior citizens	
Allentown	NA	325	100	AIP
Apollo	NA	40	----------	AIP
Beaver Falls	14-M	100	100	RA
Bethlehem	NA	300	300	AIP
Blakley	NA	100	60	AIP
Brackenridge	6-W	60	60	RA
Bristol	51-A	375	----------	RA
Do	NA	225	225	AIP
Brownsville	NA	50	50	AIP
Butler City	10-D	7	7	RA
Carnegie	6-31	15	12	RA
Do	6-V	125	108	RA
Connellsville	NA	100	100	AIP
Conshohocken	NA	100	----------	AIP
Corry	NA	100	----------	AIP
Dickson City Borough	NA	100	65	AIP
Easton	24-D	10	----------	RA
Erie	NA	300	----------	AIP
Franklin City	NA	100	50	AIP
Franklin Township	45-C	60	60	RA
Freeport Borough	NA	125	125	AIP
Harrisburg	NA	120	120	AIP
Hempfield Township	18-G	50	----------	RA
Hickory Township	NA	50	50	AIP
Homestead	NA	100	100	AIP
Indiana Borough	NA	100	100	AIP
Irwin	18-H	50	25	RA
Do	NA	20	20	AIP
Johnstown	19-F	500	200	RA
Kittanning	NA	115	100	AIP
Lancaster	NA	360	100	AIP
Luzerne County	NA	90	----------	AIP
McConnellsburg	NA	60	40	AIP
Mahanoy City	NA	100	50	AIP
Masontown	NA	20	20	AIP
Meadville	NA	300	----------	AIP
Mill Hall	40-B	30	10	RA
Monaca	NA	100	100	AIP
Monongahela	17-H	70	32	RA
New Castle	NA	50	50	AIP
Do	26-J	250	250	RA
Norristown	12-F	50	10	RA
North Union Township	NA	100	40	AIP
Northumberland County	NA	100	----------	AIP
Philadelphia	2-6T	213	----------	RA
Do	2-6T	87	----------	RA
Do	2-9	78	44	RA
Do	2-12	104	104	RA
Do	2-37	32	32	RA
Do	2-37	5	5	RA
Do	2-54	20	----------	RA
Do	2-54	130	----------	RA
Do	2-66	3	3	RA

ASSISTANCE CONTRACTS FOR LOW RENT PUBLIC HOUSING PENDING AS OF APR. 30, 1968, PENNSYLVANIA—Continued

[NA denotes number not yet assigned; AIP denotes application in process; RA denotes reservation approved]

Locality	Reservation or project No.	Housing units		Status
		Total	Senior citizens	
Philadelphia	2-E	318		RA
Do	2-C	48		RA
Olyphant	NA	30	30	AIP
Phoenixville	46-D	75	50	RA
Pittsburgh	1-18	37		RA
Do	1-19	40		RA
Do	1-B	1,500	300	RA
Do	1C	200		RA
Do	1-C	1,000	360	RA
Pottstown	12-E	80	80	RA
Pottsville	NA	100	70	AIP
Reading	9-6	150	150	RA
Do	NA	10		AIP
Ridgeway	NA	100	100	AIP
Rochester Borough	NA	60		AIP
Royersford	NA	80	80	AIP
St. Clair	NA	100		AIP
Schuylkill Haven Borough	16-5	110	110	RA
Do	NA	40	40	AIP
Scranton	3-6	100	100	RA
Do	3-6	2	2	RA
Do	3-7	150	150	RA
Scranton	3-8	90	50	RA
Do	3-9	60		RA
Do	NA	50		AIP
Shamokin	NA	120	120	AIP
Shenandoah	NA	50	30	AIP
Do	NA	300	200	AIP
South Fork	NA	100	10	AIP
Sunbury	NA	252	124	AIP
Tamaqua	NA	200	100	AIP
Tarentum	NA	100	100	AIP
Do	NA	60	60	AIP
Taylor Borough	NA	100	60	AIP
Throop Borough	NA	60	60	AIP
Turtle Creek	6-28	100	100	RA
Uniontown	15-H	22	22	RA
Wampum	26-IR	40	20	RA
Warminster	NA	69		AIP
West Chester	NA	100	25	AIP
Wilkes-Barre	47-B	200	200	RA
Windber	NA	50	50	AIP
Total		12,627	5,980	

EXHIBIT 2

[From Congressional Quarterly, Sept. 20, 1968]

PENTAGON REBUTS ASSERTIONS OF $10.8 BILLION IN "FAT"

Congressional Quarterly recently obtained from Capitol Hill sources an official Pentagon rebuttal of a story in CQ's June 28, 1968, edition, in which highly placed defense experts in both the Pentagon and industry contended that at least $10.8 billion of "fat" could be cut out of the fiscal 1969 defense budget while retaining or even improving the current level of the nation's defense.

The 24-page rebuttal was prepared in the Office of the Assistant Secretary of Defense (Systems Analysis) on order of Defense Secretary Clark M. Clifford and was distributed to key Congressional leaders under Clifford's signature. Despite a decision by Clifford to reduce fiscal 1969 defense spending by $3 billion to meet half the total Government reduction required by the recently passed Revenue and Expenditure Control Act (HR 15414—PL 90-364) the statement vigorously defended the expenditure of the entire $10.8 billion cited by other Pentagon officials as "fat." (*For previous story on defense budget cuts, see Weekly Report p. 1605; for requirements of tax bill, see p. 1969, 1507.*)

CQ also obtained a counter-rebuttal from some of the officials who made the original assertion that the $10.8 billion could be cut. This counter-rebuttal also was received by Members of Congress concerned with the problem. Because their position is at variance with that of Clifford and the Joint Chiefs of Staff, all the dissident officials declined to be quoted by name; all occupy high Pentagon positions, however, and have the expertise to make the statements that appear in this and in the previous CQ story. These statements have become the subject of a major Pentagon in-house debate.

Allegations by House liberals that the defense budget was laden with "fat" were the focal point of House debate on the fiscal 1969 defense appropriations bill (HR 18707), approved Sept. 12 with a $4.8 billion cut. Liberals moved during debate to cut the record $77.2 billion defense budget by $10.8 billion, but their amendment was rejected by a non-record vote. The bill now goes to the Senate, where it is expected to come up for floor action in the last week of September. (*For House Action, see Weekly Report p. 2463.*)

Following are the major points raised in the June 28 CQ article, together with highlights of the Pentagon rebuttal and the counter-rebuttal by proponents of large budget cuts:

MISSILE DEFENSE SYSTEM

Original Statement—"Probably one of the most clear-cut items of 'fat,' in the view of most CQ's sources, was the ABM system designed to protect the nation against an intercontinental ballistic missile attack.

Pentagon Rebuttal—The Pentagon statement said the decision to deploy the anti-ballistic missile (ABM) system "was made only after extensive and exhaustive deliberations at the highest levels in both the Congress and the Executive Branch. Probably no major weapon system decision of the last decade received more thoughtful consideration." The statement added that the ABM would prevent a missile attack from China through the late 1970s, limit damage from an accidental missile launch "from any source," provide internal defense of the U.S. offensive missile force, and "complicate" any Soviet missile attack on the United States.

Counter-rebuttal—Pentagon critics of the ABM countered that "to the extent that there is any Chinese missile threat," the ABM provided "only a very low-confidence defense" due to what they called "the very serious nature of technical problems in the areas of reliability, readiness and guidance accuracy." And, "in a larger sense," they added, "it completely misses the central issue of the strategic balance: any small nation can, at negligible cost, smuggle nuclear mines into all our major cities and harbors in sufficient quantity to cause enormous damage. . . . The only reason no country has attempted these perfectly feasible attacks is that no one has devised any means for profiting from such an attack, particularly in view of the retaliatory power of the United States."

Original Statement—"CQ's sources doubt the (ABM) system will have any chance of working against a realistic attack."

Pentagon Rebuttal—The Pentagon argued that the ABM program was "proceeding on a sound technical basis" after a research and developmental effort that has been more than 12 years in the making. The key components of the system—its Spartan and Sprint missiles—had been "successfully demonstrated," it said, and "interception of an ICBM-type target was demonstrated as long as seven years ago with the . . . Zeus (predecessor to Spartan and Sprint)."

Counter-rebuttal—Critics replied that "as far as the sound technical basis of the ABM is concerned, we have now been testing and building air defense missiles for 20 years. We now have in inventory Nike Hercules, Hawk, Terrier, Tartar, Talos and Bomarc; test reports for all of these were glowing, yet not one works satisfactorily, as evidenced by the endless series of 'get-well' and 'follow-on' deficiency-curing programs. The net result of the enormous sums spent for these systems is that our Army and Navy have never been so undefended against air attack; luckily for us, the Soviets have made no serious efforts to build an offensive air arm for conventional operations."

BOMBER DEFENSE (SAGE) SYSTEM

Original Statement—"Another big item CQ's sources view as unnecessary is the complex warning and intercept system designed for defense against long-range bomber attack. Called SAGE (for Semiautomatic Ground Environment), the system employs elaborate radars both to detect incoming bombers and to guide interceptors to shoot them down."

Pentagon Rebuttal—The Defense Department agreed that "parts of our present anti-bomber defense system are now, or soon will be, obsolete and uneconomical to retain. . . . It does not follow, however, that because the present system has some shortcomings it should be phased out immediately." The statement said DoD was proceeding with development of an advanced downward-looking radar system called AWACS (for airborne warning and control system), which would slowly be phased in to supplant the SAGE system by the mid-1970s. (The radars would be mounted on surveillance aircraft which would be constantly aloft. Their purpose would be to detect low-flying enemy aircraft.)

Counter-rebuttal—Critics argued that bomber defense was important "only if bombers represent a significant portion of the enemy's damage-inflicting capability, which they don't. There is no doubt that if AWACS worked as advertised, and if the fighter air-to-air missile (contemplated for use with the system) worked as to specifications, then a reasonable number of enemy bombers would be shot down (if there were enough to launch a sizable attack in the first place). Unfortunately, there is now considerable doubt in the technical community that the AWACS radar will produce a usable look-down capability; it is now known that these radars have special vulnerability to jamming and that their processing/tracking equipment will be just more automated airborne versions of the same system philosophy as SAGE." Critics also said the airborne equipment was "inherently less reliable due to the high temperature/vibration environment and stringent restrictions on space and weight."

"Finally," critics said, "there is the larger question of whether billions should be spent, particularly in a period of fiscal crisis on new

efforts in bomber defense since even a perfect aircraft defense would have no impact on the strategic 'balance of terror.' Our international posture and policy decisions could not change one iota even if we enjoyed total immunity to bombers, since by itself the Soviet missile force could still inflict unacceptable damage to the United States (with or without an ABM)."

SURFACE-TO-AIR MISSILES

Original Statement—"CQ's sources said $850 million per year could be saved by phasing out 'ineffective' air defense missiles and deferring heavy hardware development on new missiles. Sources said there was little reason to believe these missiles would work any better in combat than Soviet missiles used by the North Vietnamese, stated in the May 6 issue of *Aviation Week* to have attained a kill ratio of less than 1 percent. According to one military source, 'the North Vietnamese have apparently learned much more quickly than we have that their real defense against bombing rests on antiaircraft guns.'"

Pentagon Rebuttal—The Pentagon statement said that "because of the poor performance of the surface-to-air missiles used by the North Vietnamese, the United States has conducted special tests and simulations on Nike Hercules. These included displacements prior to firing as well as simulations in an electronic firing environment. These special tests verified previous results with no major problems encountered. Experience gained through air defense exercises, unannounced air operational readiness evaluations and actual annual service practices indicate that the kill ratio of present Army surface-to-air missile systems, Nike Hercules and Hawk, would far exceed the kill ratio indicated in the above CQ comment . . . For systems such as Bomarc, it is inappropriate to compare either the combat environment or missile capabilities. The general environment in North Vietnam consists almost entirely of point defense against highly maneuverable fighter aircraft flying at medium and low altitudes. The Bomarc environment, on the other hand, involves a much greater area defense against high as well as medium-flying bombers that are unable to engage in violent manuevers."

Counter-rebuttal—"Contrary to the claims of DoD," critics said, "the recent tests of our air defense missiles produced such appalling results that neither the Army nor the Navy has released the uncensored raw data to the Office of the Secretary of Defense; nevertheless, both Services are applying maximum pressure to get new multi-billion dollar missile development programs of unprecedented complexity."

MANPOWER

Original Statement—". . . Sums totaling a minimum of $4.2 billion could be saved by paring 'fat' from logistical elements of all the Services."

Pentagon Rebuttal—The Pentagon statement said that "manpower requirements of the Services are thoroughly and continuously reviewed by the Congress, the Bureau of the Budget, and all levels of the Department of Defense to insure that no 'fat' exists. In the review process, as in the Congressional Quarterly article, much attention has been devoted to the distribution of personnel between 'combat and support' units. For analysis of personnel requirements, however, we do not believe that this emphasis is well placed. It has not proven very useful to analyze personnel requirements in terms of combat and support. Definitions are imprecise, and it is hard to make comparisons between Services or within a Service between one time period and another. Some Army personnel now in divisions were not part of the Division in (the Korean war), and vice-versa."

Counter-rebuttal—Critics replied that "although this country has always preached the efficient use of scarce and expensive manpower resources through careful organization and judicious investments to increase the productivity of the individual, in practice there has been no more profligate waste of manpower than in the Department of Defense . . . Increase in personal strength has been a primary institutional goal of each of the Military Departments. Operating with this motivation . . . each Service continues to create more echelons of command, administration and supporting functions in order to continue expanding . . .

"In Southeast Asia, out of roughly 525,000 military personnel in South Vietnam or a total of more than 750,000 deployed and associated with the war, we are only fielding approximately 40,000 riflemen . . . (In a Vietnam-type conflict, riflemen are probably the single most important measure of combat strength.) The remaining 18 people behind every rifleman are engaged in staff functions, artillery, supply, equipment, maintenance, construction and engineer activities, housekeeping, helicopter, operations and maintenance, communications, tactical aircraft operations and maintenance, escort ships, etc. . . .

"In Europe, the situation is hardly better. Out of roughly 330,000 military personnel (plus 100,000 civilians), we manage to field only approximately 45,000 men in infantry or armored maneuver battalions, which already include substantial amounts of supporting functions. By comparison, the Soviets with their historical tendency of suander manpower are able to field 75–90 percent more maneuver manpower for every 100 military personnel deployed in Eastern Europe. Even worse, their maneuver manpower is backed by a relatively higher density of heavy weapons (e.g. tanks) per man than the U.S. maneuver forces."

Original Statement—"Sources agreed that the Army should not be allowed to carry the large (110,000 men at any one time) transient category but, as a well-placed civilian put, it should have to 'take it out of their hide just like a corporation would.'"

Pentagon Rebuttal—The Pentagon argued that "the number of military personnel in a transient status at any given time is a function of many factors such as the size of the force, the length of terms of service, the tour length policies, the number of personnel moving to and from oversea locations, and the number moving between stations in the United States. In the Army, for example, the larger force and the greater number of people in short-tour areas such as Vietnam (i.e., one year) are causing increased permanent change of station moves: the former because more people are in the Army to move; the latter because people are moving more often . . . If the Army were to take 'its transients out of its hide,' while maintaining programmed strength in Southeast Asia and Korea, the operating strengths in Strategic Army Force, in Europe and in other long-tour areas would be so low that the required unit training could not be accomplished and combat readiness of these forces would be seriously degraded."

Counter-rebuttal—Critics countered that "the argument against eliminating transient manpower allowances demonstrates exactly the reasons in favor of such a move. If these allowances did not exist, then the Services would have to adopt vigorous measures to reduce the tremendously inefficient 'short tour' that is used consistently as a gap-filler and would have to reduce personnel turbulence and improve retention. . . . It is instructive to examine the amount of money and effort spent in major corporations to avoid excessive movement and turbulence of personnel, simply because they represent such a serious drain on profits."

TACTICAL AIRCRAFT

Original Statement. "Cuts of at least $700 million could be made in the Air Force program . . . by purchasing simpler versions of the $2.5 million F–4E, the $8 million F–111D, and dropping production of the $2.6 million A–7D in favor of the A–37, which costs only $350,000 . . . the F–4 had failed to provide clear superiority over Soviet fighters . . . $30 million could be saved by dropping the F–4E's long list of combat inessential equipment such as sophisticated navigation and fire control systems . . . which would be highly unreliable, contribute little or nothing to combat effectiveness, and decrease aircraft performance and daily utilization rates."

DoD Position. The DoD statement said the F–4 had "compiled an enviable air-to-air combat record in Southeast Asia. These aircraft have achieved a 5-to-1 kill ratio over the Soviet-supplied North Vietnamese MIGs. They have done this exclusively over the heavily defended enemy heartlands where the MIGs have all the advantages of radar control and surprise, and can thus engage or withdraw at will. To draw an analogy: the F–4 has achieved this record in a fight where the opponent is given the first blow and is allowed to quit whenever he wants.

"The avionics installed in the F–4 series of aircraft are the product of extensive research and development efforts, and they are installed to meet the needs of field commanders, the combat users of the airplane. The avionics installed in the F–4E are essentially an improved and more reliable version of those installed in its predecessor, the F–4D. They include, in addition to such standard items as a radio and TACAN, an inertial navigation system and an integrated radar fire control system. All of these items, and especially the latter two, are absolutely essential to enable the F–4E to carry out its assigned all-weather attack role with the precision and accuracy necessary in the modern environment. These avionics have been in use for over 18 months, and they have proven highly reliable. F–4Ds and F–4Es have flown in the United States and Southeast Asia at daily sortie rates equal to or better than planned."

Counter-rebuttal—Critics replied that "our air-to-air record in Southeast Asia is far from enviable (in Korea we achieved a 14–1 kill ratio); in fact, last year's figures (as opposed to the three-year average of 5–1) are shocking. (The 1967 ratio still is classified.) The process by which the avionics list for a modern fighter plane is arrived at has almost nothing to do with military usefulness or necessity; it is simply the result of the combined wish lists of technology enthusiasts and senior officers without modern combat experience. As a result, the F–4 carries an inertial platform of somewhat less accuracy than those recently rejected by the commercial airlines as being unsafe and unreliable as a navigation aid.

"The complex and heavy radar fire control system is used only to fire the Sparrow missile; this makes the so-called all-weather capability only a theoretical capability, since there has never been any non-visual combat in the history of air warfare, including Southeast Asia. The Sparrow missile has proved to be only slightly better than the (almost totally ineffective) Falcon in Southeast Asia; the far simpler Sidewinder (requiring no fire control system) has outscored the Sparrow in kill probability by a factor of two and one-half to one. The vast majority of experienced air combat pilots returning from Vietnam agree that an F–4 with a gun and Sidewinder would have been far more useful than the present F–4C/D Sidewinder/Sparrow armament. These views have been very strongly stated by pilots in published letters to *Aviation Week*."

Original Statement—". . . the F–111 was too vulnerable to enemy fighters and anti-

aircraft defenses to be useful; consequently, these aircraft should be prime candidates for further cuts."

Pentagon Rebuttal—The Pentagon statement said there was "no evidence to substantiate any losses of F–111s to enemy action. Further, to date, no aircraft have returned with battle damage. One of the three losses in Southeast Asia has been attributed directly to a foreign object being left in the aircraft causing interference with the flight controls. Problems that have been encountered in Southeast Asia are being resolved by fixes that have been developed and incorporated. The F–111's low altitude penetration capability and speed make it a formidable attack aircraft in the enemy environment."

Counter-rebuttal—Critics contended that "the mission planning for the F–111 is perhaps the most eloquent testimonial to the aircraft's unprecedented vulnerability to fighters and antiaircraft artillery; only missions at night and only missions to the least defended targets have been allowed by the operational commanders. The F–111 has the slowest cruise speed of any of our jets; it has the slowest acceleration of any of the Century series fighters (making its vaunted top speed a purely peacetime capability); and it has the least turning capability of any fighter we have ever built."

Original Statement—"Another $350 million or so in research and procurement money could be saved . . . by dropping the $2 million Mark II electronics system in the F–111D (thus leaving the plane in effect an F–111A). One civilian official said the sophisticated electronics gear . . . would be 'highly unreliable, contribute little or nothing to combat effectiveness, and decrease aircraft performance and daily utilization rates.' "

Pentagon Rebuttal—The Pentagon said the Mark II system "will have an improved radar and navigation system that should provide a four-fold improvement in navigation accuracy over the F–111A, plus a better night and all-weather air-to-ground weapon delivery accuracy and an all-weather, radar-guided, air-to-air missile capability. The reliability should be equivalent to that of the F–111A. Thus, it should not decrease the daily utilization rate while providing a greater performance capability for combat effectiveness."

Counter-rebuttal—Critics retorted that "the attributes of the Mark II electronics stated by DoD are purely brochure promises. The Mark II is in very serious trouble at this time, experiencing large schedule slippages and major cost overruns. Since the manufacturer (General Dynamics Corp.) is promising no better than equal reliability to the F-111A, past experiences can lead us to project that it will be at least a factor of two or three times worse. It should be noted that the Mark II was forced on the Air Force and General Dynamics, against their wishes, by the Director of Defense Research and Engineering (the third highest civilian position in the Pentagon). As for accuracy, the recent combat results of the F-111A have shown such small percentages of effective sorties and such large bombing errors as to cast fundamental doubt on the whole idea of radar bombing with conventional bombs (to determine this, the mission-by-mission results must be seen, since the Air Force is claiming the test was a great success). Even if the Mark II achieves a substantial improvement in accuracy over the F-111A, the over-all level of errors would still be large enough to make the mission not worth risking pilots or equipment on."

Original Statement—". . . the A-7 was 'neither accurate nor maneuverable enough to be effective in its assigned role of close air support' . . . In the interim, the highly maneuverable, combat-proven A-37 could serve effectively in the close-support role until a new generation of attack aircraft more appropriately tailored to the mission could be built."

Pentagon Rebuttal—The Defense Department argued that "the assertion made in regard to accuracy and maneuverability apparently applies to the only model now operational, the Navy A-7A. This version has proven highly accurate and maneuverable in its initial employment in Southeast Asia. The Air Force version, the A-7D, will incorporate a more powerful engine and improved avionics which will provide a further increase in capability. Thus, the A-7D promises to be an outstanding close air support aircraft."

The Pentagon added that it was "clear that a shift in production from the A-7 to the A-37 on a one-for-one basis would reduce the effectiveness of the total tactical force. There are serious issues involved in trading A-37s for A-7 aircraft in the programmed force. The A-37 carries less than half the payload of the A-7 and has less than half the range . . . U.S. commitments to NATO and the higher intensity conflicts postulated, particularly in the European scenarios, require careful consideration of the degree to which our fighter attack force can afford specialized aircraft of limited capability."

Counter-rebuttal—Critics replied that the A-7 "can hardly have demonstrated 'high maneuverability' in Southeast Asia since it has 40 percent less turning capability than the A-4 at combat loads. The Marines have decided against the A-7 for their assigned mission of close support, preferring the A-4's superior turning and slow speed capability plus greater simplicity. The Air Force's recent studies to determine the proper characteristics of a close support aircraft found the A-7 unsuitable for lack of maneuverability, loiter endurance and short field ability.

"In comparing the A-37 and the A-7, several factors must be kept in mind: (1) the mission is close support—not longe range strike; the A-37 has demonstrated the capability to strike any point in South Vietnam from existing airfields (distances in Europe for close support would be shorter); (2) at least four A-37s can be bought for every A-7; and (3) because of the superior accuracy associated with the ability to get closer to the target, the A-37 despite is smaller payload can equal the target killing capability of the A-7."

Original Statement—". . . the VFX–1 (substitute aircraft for the ill-fated Navy F–111B) is a 'warmed-over version' of the F–111 which will cost substantially more and perform only slightly better than the plane it would replace."

Pentagon Rebuttal—The DoD statement said the VFX was "not a 'warmed-over' version of the F–111B. The VFX will be much smaller and many thousands of pounds lighter than the F–111B. It will be a high performance fighter airplane which can perform traditional fighter missions in addition to the fleet interceptor mission." (The statement did not comment on the allegations about the craft's costs.)

Counter-rebuttal—Critics retorted that the VFX was "being optimized to exactly the same questionable mission as the . . . F–111B, e.g., the fully automated Phoenix missile-carrying bomber destroyer. It shares the two heaviest components that ruined the performance of the F–111B—the TF–30 engine and the Phoenix radar fire control system. The brochure performance of the aircraft is slightly inferior to that of the hardware F–4 except in the tactically usable high-speed frame; consequently, the real performance should be substantially worse. This means it cannot cope with today's Soviet fighter threat, much less tomorrow's. The claimed empty weight saving over the F–111B is only 10 percent—the larger claims in combat weight savings are simply due to off-loading fuel and missiles, which could be done just as easily on the F–111."

ARMY HELICOPTER PROGRAMS

Original Statement—"An area of increasing fat . . . was the Army's helicopter program and particularly the Hueys and Chinooks that are prevalent in Vietnam. 'There are so many of those things in Vietnam,' one military source said, 'that even a sergeant complains if he has to ride in a truck.' "

Penatgon Rebuttal—The Pentagon contended that "the application of helicopters in the conduct of counter-insurgency operations in Vietnam has been an unqualified success. Hueys and Chinooks are prevalent in Vietnam, but they are performing a service which cannot be accomplished by any other vehicle. They are not provided for the convenience of personnel; rather, they are essential to the mobility of tactical forces."

The statement added that "it is true that all of the helicopters in our helicopter force in Vietnam, which is sized and deployed on the basis of tactical lift requirements, are not always engaged in combat support missions. When not required for combat support missions, some helicopters are undoubtedly used for 'convenience' missions which contribute to the morale of our troops."

Counter-rebuttal—Critics replied that "helicopter losses in Southeast Asia have been high . . . high enough that it has become clear that helicopters would be unusable in any more hostile environment. Even the Chinese machine guns we would face in Korea could make helicopter operations untenable. As a result, it seems difficult to justify the high helicopter procurement rate (at the inflated prices created by high demand) on the basis of forces outside Vietnam."

Original Statement—"Sources also recommended dropping the new Cheyenne helicopter—an advanced craft based on a complex missile/gun fire control system, which they say is now slipping badly. . . . In a close support attack (one former Pentagon civilian said) it would take the helicopter a minimum of 16 seconds to home in and guide its missile to target. In the meantime . . . 'you'll be blasted out of the sky by every weapon from small arms to tank or antiaircraft fire. This concept might work if you were up against a single tank in the desert. But if you're in the midst of a Soviet division, there's just too much they can throw back at you.' "

Pentagon Rebuttal—The Pentagon said the Cheyenne would be effective in escorting troop-carrying helicopters, providing suppressive fires in assault landing zones, directing fire close to friendly troops and destroying tanks "and other hard targets." The statement added that "the Cheyenne development program has recently slipped 3½ months from a schedule established 30 months ago. Minor technical difficulties—primarily with transmissions—are being resolved and it is anticipated that the current revised plan will be maintained. . . . No technical problems have been encountered with the Cheyenne fire control system. All test results to date indicate that the system will meet predicted accuracies. The Cheyenne represents a major technological advance in aerodynamics, avionics, fire control and armament, all of which contribute greatly to improved combat effectiveness." (The statement did not contest the assertion that it would take a minimum of 16 seconds to guide the craft's missile to target.)

Counter-rebuttal—Critics said the Cheyenne was "another classic case of a system that is obviously worth buying if it does all it's advertised to do. With the Army's large stake in the program, one can reasonably expect the test reports to be laudatory, especially since the test conditions have been designed to be extremely favorable to the system. There is no doubt that this helicopter will deliver a great volume of suppressive fire, though the question of whether we need more suppressive firepower than we have in

Vietnam and whether this fire will be more accurately delivered than by present Army and Air Force craft is still completely open. As for the possibility of the Cheyenne destroying tanks, this is completely out of the question because of the heavy machine gun and cannon ground fire associated with tank forces."

ANTISUBMARINE FORCES

Original Statement—"Another area where a consensus of CQ's sources would make substantial cuts is in the Navy's antisubmarine warfare (ASW) force. Sources said they would eliminate the entire fleet of eight ASW aircraft carriers, whose planes have never been effective in locating or destroying modern submarines in simulated combat exercises."

Pentagon Rebuttal—The Pentagon said "the retention of the antisubmarine warfare carrier forces in the 1970s is warranted. The composition of this force, however, will be adjusted to reflect new weapons systems capabilities and changes in this threat." It quoted former Defense Secretary Robert S. McNamara as saying that "the advantages and flexibility inherent in such a force would marginally warrant its continuation during the 1970s—provided that its effectiveness could be greatly improved." The statement said the new antisubmarine aircraft (called VSX) now under development "is designed to provide that increase."

Counter-rebuttal—Critics said "the DoD position gives a lucid summary of the reasons for major cuts in ASW carriers. Only two points need be emphasized: (1) we have doubled the kill capability of land-based ASW aircraft and doubled the kill capability of ASW submarines (note that submarines are not vulnerable to loss of bases), yet we have reduced ASW carriers by only 10 percent since 1961; (2) the Secretary of Defense (McNamara) has stated that, given major effectiveness improvements, ASW carrier forces are still a marginal investment (his statement was based on achieving the full claimed improvements of the extremely high-risk, complex VSX). . . . Taken in the context of our over-all efforts in ASW, it is clear that the VSX is at the same time the most expensive and highest risk route to increased capabilities. It commits us not only to a multibillion dollar aircraft program but also to continuing to maintain ASW carrier task forces that we could otherwise dispense with."

ATTACK CARRIER FORCES

Original Statement—"Another large sum of money could be saved . . . by changing the concept of deployment of attack carrier forces. . . . One illustration of 'irrationality' in carrier deployment was the current stationing of three carriers in the waters off North Vietnam. One Pentagon source said that 'no other aircraft deployment could be more expensive, because we have to keep two carriers in support for every one on line—a total of nine attack carriers tied up in the war. We could phase out six of those carriers by pulling only two out of Vietnam, leaving one there for the purpose of keeping Naval air current in combat experience. Then, at far less cost, we could achieve the same aircraft strength by redeploying land-based aircraft from areas throughout the Pacific."

Pentagon Rebuttal—The Pentagon retorted that "the number of attack carriers (CVAs) required is based on the total level of tactical air forces required to support national strategy. The optimum mix of sea-based/land-based tactical air is the subject of continuing classified studies. The results of these studies and operational experience both in Korea and Southeast Asia show a requirement for 15 CVAs."

The statement also said that DoD believed that the assertion regarding the Vietnam deployment was "wrong on two counts: (1) we cannot reduce our CVA force by removing CVAs from Vietnam just as we did not increase that force when we sent CVAs to Vietnam; and (2) no money would be saved because the marginal costs—the money yet to be spent—of replacing CVAs in Vietnam with land-based air are higher than the costs of continuing to operate the CVAs we have already bought."

The statement conceded that "sea-based air is more expensive than land-based air where the two can equally well perform the missions required. The exact cost differential is debatable and subject to a host of assumptions. But we believe both operating and investment costs are considerably higher, particularly in view of the $541 million cost of a new nuclear-powered CVA and the $570 million cost of four nuclear escort ships. Thus we do not want to buy more sea-based air than is required by its advantages."

Counter-rebuttal—Critics said the "DoD position is less than forthright when it states that we already have paid for our 15-carrier force and consequently should continue to operate it. Although they mention the high cost of new carriers plus escorts ($1.1 billion per carrier force for major ships only), they do not mention that Congress will be requested to approve the construction of three such carriers within the next two years unless the 15-carrier force objective is reduced. The rationale that because we did not increase the force to send carriers to Vietnam (which, after all, demonstrates that we had nine carriers we did not need for urgent commitments elsewhere) is sufficient reason for not reducing the carrier force if we remove carriers from Vietnam is, at best, specious (especially since reducing carriers saves us the extraordinary expense of three new task forces). As for the costs of transferring two wings of land-based aircraft from Korea to Vietnam to replace the two carriers pulled off the line, it seems inconceivable that any reasonable cost analyst could conclude that this was more expensive than operating the six carriers required to keep two on the line."

AMPHIBIOUS FORCES

Original Statement—"Because of the lack of real or potential island powers, officials interviewed by CQ think substantial cuts should be made in the number of amphibious assault vessels. One official said 'the Soviets are no amphibious power to speak of and neither are the Chinese. Who else could you be fighting that would necessitate a World War II-type landing operation?' Of a total amphibious force of 142 ships, CQ's sources recommended mothballing 50 of the most obsolete, without making any change in the composition of Marine combat forces."

Pentagon Rebuttal—The Pentagon contended that "amphibious assault ships provide a unique capability of projecting land forces over the beaches without the need for overseas port and airfield facilities. Amphibious assault forces can be decisive in shifting the local military balance, and can provide defended beachheads where following-on forces can be landed by airlift or sealift."

The statement added that "the size of this force is not related to the number of real or potential island powers" but rather to meet "national strategic commitments." It quoted former Defense Secretary McNamara as saying that the Pentagon's strategic analysis called for "enough assault ships to lift and land the assault echelons of one Marine Expeditionary Force (division/wing team) in the Atlantic and one in the Pacific"—a requirement that would necessitate retaining the entire assault fleet.

Counter-rebuttal—Critics retorted that "the DoD statement, by its reliance on nebulous 'national strategic commitments,' shows the lack of precise thinking and planning in the amphibious forces program. It should be reasonably clear by now that Marines have uses other than assaulting beaches. In consequence, the size of the Marine assault/lift fleet is not inextricably tied to the number of Marine divisions." Because the Communist threat emanated from the European and Asian mainlands rather than islands, they said, "it seems reasonable that there are better ways to spend money on the Marine Corps than by buying them expensive new ships for a World War II mission."

THE CALENDAR

Mr. MANSFIELD. Mr. President, I have discussed with the distinguished minority leader the possibility of taking up two resolutions on the Consent Calendar. He voiced no objection, and I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 1573 and 1574.

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

DOUGLAS F. WOOLSTON

The resolution (S. Res. 396) to pay a gratuity to Douglas F. Woolston, was considered and agreed to, as follows:

S. RES. 396

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Douglas F. Woolston, son of Norman C. Woolston, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ESTABLISHMENT OF A COMMISSION ON ART AND ANTIQUITIES OF THE U.S. SENATE

The Senate proceeded to consider the resolution (S. Res. 382) establishing the Commission on Arts and Antiquities of the U.S. Senate, and for other purposes, which had been reported from the Committee on Rules and Administration, with amendments, on page 2, line 4, after the word "be" insert "appointed by and be"; in line 5, after the word "the" where it appears the first time, strike out "Office of the"; in line 8, after the word "exceed" strike out "$22,000" and insert "$22,089"; and on page 5, line 2, after the word "the" where it appears the second time, strike out "Commission. Payment on such vouchers shall be deemed and are hereby declared to be conclusive upon all departments and officers of the Government, and these vouchers shall be reported in the annual report of the Secretary of the Senate" and insert "Commission"; so as to make the resolution read:

S. RES. 382

Resolved, That (a) there is hereby established a Commission on Art and Antiquities of the United States Senate (hereinafter referred to as "the Commission") consisting of the President pro tempore of the Senate, the chairman and ranking minority member of the Committee on Rules and Administration of the Senate, and the majority and minority leaders of the Senate.

(b) The Commission shall elect a Chairman and a Vice Chairman at the beginning of each Congress. Three members of the Commission shall constitute a quorum for the transaction of business, except that the Commission may fix a lesser number which shall constitute a quorum for the taking of testimony.

(c) The Commission shall select a Curator of Art and Antiquities of the Senate who shall be appointed by and be an employee of

the Secretary of the Senate. The Curator shall serve at the pleasure of the Commission, shall perform such duties as it may prescribe, and shall receive compensation at a gross rate, not to exceed $22,089 per annum to be fixed by the Commission. At the request of the Commission the Secretary of the Senate shall detail to the Commission such additional professional, clerical, and other assistants as, from time to time, it deems necessary.

(d) The Commission shall be empowered to hold hearings, summon witnesses, administer oaths, employ reporters, request the production of papers and records, take such testimony, and adopt such rules for the conduct of its hearings and meetings, as it deems necessary.

SEC. 2. (a) The Commission is hereby authorized and directed to supervise, hold, place, and protect all works of art, historical objects, and exhibits within the Senate wing of the Capitol, and in all rooms, spaces, and corridors thereof, which are the property of the United States, and in its judgment to accept any works of art, historical objects, or exhibits which may hereafter be offered, given, or devised to the Senate, its committees, and its officers for placement and exhibition in the Senate wing of the Capitol, the Senate Office Buildings, or in rooms, spaces, or corridors thereof.

(b) The Commission shall prescribe such regulations as it deems necessary for the care, protection, and placement of such works of art, exhibits, and historical objects in the Senate wing of the Capitol and the Senate Office Buildings, and for their acceptance on behalf of the Senate, its committees, and officers. Such regulations shall be published in the Congressional Record at such time or times as the Commission may deem necessary for the information of the Members of the Senate and the public.

(c) Regulations authorized by the provisions of section 1820 of the Revised Statutes (40 U.S.C. 193) to be issued by the Sergeant at Arms of the Senate for the protection of the Capitol, and any regulations issued, or activities undertaken, by the Committee on Rules and Administration of the Senate, or the Architect of the Capitol, in carrying out duties relating to the care, preservation, and protection of the Senate wing of the Capitol and the Senate Office Buildings, shall be consistent with such rules and regulations as the Commission may issue pursuant to subsection (b).

(d) The Committee on Rules and Administration of the Senate in consultation with the Architect of the Capitol and consistent with regulations prescribed by the Commission under subsection (b), shall have responsibility for the supervision, protection, and placement of all works of art, historical objects, and exhibits which shall have been accepted on behalf of the Senate by the Commission or acknowledged as United States property by inventory of the Commission, and which may be lodged in the Senate wing of the Capitol or the Senate Office Building by the Commission.

SEC. 3. The Commission shall have responsibility for the supervision and maintenance of the Old Senate Chamber on the principal floor of the Senate wing of the Capitol insofar as it is to be preserved as a patriotic shrine in the Capitol for the benefit of the people of the United States.

SEC. 4. The Commission shall, from time to time, but at least once every ten years, publish as a Senate document a list of all works of art, historical objects, and exhibits currently within the Senate wing of the Capitol and the Senate Office Buildings, together with their description, location, and with such notes as may be pertinent to their history.

SEC. 5. There is hereby authorized to be appropriated out of the contingent fund of the Senate for the expenses of the Commission the sum of $15,000 each fiscal year, to be disbursed by the Secretary of the Senate on vouchers signed by the Chairman or Vice Chairman of the Commission: *Provided*, That no payment shall be made from such appropriation as salary.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1587), explaining the background and purposes of the resolution.

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

BACKGROUND

The establishment of a Commission on Art and Antiquities of the Capitol was proposed during the 87th Congress, by Senator Mike Mansfield and others, in the form of Senate Joint Resolution 195. That joint resolution was passed by the Senate on July 18, 1962, but was not acted upon by the House of Representatives. A similar proposal, Senate Joint Resolution 65, was introduced by Senator Mansfield during the 89th Congress. It was passed by the Senate on May 24, 1965, but was not reached for consideration in the House. During the present Congress the Senate once again considered and passed legislation to establish a Commission on Art and Antiquities of the Capitol. Senate Joint Resolution 27, which would accomplish that purpose, was passed by the Senate on April 6, 1967, and is currently pending in the House of Representatives.

PURPOSE OF SENATE RESOLUTION 382

Senate Resolution 382 would establish a Commission on Art and Antiquities of the U.S. Senate, thus distinguishing it from the aforementioned proposals which would have embraced the entire Capitol complex. Briefly, the Commission would be charged with the care, protection, and placement of works of art, exhibits, and historic objects in the Senate wing of the Capitol and the Senate Office Buildings, and would select a curator of art and antiquities to administer its various functions.

COMMITTEE AMENDMENTS

The Committee on Rules and Administration has adopted minor perfecting amendments to Senate Resolution 382 relating to the appointment and compensation of the curator, and the processing of vouchers.

Mr. MANSFIELD. Mr. President, this measure has been passed by the Senate four times unanimously, in the form of a joint resolution, but has never been acted upon by the House of Representatives. Its purpose is to preserve the Americana, at least in the Senate wing of the Capitol, because we have been losing too much in the way of arts, antiquities, paintings, and other memorabilia which are of interest to the American people, some of which have been in existence since the founding days of this Republic. So I think this is indeed a redletter day, as far as this particular type of conservation is concerned.

I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD of West Virginia. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1969

The Senate resumed the consideration of the bill (H.R. 18707) making appropriations for the Department of Defense for the fiscal year ending June 30, 1969, and for other purposes.

Mr. MUNDT. Mr. President, one of the strangest practices ever engaged in by any nation is the one which we follow in supporting both sides of the war in Vietnam—a war in which we are heavily involved.

During this time when we are considering appropriations for our Defense Establishment, I think it is a good time to review the curious course we follow, whereby we increase the amount of money needed for our national defense and, at the same time, provide material for the North Vietnamese enemy by delivering it to them via Russia or some other Communist country.

The result is that both our defense costs and our casualties in Vietnam necessarily continue to increase. I have been criticizing this peculiar and pointless policy for well over 2 years. In fact, I made my first public criticism of it some 5 years ago. I shall continue to use this forum and others to keep this issue alive before the American public unless and until this completely counterproductive policy or the war is ended.

I have not been one of those who has sought to make political capital out of the blunders or the indecisions of the Johnson-Humphrey administration in the conduct of the war or in the pursuit of peaceful negotiations.

I have been fully aware that the opportunity for criticism was there—and it is still there. However, I have criticized—I am criticizing—and I will continue to criticize a foreign trade policy that provides the weapons of war to our enemy who, in turn, kill our American servicemen. I oppose any and all policies which needlessly prolong the war in Vietnam or make less likely our chances for success in Southeast Asia.

How can any public official say in good conscience to the widow or parent of a man killed in action, "We did all we could to win the war," when he knows that the weapon that killed that serviceman may have been made from materials which we sold to a Communist country or was propelled by chemicals which the United States sold to Russia or was trucked to the area of the fighting in vehicles made operational by the oil, the rubber, or the ignition system which were purchased from us by the Russians? The thought, to me, is sickening.

Lest some unrealistic idealists think this is an exaggeration, let me quote from the list of materials which, back in 1966 on October 12, President Lyndon Johnson by Executive action freed for sale and shipment to Russia or any other eastern European Communist countries—all Communist dominated: Automobile parts, including jacks, mirrors, battery parts; motor vehicle lighting equipment and signaling equipment; spark plugs and electrical starting and ignition systems, to cite just a few of the items.

The importance of these items is that they can be used in the trucks which are furnished by Russia to North Vietnam to haul their armaments of war and ammunition down the Ho Chi Minh Trail.

Additionally, the truck in all probability is fueled by gas and oil which came from Russia and was produced by drills and equipment sold by the United States

to the Communists in Russia. Communist Russia, I should remind you, supplies virtually 100 percent of all the petroleum used by North Vietnam in this war.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the entire list of about 400 items taken from the U.S. Department of Commerce Export Bulletin No. 941, as revised on October 18, 1966, pursuant to President Johnson's Executive action taken on October 12, 1966.

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

(See exhibit A.)

Mr. MUNDT. Mr. President, I hope that all citizens who get this RECORD and all Senators will examine those items, because they will find many items there which are critically important to the war economy of North Vietnam. And, having examined them, I hope that all citizens and Senators will ask themselves how in good conscience we can continue to ship to our enemy the supplies which prolong the war in Vietnam which causes us here today and for the remainder of this week to wrestle with multibillion-dollar appropriations for Defense. These appropriations are escalated in cost basically because of our foolhardy trade policies vis-a-vis the Communist countries in time of war.

INCREASE IN RUSSIAN ARMAMENTS SHIPPED TO NORTH VIETNAM

What an unhappy plight from the standpoint of the serviceman facing danger and death in Vietnam.

What a critical situation for the American taxpayer who faces inflation and higher taxes.

These indefensible and inconsistent policies of the Johnson-Humphrey administration continue to call for more American exports to Russia, instead of utilizing the economic strength of the United States to discourage this growing stream of death-dealing weapons from one Communist country to another.

I have read a few of the kind of items used in the trucks which today, in the absence of the bombing protection which our fighting forces used to have, are hauling in increasing amounts the weapons that are killing our boys fighting in Vietnam.

Beyond these items, decontrolled and now permitted to be exported to bloc countries free of administrative review—these 400 items specifically released by President Johnson's Executive order of October 12, 1966—there are 1,900 additional categories of commodities still controlled as strategic, but which are, in fact, readily accessible to Communist buyers due to lax administration of the export program by the Department of Commerce.

To substantiate this observation and because the extraordinary character of these shipments is not generally known, I ask unanimous consent that the information I have compiled from Commerce reports be printed in the RECORD at the conclusion of my remarks. The people of America are entitled to hear these astonishing facts.

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

(See exhibit B.)

Mr. MUNDT. Mr. President, among these items sold to Russia which I shall discuss later are materials which can be used in rocket fuel. There are goods which can be used in the manufacture of explosives, in ground-to-air missiles, and in the sophisticated weapons used to slaughter the young men fighting for our freedoms in the swamps of Vietnam.

Let me emphasize once again on this floor that virtually 100 percent of the sophisticated weaponry of all types used to expand our casualties in Vietnam are given to the North Vietnamese by their Communist allies in Russia and in Eastern Europe.

As the great American, Bernard Baruch, once said:

> In time of war there is no such thing as noncritical or nonstrategic merchandise.

These policies have resulted in a staggering increase in the armaments and ammunition sent from Russia and her East European satellites to the armies and air forces of North Vietnam. These self-defeating east-west trade policies of ours have helped enable Russia also to rearm the Arabs, to overrun Czechoslovakia, to threaten West Germany, and to excel the United States in the missile race. These policies have resulted in the staggering dimensions of the defense appropriations bill now pending before us for approval. And I shall vote to approve the bill and I shall vote against all amendments designed to scuttle it, because even though the indefensible policies of the Johnson-Humphrey administration are continuing to escalate our shipments to Russia, while Russia escalates her shipments to Vietnam, we must not let down our fighting men in Vietnam.

Unhappily for us, our problems have been enhanced by this mad desire on the part of a few American exporters to profit in the blood of American boys fighting for freedom in Vietnam and the acquiescence and encouragement of the Johnson-Humphrey administration in these mercenary, highly selfish, profiteering motivations.

For example, both economic and military aid from the Communist countries to North Vietnam has increased sharply during the first 8 months of 1968. The longer a bombing cessation holds, the greater the quantities of the weapons shipped in with which to shoot American boys who are no longer protected as every other American service contingent has been protected in time of modern war by the umbrella of airpower which we have available to protect them, but which are chained to the ground or circumscribed in their action by a political order from Washington, D.C., with the result increased amounts of war supplies and armed forces are moved in to endanger the lives of American troops in South Vietnam.

As we have curtailed our bombing sharply, we have enabled the North Vietnamese forces to move their fighting gear into South Vietnam more easily and with fewer losses to them and in greater volume and with steadily increasing and more staggering losses in life for Americans.

It is estimated that seaborne shipments into North Vietnam alone during the first 8 months of 1968 have increased by approximately 35 percent, as compared with those shipped during the same period in 1967.

In addition, rail shipments of military supplies are moving in through Red China much more rapidly and in greater volume than they were a year ago. Last year alone, these supplies from this source exceeded a half billion dollars, in the evaluation of the Russian currency.

Mr. Lee Thang Nuy, the North Vietnamese chief negotiator for aid, was recently in Eastern Europe on an aid-seeking mission—and, in fact, may still be there. Already, supplementary 1968 and 1969 economic and military aid agreements have been signed with Hungary, Bulgaria, and Poland. The fact that these agreements were signed several months earlier than in other years indicates that aid deliveries in 1968 will continue at a high rate and greatly exceed the annual shipments of the past few years.

In some types of critically important strategic military supplies, the volume of shipments from Russia to Communist North Vietnam already has risen astronomically. For example, in replacement missiles there was, during 1967, nearly a 400-percent increase in the number shipped from Russia to our enemy. The same is true of some of the more sophisticated and hard-hitting tanks and heavily armored transports.

Conveyance of antiaircraft weapons used by the North Vietnamese to inflict growing casualties on American flyers has increased even more sharply during the past year—in some instances as much as 800 percent—and increased in part by the utilization of supplies sold for bloody profit by American exporters to our enemies in time of war, in conformity with the relaxation of export restrictions issued by the Johnson-Humphrey administration October 12, 1966. It is all a matter of record.

I should add that never before in the history of this Republic has an American Commander in Chief in time of war permitted—I repeat the word "permitted"—American would-be war profiteers to sell a single dollar's worth of merchandise to the enemy. This time they have been encouraged, and are still being encouraged by our President, to escalate their shipments to the enemy in Russia—through this curious, unrealistic concept that is part of a bridge-building philosophy.

Unhappily, the bridges they build carry the weapons required to kill American boys, whose coffins return over the same bridges, to bear silent testimony to the foolhardiness and the inconsistency and the improvidence of a trade policy in time of war such as that under which this country suffers today.

Last year, alone, far more units of field artillery—the types that are turned against Saigon and other civilian targets—have been shipped from Russia to North Vietnam than in all the preceding months of this long and costly war. Well over 3,000 Sam missiles have been given to the enemy by Russia and the East European satellite countries to shoot

down our fliers and maim our men. Approximately 2,500 Soviet military technicians are now in North Vietnam training personnel in the use of the sophisticated military hardware which the Russians are making available to them.

Annual imports of vehicles to rush North Vietnam military supplies down from the north are steadily increasing, now that the journey has been made easier and safer due to the bombing curtailments associated with the Paris peace talks. Vehicular shipments to North Vietnam from Russia are running approximately 5,000 per year—far more than the annual rate of shipments during 1965 and the previous years. Indications are that the rate of vehicular shipments to North Vietnam is now sharply expanding and increasing.

In addition, seaborne shipments to North Vietnam—mostly through the sanctuary harbor of Haiphong—were in the area of over half a million tons in 1967, about six times the levels of 1966. These, too, are moving in at a steadily increasing rate in 1968, now that the danger of interdiction by bombing has been removed.

It is now clear that over $2 billion worth of materials in terms of Russian price lists has reached Vietnam from Russia to date, in 1968. The input is moving at an accelerated rate thus far this year. This acceleration has been steadily increasing.

Comparisons are hard to come by. But, by utilizing all sources of information, it is known that back in 1967 there was approximately a 50-percent stepup in the shipment of military equipment from Russia to North Vietnam—stepped up almost immediately after the 1966 release order of President Johnson opened up for shipment to Russia, without limitation and license, over 400 items, many strategic in nature. Senators can read them in the RECORD and take note of the strategic items involved.

I suspect that in some instances they simply recrated our shipments to Russia and marked them for Hanoi and shipped them over. In most cases, I suspect that they refabricated them into modern death-dealing weapons and armaments and then shipped them over. But they were given the supplies by this country through our trade policies.

As compared with economic aid, the strictly military exports are showing up as being on the priority list of Russian shipments to her Communist allies in Southeast Asia. The U.S.S.R. has supplied 80 percent of the total value of military equipment delivered to North Vietnam since 1965. The Red Chinese are also supplying what war material they can spare. North Vietnam has been able to stay in the war, however, solely because of the largesse of the Soviets, who have signed agreements that all this huge amount of military and economic aid is to be given—not sold, not loaned, but given—to their Communist allies, the North Vietnamese, without charge and without a repayment schedule, without any thought of repayment for the billions of dollars which Russia has poured into the fight.

Our American aid to Russia, made possible through our misguided trade policies, has indeed begun to reflect itself in the capacity of the U.S.S.R. to concentrate on the making of military hardware while we help supply the civilian needs and some of the military necessities of Russia.

COMMUNIST AID TO NORTH VIETNAM

Two years ago, when it became evident that increased allied commitments to the defense of a free South Vietnam were turning the tide in favor of freedom, Ho Chi Minh put out a cry for help to Moscow. A hurried meeting was held in October of 1966, and the Soviet leaders issued an edict to their colonies in Europe. They said the Warsaw Pact was going to contribute collectively $1 billion in aid in the next year to North Vietnam, and of that $1 billion, $200 million would come from Russia's east European satellites. That was a mighty hard pill for the Socialist economies of the Russian satellites to swallow, since they were already strained by the continuous economic exploitation by the Soviet Union. Poland was hard pressed with its quota of $30 million until our State Department bailed them out with what amounted to cancellation of a $26 million bill due on food-for-peace shipments.

Romania was equally hard pressed, but again, timely loans from the U.S. Export-Import Bank were negotiated to postpone payment on critically needed imports. This enabled Romania to comply with the edict of her Russian masters and ship to North Vietnam large quantities of a new deadly weapon, the RPG–7 antipersonnel rocket.

To anyone who doubts the lethality of this weapon, I refer him to several pages of testimony on this appropriations bill given by Dr. John Foster, our research director in the Department of Defense. Senators will find it in the hearings. He says that it is this weapon that is killing so many of our boys and South Vietnamese soldiers and civilians. I contend that the shipment of this weapon results directly from credits given by the administration of our own lending bank. Think of it: through some incredible distortion of logic, we are subsidizing the dealing of death to our own sons, while high administration officials, candidates for President, and Senators on both sides of the aisle ask the question and try to answer it: What shall we do to try to bring the war to an honorable end?

The first answer is that we must stop prolonging the war by our own selfish trade practices by providing the wherewithal to Russia so she can expand her shipments to our fighting enemy in Vietnam.

SOVIET MILITARY AID

As I mentioned before, the Soviet Union, in its public declaration of October 1966, stated that $800 million in military aid would be extended by the U.S.S.R. to North Vietnam in the next year, with the rest to come from her captive satellites. It is clear from available reports that in 1968 an even greater measure of military aid stretches from Soviet munitions factories to North Vietnamese forces.

As substantial as these dollar values are, they by no means convey the total picture. Sorting out the various estimates and figures reported by reliable sources, a conservative estimate of Soviet military aid to North Vietnam since 1961 would total several billion dollars. The dollar figure is deceptive, however, because of the peculiarity of the Soviet pricing system.

I can best explain this point by illustrating the situation with the following example. The Soviets usually price their Mig–21 at $400,000 or less, arriving at this figure by a complicated analysis of factory inputs of materials, labor, and so forth, but making no allowance for overhead and investment. Consequently, a Mig–21, which American aviation experts equate in sophistication and performance with our frontline fighter, the F–4, Phantom, is priced at only one-fifth of its real cost. Mr. President, you do not have to take my word for it alone because one of their top aircraft designers, Mr. Antonov, has said that this pricing system is bankrupting the Soviet aviation industry.

In an article in the Aviation Week magazine 2 years ago, he said the sales price fixed on this aircraft would hardly pay for the raw materials.

As one may see, the true value of Soviet military aid is not merely a few billion dollars. We must multiply that figure by a figure of at least as much as 3 to 5 when evaluating the extent of Russian military aid. Thus, an accurate assessment would be somewhere from $6 to $9 billion.

And what is the composition of this $6 to $9 billion? Hundreds of helicopters, scores of which are the giant Mil-6, over 200 Mig fighters, scores of Iluysin jet bombers and, 50 battalions of Sam missiles each equipped with six missile firing stations, 7,000 antiaircraft guns—all this plus hundreds of thousands of tons of munitions and rockets. Add to this, among many other items, trucks and rolling stock carrying their weapons for a face-to-face confrontation with American troops, all supplied free of charge by Russia, all made in Russia, all shipped to her Communist associates in North Vietnam.

Turning from the broad economics of the question, which are important because they convey the true extent of Soviet involvement in this war, I want to expose the manner in which our U.S. Government is contributing to the furtherance of North Vietnamese war effort through the Johnson-Humphrey East-West trade policies by the permissive release of critical strategic materials to the war factories in the Soviet Union.

Because the Soviet chemical industry is deficient in its ability to extract what in the trade are known as aromatic distillates, it is dependent on outside sources of supply for the key chemicals needed for the manufacture of solid and liquid rocket propellants needed to fire the Sam missiles, over 3,000 of which have now been shipped to North Vietnam and to equip the air-to-air missiles which are shooting down our pilots. As of this date, close to 900 flyers have been lost over North Vietnam. Some of the

chemicals shipped to Russia are critical for initiators on mortar rounds and the like.

Mr. MANSFIELD. Mr. President, will the Senator yield to me without losing his right to the floor?

Mr. MUNDT. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the request I am about to make appear in the RECORD either before the Senator's speech or at the completion of his speech so that the continuity of his address will not be interrupted.

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

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

The PRESIDING OFFICER (Mr. MCGEE in the chair). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that beginning at the conclusion of the morning business tomorrow there be a time limitation of 1 hour on each amendment, except for the Cooper amendment, on which there will be a time limitation of 2 hours, the time to be equally divided between the distinguished chairman of the committee, the Senator from Georgia [Mr. RUSSELL], and the sponsor of the amendment; and that there be 3 hours on the bill, the time to be equally divided between the majority leader and the minority leader, or whomever they may designate.

The PRESIDING OFFICER. Is there objection?

Mr. COOPER. Mr. President, reserving the right to object, I wish to say that I have discussed this matter with the majority leader. The chairman of the committee was not present at the time, but I understand it has been discussed with the distinguished Senator from Georgia.

The Senator from Michigan [Mr. HART] and I will introduce again an amendment—not again—which would delete the money in the bill for the construction of the components of the Sentinel system and its actual commencement or deployment. This matter has been before the Senate on two previous occasions.

Mr. RUSSELL. Three times.

Mr. COOPER. On three occasions. I know it will be said that the matter has become a moot issue and that the Senate has already acted upon it. However, our purpose in introducing the amendment is to attempt to secure from the members of the committee certain information which we believe, because of its classified nature, has not been fully exposed, if I may say so, on the floor of the Senate.

Before we take this step, which in my opinion will be irreversible, I wish to say that I have discussed the matter with the Senator from Michigan [Mr. HART] and we have no objection to the 2 hours, but we have discussed this possibility.

Because of the classified nature of some of the information that we seek, and which we think should be available to all Members of the Senate before they make this very serious decision, we might invoke rule XXXV for a short session. If that should occur, would there be a reasonable time for such a session?

Mr. MANSFIELD. Yes; indeed.

Mr. RUSSELL. Mr. President, of course, the Senator from Kentucky knows that any Senator can on motion ask that the Senate go into executive session.

Mr. COOPER. I understand.

Mr. RUSSELL. But I must say in all frankness that I think the 2-hour limitation would apply in the executive session just as it would if we did not go into executive session.

Mr. MANSFIELD. Except there would be 3 hours on the bill.

Mr. RUSSELL. Oh, yes; indeed.

The PRESIDING OFFICER. The Chair advises the Senator from Georgia, he means a closed session rather than an executive session, does he not?

Mr. RUSSELL. Yes. Under rule XXXV.

Mr. COOPER. The time Senators want to speak, no matter how much time they want, should be decided among the sponsors. I should like to have a reasonable time made available in executive session.

Mr. MANSFIELD. As the Senator from Georgia has stated, that is every Senator's right, and any such request will be honored.

Mr. COOPER. I mean for a reasonable time.

Mr. RUSSELL. Yes. I believe that a limitation of 2 hours on the amendment and 3 hours on the bill would apply whether we were in closed or open session.

Mr. COOPER. I just wish to insure that we would provide reasonable time.

Mr. RUSSELL. I can assure the Senator that those of us who favor this proposition will not consume all of our time, and I shall be very happy to give the Senator some of our time.

Mr. COOPER. With that assurance, I have no objection.

The PRESIDING OFFICER. Is there further objection?

Mr. MANSFIELD. It has all been cleared here.

Mr. COOPER. I would ask then, to be absolutely certain, so that there would be no confusion about this, in the event the Senator from Michigan [Mr. HART] and I should invoke rule XXXV, or any other Senator, that at least 1 hour be provided for that, in addition to the 2 hours. I do not know that all of that time will be necessary.

Mr. RUSSELL. That is not debatable. We do not need any time for that.

Mr. COOPER. It is not debatable, but the question is whether it would be limited to the 2 hours which have been proposed for the amendment.

Mr. RUSSELL. Let me propound a parliamentary inquiry.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Georgia will state it.

Mr. RUSSELL. Would any limitation of debate on the amendments and on the bill prevail in the event we go into a closed session?

The PRESIDING OFFICER. As long as the bill is under consideration, it would apply.

Mr. COOPER. Would the limitation apply?

Mr. MANSFIELD. Yes.

Mr. COOPER. Both to debate and open or closed session?

Mr. MANSFIELD. Yes.

Mr. RUSSELL. That is right.

Mr. COOPER. Two hours——

Mr. RUSSELL. It would apply either way, whether a closed session or not.

Mr. MANSFIELD. Plus 3 hours on the bill.

Mr. RUSSELL. Yes; plus 3 hours on the bill.

Mr. COOPER. Then I would propose that we be given 2½ hours.

Mr. MANSFIELD. OK.

Mr. COOPER. I do not believe we will take that long.

Mr. MANSFIELD. I will change it.

The PRESIDING OFFICER. The Senator from Kentucky wishes 2½ hours on the amendment. Is there objection?

Mr. THURMOND. Mr. President, reserving the right to object, I would like to ask the majority leader if he would please restate the question?

Mr. MANSFIELD. One hour on each amendment. Two and one-half hours on the Cooper amendment, with the time to be equally divided between the distinguished chairman of the committee, the Senator from Georgia [Mr. RUSSELL] and the sponsor of the amendment. Three hours on the bill, the time to be equally divided between the majority and minority leaders or whomever they may designate, with voting to take place after conclusion of morning business tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, I do not object.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request, as modified, of the Senator from Montana? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, reduced to writing, is as follows:

Ordered, That, effective on Wednesday, October 2, 1968, at the conclusion of any routine morning business, during the further consideration of the bill (H.R. 18707), making appropriations for the Department of Defense for the fiscal year ending June 30, 1969, and for other purposes, debate on any amendment (except an amendment to be offered by the Senator from Kentucky [Mr. COOPER], upon which there will be 2½ hours), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Georgia [Mr. RUSSELL]: *Provided*, That in the event that Mr. RUSSELL is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, despite the fact that the Senate will be in recess tonight, I ask unanimous consent that at the conclusion of the offering of the prayer and the reading of the Journal tomorrow, there be a period for the transaction of routine morning business, to be concluded at 10:15 a.m.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The Chair would ask the Senator from Montana if he still wishes the 3-minute time limitation.

Mr. MANSFIELD. Yes, Mr. President.

I thank the distinguished Senator from South Dakota for his courtesy in yielding us this time.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1969

The Senate resumed the consideration of the bill (H.R. 18707) making appropriations for the Department of Defense for the fiscal year ending June 30, 1969, and for other purposes.

Mr. MUNDT. Mr. President, you need not take my word for it alone for in fact these very same chemicals are classified "strategic commodities" by our own Office of Export Control in the Commerce Department and as such are ordinarily denied to Communist country destinations unless exception is made and the goods are allowed for export by issuance of a validated license. Incredibly enough, in this crucial time, while the casualty toll mounts at the rate of thousands of our boys per week, according to Sherman Abrahamson of the Office of Export Control, the administration is approving 98 percent of the applications to ship strategic goods to Communist country destinations—In remarks before the American Management Association, March 5, 1968, New York City.

Mr. President, I repeat that, because I think it is time Americans woke up, that American citizens be made to realize why it takes so long to get peace on an honorable basis in Vietnam, that they should know why North Vietnam is continuing to compete against overwhelming odds by fighting a war against a country which so completely outclasses them and outproduces them in manufactured goods and war equipment that they today are suffering from a greater disadvantage than the American Indian did in the Indian wars, when he was using bows and arrows against the rifles and cannons being used by our soldiers.

It is because we persistently yield to the pleas of those who want to make a profit out of the war, and ship and sell to the Russians supplies which are so badly needed by them to shore up certain desperate shortages in their own civilian and military economy.

It is now in the public record for all who will to read. If some newspaper editors, commentators, and more Senators would take the time to dig out the facts, we could carry this message to America, stop this insane policy, and get on with bringing the war in Vietnam to an end.

It is all well enough to talk, as we heard a great friend of ours, the Vice President of the United States, speaking from Salt Lake City last night, about new approaches to bringing peace to Vietnam. I listened to our good friend HUBERT HUMPHREY very carefully, and I reread his speech today. After analyzing and scrutinizing the whole presentation, there was not one single, new significant idea or suggestion which has not already been discussed, uttered, planned, and publicized by President Johnson and his associates in the present administration. HUBERT just reversed the words and used longer sentences. He just confused the language—he put if's, and's, but's, when's, where's, and how's after statements about what he was going to do—leaving as the result just what President Johnson has been saying for many months.

HUMPHREY said: "We will stop the bombing if the other side will make concessions"—which they will not. L. B. J. has said the same thing. HUBERT says: "We will de-Americanize the war, if the South Vietnamese will take on the extra load."

I salute HUBERT HUMPHREY for that one. He has adopted at least one plank of the Republican Party platform which I helped to write in Miami.

We used the word "de-Americanize." Everyone wants to do that. I expect Lyndon Johnson also wants to do that, but the "if's" knock it out from any realistic significance. The Vice President said: "We will withdraw our troops if it is possible to do so without jeopardizing the war." L. B. J. and all the candidates have been saying that for months.

As I said in a press release which I placed in the RECORD on yesterday, in anticipation of what HUMPHREY might say, "I do not believe HUBERT will walk out on the President. I do not believe that he is a hypocrite, a coward, or an ingrate, or that he will drive the dagger of desertion into the back of his great benefactor, Lyndon Johnson." He did not. He just went round the merry-go-round with a lot of words which, when added up, reiterated what Lyndon has been saying all along. I think the President has said them, to be perfectly honest, over and over and over again, and more precisely than the Vice President did in Salt Lake City last night.

I have never been one to believe that Lyndon Johnson is going to hold to a position which he thinks will needlessly antagonize the North Vietnamese, or that he will hold to a position which says we have got to have a peace precisely on our terms and nothing else. Certainly, he has never said that, even if the South Vietnamese doubled their armaments, "I like to have American boys over there so much that I am going to keep 650,000 there anyhow whether we need them there or not."

Now we, of course, have to allow a little bit for hyperbole and for the enthusiasm generated in a campaign spokesman running for office, and growing desperate about his chances for success.

I should like, however, to direct the attention of Vice President HUBERT HUMPHREY to the fact that as the Vice President of this country and the partner of Lyndon Johnson in his war policies, he shares the responsibility for the American economic trade policies which are prolonging the war.

Let HUMPHREY prod the President as I am prodding him today to rescind his order. Let us quit supplying the enemy. Let us quit feeding the people that we are trying to fight. Let us quit strengthening the fellows who are trying to do us in. There is something new that the Vice President could and should have said.

I suppose you can win a war eventually by just continuing to kill off enough of the enemy, but I would like to see us win this one by curtailing the economic practices which make it possible for our enemy to continue his fighting capacities. I wonder how many Americans know we are fighting an enemy who cannot manufacture a single big gun, who cannot manufacture a plane, who cannot manufacture an automobile, or a truck, who cannot manufacture a locomotive, who cannot manufacture a Sam missile. The greatest industrial giant in the world is fighting an enemy in an agrarian economy which our military leaders say could not continue the war for 6 months were it not for the aid they get from Russia and from China and from East European Communist countries.

I would like to have someone, during the course of this presidential campaign, tell the American public where in heaven's name there is any benefit to us, who want peace, in continuing to increase our shipments to Russia, so she can increase her shipments to Vietnam, so they can increase our casualties, with the total result being North Vietnam is able to increase the number of endless months that this war continues and to prolong it year after year.

The American public could understand that kind of language. There would not be any confusion between a new trade policy and what has been adpoted against Congress and desires by this administration. It would not be just a reiteration of the same kind of language we have been listening to for a couple of years and which we heard again from HUBERT HUMPHREY just last night. This would be something concrete and something specific. It would also be something really new.

So that there will be a clear picture of the relevance these shipments have to the prolongation of the war in Southeast Asia, I ask permission to enter into the RECORD at this point the following information concerning shipments of strategic materials to bloc destinations.

There being no objection, the information was ordered to be printed at this point in the RECORD, as follows:

Under the Export Control Act, approximately 1900 items remain which may have a strategic value. These items require approval by the Department of Commerce before a license for export my be issued. Following are examples of items that have been shipped by date of license approval, description of the item, value of the item and destination.

Mining equipment: The principal economic aid projects undertaken by the Soviet Union in North Vietnam have been coal and phosphate mining installations, according to an article published in the China Quarterly issue for July-August, 1966. As a result of these projects, the production of phosphates has increased from 66,000 tons in 1957 to 1.4 million tons in 1965. Pure coal output of 2.6 million tons doubled by 1965. Aside from the very large impact on the North Vietnamese industrial economy, these increases take on significance as they are the major exports from which North Vietnam derives its earnings of hard currencies. These currencies, in turn, are the source of supply for critical military materiel needed to sustain the war efforts against South Vietnam.

Date	Description	Destination	Value
Jan. 4, 1967	Phosphate and coal mining spare parts.	U.S.S.R.	$4,884
Feb. 10, 1967	do	U.S.S.R.	2,479
Mar. 3, 1967	Phosphate and coal mining machinery spare parts.	U.S.S.R.	3,500
Apr. 10, 1967	Phosphate and coal mining machinery parts.	U.S.S.R.	3 40
Do	do	U.S.S.R.	21,860
Feb. 9, 1967	Phosphate and coal mining machinery spare parts.	U.S.S.R.	1,500
Mar. 14, 1967	do	U.S.S.R.	75,000
Nov. 27, 1966	Continuous mining machinery parts (potash).	U.S.S.R.	150,025
July 25, 1967	Twin bore parts for potash mining equipment.	U.S.S.R.	57,500

Diethylene glycol: This chemical is used in the manufacture of explosives and liquid rocket propellants. It can also be used as a plasticizer in solid rocket propellants suitable for air-to-air missiles like the ones that are used in Vietnam.

Date	Description	Destination	Value
Mar. 10, 1966	Diethylene glycol	U.S.S.R.	$306,000
Aug. 16, 1966	do	U.S.S.R.	176,250
Aug. 5, 1966	do	U.S.S.R.	527,500

Polyvinyl butyral: This product is primarily used as an interlayer in bullet resistant glass.

Date	Description	Destination	Value
May 9, 1967	Polyvinyl butyral	U.S.S.R.	$268,975

Chemical woodpulp: This can be used for nitrocellulose, an ingredient for solid rocket fuels.

Date	Description	Destination	Value
May 4, 1967	Chemical wood pulp	U.S.S.R.	$2,387,000
Mar. 7, 1968	do	U.S.S.R.	1,039,200
Sept. 27, 1967	do	East Germany.	43,200

Gold mining: Western economists have reached the consensus that the most pressing problem facing the Soviet Union today in expanding its international misadventures, has been the shortage of gold needed to fulfill its internal economic and military programs.

Date	Description	Destination	Value
Aug. 28, 1967	Construction machinery and parts to be used for gold mining.	U.S.S.R.	$1,071,000

Petroleum: One hundred percent of the petroleum requirements of North Vietnam are filled by Soviet bloc countries, the largest contribution by far being made by the Soviet Union.

Date	Description	Destination	Value
Aug. 29, 1967	Petroleum drilling equipment.	Rumania	$46,905
Aug. 31, 1967	Petroleum drilling and production equipment.	Poland	105,000
Dec. 8, 1967	Petroleum drilling and production equipment parts.	Rumania	5,142
Jan. 29, 1968	do	do	12,206
Jan. 3, 1968	do	do	19,071

Worden Gravity Meter: By the Commerce Department's own admission, these geodetic instruments are a source of data of value to guided missile trajectory determinations.

Date	Description	Destination	Value
Feb. 1, 1967	Worden gravity meter	Poland	$10,200

Manufacturer subsequently asked that the Export License be cancelled. In addition, the Commerce Department in a letter to me on August 8, 1967, admitted that two Worden Gravity meters on July 23, 1965 were authorized for shipment to Rumania and were subsequently shipped.

EXPORT LICENSES—WOODPULP AND CHEMICAL WOODPULP

Date	Description	Value	
		U.S.S.R.	Other East European Communist bloc
May 4, 1967	Chemical woodpulp	$2,387,000	
Sept. 20, 1967	Chemical woodpulp (manufacturing source for solid propellants)	3,236,710	
Dec. 13, 1967	Chemical woodpulp	1,722,800	
Jan. 18, 1968	Woodpulp (Czech)		$643,500
Jan. 25, 1968	(See item $4,452,000 under Chemicals this date.)		
Mar. 7, 1968	Chemical woodpulp for manufacture of tire yarn	1,039,200	
Mar. 8, 1968	Woodpulp for manufacture of tire yarn	1,039,200	
Total		9,424,910	643,500

According to the *Rose Chemical Dictionary* (Sixth Edition) wood pulp is produced for its cellulose content, from which paper stock and nitrocellulose are the primary products. "The most recently developed major use (of nitrocellulose) is as the basic material in solid monopropellants, including those for rockets." (p. 803) Alpha-cellulose, a derivative of wood pulp, is a product which ". . . has been suggested as a component of high energy rocket fuel." (p. 235). Possibly related are diethylene glycol exports ($703,750, separately reported); this chemical can be used as a nitrocellulose solvent.

Mr. MUNDT. Mr. President, I ask Americans sincerely interested in ending the war to read the foregoing list. We have heard the administration say it is economic goods we are shipping the Communists; it is chewing gum and baby buggies and typewriters and schoolbooks and lead pencils and toy balloons. It is no such thing. This is not my record of the shipments to Russia. It is the administration's record, the Government which has made these shipments possible. It is just a partial record of this whole bloody business. Let Americans read it. Let the candidates give their answers to the 650,000 American boys whose lives are in jeopardy because of this unsound policy of supplying the enemy that is trying to kill you and your boys and your hopes for freedom.

Mr. President, that is the burden of my mission here today, and I take this occasion to give it because we are going to appropriate billions of dollars for a Defense bill now, which is inflated many billions of dollars solely because of the results flowing from the trade policies of the Johnson-Humphrey administration, as revised October 12, 1966, and the followup administration of our program of exports to Russia and other communist countries.

A few selfish profiteers probably are making a few hundreds of millions of dollars of profits shipping stuff to our enemy, but all Americans are paying higher taxes, confronting higher flames of inflation, losing their kith and kin in war, so that those few can profit from this traffic with Communist-bloc countries.

I suspect when historians write the book on this administration, the blackest page, if it is not written in red, is going to be centered around President Johnson's Executive action of October 12, 1966, when, by the stroke of a pen, he invalidated the trade restrictions of the Battle Act and he invalidated repeated congressional actions which historically have restricted and prohibited trading with the enemy in time of war. He took the escape hatch which a rubberstamp Congress so frequently gives to the Executive. It speaks out in stern language. It says, "You are going to do this, and the President cannot do that"—then the escape hatch is written in—"unless the Executive finds it in the national interest to violate the provisions of the law." This administration went out the escape hatch. Down that escape hatch also slipped the Americans' opportunity for an earlier victory in Vietnam. And down that escape hatch went nobody knows how many gallons of blood of American boys needlessly dying in Vietnam.

To me, as I said in the beginning of my remarks, it is abundantly clear that the inflated funds in our annual Defense Department appropriations bills, and the needless sacrifices of our fellow citizens required to make them possible, together with the valiant sacrifices of many of our soldiers abroad, all are undermined by the cross-purpose East-West trade policies of the Johnson-Humphrey administration. That it is illogical there can be no question. That it is immoral and a disservice to our boys valiantly fighting is even more tragic and infamous.

In my opinion, that it should be brought into the area of political debate and become an issue in this campaign is now inevitable, because we are here dealing with realities, with actual conditions, not, as HUBERT HUMPHREY said in Salt Lake City last night, with what is going to happen 112 days from now, or 3½ months from now, but what we can do tomorrow, and this week, to give some reality to our determination to bring about an early and enduring end to this war in Vietnam.

You do not have to kill all the enemy if you shut off their military supplies, if you curtail their economic imports. We do not have to put our manpower up against the bloody business of facing the guns and the rockets and the mines of the enemy if we decide to shape up a consistent economic policy supporting a military policy which has been conducted in Vietnam now for over 7 indecisive years.

WE HELP RUSSIA STRENGTHEN HOLD ON SATELLITES

We may well ponder one other aspect of our self-defeating East-West trade policies. We were appalled at the arrogance of Russia when the Soviets recently invaded tiny Czechoslovakia to save that country from "democracy." Indirectly, we have to accept some of the responsibility for making such an invasion possible.

What keeps a satellite nation as a satellite nation? One way is through complete military domination. Another is through close trade relations and economic support. Russia is holding her buffer states to her mostly by such economic policies, only resorting to bullying military tactics when ideas on freedom and personal dignity begin permeating the minds of the people. Mainly, however, the Communist leaders must rely on economic policies—making the satellite dependent on Russia for its trade goods, its weapons, and a market.

In a recent interview, the Minister of Trade for Czechoslovakia, Vaclav Vales, said:

> In 1967 Czechoslovakia met its oil import requirements through supplies from the Soviet Union by 99.5%, iron ore, by 83.6%, metals by 53.3%, wheat—by 90.7%, and cotton by 53.8%.

Mr. Vales said that under terms of a trade agreement signed about 10 days ago Russia would send Czechoslovakia 50 million tons of iron ore, 39 million ton of oil, and also increase the amount of other goods—including rubber.

Incidentally, Russia charges its own satellites twice the price it charges free world markets for identically the same goods in its economic war with the United States, underselling us in the free countries where it can, and loading up the charges against its Communist satellites who have no opportunity to get away from the coercive relationships which they have with Mother Russia.

When we look at that list, we find that Russia is maintaining its economic hold on Czechoslovakia by sending that country supplies which are offset, in part, by the goods we export to Russia. The implications of this situation should be clear enough for anyone to see. We fill the Soviet hopper, or give the Russians the firm expectation we will continue to help them replace their own shortages, and the Communists are then able to maintain a stronger hold on the Czechs, the Bulgarians, the Rumanians to threaten the West Germans, and to intimidate the other satellite countries.

This is how they perpetuate their economic tyranny, so closely associated with their political tyranny, which is a prelude to military aggression should the economic and political techniques fail or falter. If we did not fill that hopper, if this economic support became too much for Russia to bear, a new political complexion in Europe might be anticipated.

Of that 50 million tons of iron ore, of that 39 million tons of oil, of that huge amount of rubber and other critical material, how much will be purchased in the United States and then diverted to the Russian satellites? And, if we did not supply Russia with these materials, how much longer could the Soviet Union honor its trade agreements with its captive satellites? Or with the neutral countries which it is seeking to seduce over to the Soviet side of today's cold war?

No one should forget the shortsighted sale of $150 million in wheat to Russia in 1963 which enabled her to supply her commitments to East Europe, to Cuba, and the Middle East. Had we taken the sensible course and withheld our wheat as I and others advocated at the time—and as the Senate, in a rollcall vote at the time, one day recommended—who knows how much calmer Eastern Europe and the Middle East might be today and how much closer we would be to peaceful conditions in these troubled areas of the world?

Mr. President, these questions, too, should goad the national conscience of this country.

These questions, too, should be answered by people running for high office, seeking to become President of the United States in these dangerous and difficult times. The few dollars which we earn from such trade with Communist Russia have long ago been far outweighed by the loss of freedom's blood.

A NEW APPROACH IS NEEDED

Trade relations with the Soviet Union and her Communist satellites should be regarded as international political weapons. We should not delude ourselves that such trade increases friendship or cooperation insofar as the Communists are concerned. Along with wars of aggression, subversion, propaganda, intimidation, and broken promises, Communist Russia looks upon trade as one of the weapons by which it seeks to weaken freedom everywhere and to expand the clutch of communism to more and more people and countries in its still unrepudiated proposals to establish Communist domination throughout the world.

By diminishing trade with the Communist bloc, in this time of terrible war, we will find that we will gain far more in the form of concessions from them than by easing our trade restrictions for a few paltry dollars of war profiteering.

At least, this can be said without fear of successful contradiction: Our present policies in trading with the enemy in time of war are doing nothing in the way of getting any concessions which are desired by us. They are doing nothing in easing the burdens of war; they do not fire up the feeling of friendship for the United States in the bosom of Communist masters. Commonsense ought to dictate that it is high time to try something else.

The "something else" we should try is to stop our trade with the Communist East until they, by positive action, show they are going to be cooperative and that they will not continue to add to our wartime losses by aiding our enemies in North Vietnam and in nearby Cuba.

I therefore call upon the Johnson-Humphrey administration to put some commonsense into our trade policies. It is dangerously inconsistent to ask for more billions of dollars to build up our defense posture, appropriations which I support, while, at the same time, we pursue policies which offset the good that these vast appropriations do.

One of the best breaks we can give our fighting men other than providing them with the latest in weapons in sufficient amounts, is to cut down the potential firepower of the enemy. We are trying desperately to do the first, but it will take a reappraisal of our foreign trade policy to do the latter.

PATRIOTIC GROUPS OPPOSE PRESENT POLICY

It seems passing strange that the Johnson-Humphrey administration has paid so little heed to the admonitions of patriotic organizations which have presented vigorous views in opposition to this mixed-up program of selling merchandise to Russia and other Red-dominated countries.

I would like to call attention to the strongly worded denunciation which was recently made part of the report of the Air Force Association at its Washington meeting, in which this association called attention to the fact that North Vietnam was able to remain in the war only because the Soviet Union supported that country.

That we have heard from military experts. That we have heard from witnesses before our Appropriations Committee and our Committee on Foreign Relations. Now we hear it again from this fine association, the Air Force Association. I repeat their charge: North Vietnam was able to remain in the war only because the Soviet Union supported that country.

The complete statement of the Air Force Association is as follows:

SOVIET INVOLVEMENT

A measure of proof can be found in the rising of material support which the Soviet Union is providing to North Vietnam.

The Soviets are providing the sophisticated air defense system which has made North Vietnam the most heavily defended piece of real estate in the history of air warfare.

The Soviet Union provides the trucks which ply the Ho Chi Minh trail and the gasoline and oil which run them.

The Soviet Union provides the artillery the ammunition, the rockets and launchers which are killing Americans daily.

The Soviet Union provides the aircraft and the ground-control system which challenges our pilots over North Vietnam targets.

Without Soviet support, North Vietnam simply could not stay in the war. Someone in Moscow must think that Southeast Asia is important.

Meanwhile, the Soviet Union takes advantage of U.S. involvement in Vietnam to make its presence felt in the Mediterranean, in the Middle East, in Korea, and in Western Europe, where the NATO alliance is still a main Soviet target. Soviet Russia moves ahead on the technological front in a drive for strategic superiority over the United States. It looks with satisfaction on the prospect of an America divided at home and bogged down indefinitely in Southeast Asia.

It will be noted that this statement

also brings into focus the full gamut of Soviet intrigues and plans for causing more trouble, more disruption, more involvement in its ultimate goal of weakening and breaking up the NATO alliance. Yet we load our ships with the goods that keep their economy strong enough to carry on this harassment and supply our enemy force.

The American Legion is an organization ever alert to policies which weaken our own defenses, or which tend to strengthen the abilities of our aggressive Soviet adversaries. The national commander of the American Legion, John E. Davis, took occasion to express strong views on this policy.

Mr. Davis said, in a statement published in the American Legion magazine:

> 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 operations 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.

I ask that the entire statement by the commander of the American Legion be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit C.)

Mr. MUNDT. When Mr. Davis speaks, he speaks not only for the veterans of past wars, he is also keeping in mind those who will be eligible for membership in his organization as the result of fighting in the Vietnam conflict. He is thinking of their protection. He is thinking of the America in which they must live tomorrow, and he wants them to return to a country, strong and free, where realism will exist. He wants them to return to a nation with a sensible foreign policy, not one which rewards those who strive to crumble away our influence, weaken our economy, and drive a dagger into the heart of the freedom loving peoples of the world.

Despite the solemn warnings of the national commander of the American Legion, the Johnson-Humphrey administration puts the full force of its power behind the effort to induce Congress to approve this vast loan to build a new automobile plant in Russia—to be operated by the Fiat Company of Italy. Yet every schoolboy knows that an automobile plant in time of war is easily and effectively converted into an industrial complex to manufacture the death dealing implements of war and the rolling stock to put them into front line action. Fortunately the Senate approved the efforts of the Senator from Virginia [Mr. BYRD], whom I am happy to see in the Chamber, and myself, and validated our resolution to forbid this utterly unrealistic use of American dollars to strengthen even further the war productive capacity of Communist Russia and correspondingly make even more difficult our chances of success in Vietnam.

Mr. President, standing shoulder to shoulder with the American Legion position are the Veterans of Foreign Wars, who have also bitterly declared that—

> We must not allow food, clothing, fuel and arms to be put into the hands of aggressors like North Vietnam so they might drag that war for freedom to eternity. The sooner our Government stands straighter and stops listening to those who supposedly build bridges with our enemies, the sooner our men can come home where they belong.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the entire text of Resolution 264, opposing all forms of trade, commerce, and financial assistance to Communist or Communist-controlled nations, which was adopted by the VFW at its annual convention.

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

(See exhibit D.)

Mr. MUNDT. Mr. President, it is curious to me that a civilian in charge of the Pentagon, a civilian serving as Commander in Chief, and a civilian Secretary of State should somehow or other believe that their collective judgment is so vastly superior to the entire membership of the American Legion and the Veterans of Foreign Wars whose millions of men in various ranks and levels of service have directed and fought wars to protect the freedoms of this country up to now.

Our civilian leaders reject out of hand both organizations and the resolutions adopted by their national conventions and statements by their national commanders condemning this unholy trade policy of shipping supplies to the enemy in time of war.

I wonder sometimes about what meat these little Caesars eat who sit at the other end of the avenue and say, "Everybody is out of step but Lyndon or Clark or Bob or one or two other political leaders." I refer to people who have put this country on the toboggan ride to disaster by these counterproductive trade policies.

They have also been condemned by other patriotic organizations. Others have organized for the purpose of trying to do something about it. Still we find that though many are stirred to action, those in charge of our policies ignore the desires and pleadings of their fellow citizens.

Local citizens in our country in great numbers are growing increasingly dismayed as the facts gradually leak out through the information wall which sometimes encircles Washington, to the people in the hometowns of America. Information is leaking out surely but slowly concerning the trend our trade policies have taken and the serious results which have eventuated. And so private citizens have joined together in vast numbers to make their protests heard.

One such group is known as CEASE, the Committee To End Aid to the Soviet Enemy. That committee is headed by former Gov. John Davis Lodge, a former Congressman and also a former Ambassador to Spain.

CEASE has its national headquarters in the National Press Building in Washington, D.C., and reports that letters of protest and contributions to the crusade they are waging against this trade practice continue to come in in increasing numbers.

Governor Lodge has urged that "we stop increasing our trade commitments to Russia and countries that are assisting in the killing of American troops by proxy."

When it is so apparent to so many others, why does not the Johnson administration declare a moratorium on the policy of fighting and feeding the enemy at the same time? Why does not Vice President HUMPHREY use his influence with L. B. J. to bring this change about?

If this be war, and it is, then let us treat it as war. Let us be stern. Let us be realistic. Let us be consistent. And let us not prolong the conflict by such poorly conceived trade policies which strengthen the very enemy we are trying to overcome.

In conclusion, let me restate here some practical suggestions which I have made on this floor and elsewhere many times during the course of the past several years. I speak as one who has consistently defended President Johnson's wise and proper determination not to bring this Nation to defeat in Vietnam either by surrendering on the installment plan or by our abject withdrawal in disgrace with all of the serious consequences and concomitants that such a defeat would entail in terms of jeopardy both to our future peace and the very survival of our Republic and our way of life.

I regret as much as anyone that so many members of the President's own political party are preaching the gospel of despair and counseling him to accept a formula for defeat.

I rejoice over the fact that such a comparatively few members of our Republican Party join in these tactics of timidity or offer the counsel of a disgraceful surrender which would end our influence as a world leader and would reward aggressive communism with a prize so rich and a victory so significant that there could be no stopping its appetite for more controls over more and more people until the United States itself becomes the target of its atomic attacks and its nuclear missiles.

However, any such disaster which might befall our country is too great to bring partisan respite to any, and the threat of it is too dangerous to permit us to engage in partisan criticisms or to

seek political advantage through some synthetic and ephemeral change of policy which might eventually engulf us all in the unprecedented blood bath of nuclear all-out war between the U.S.S.R. and the United States.

We should work together—Republicans and Democrats—to evolve courses of action based on realism—not on voter appeal—and geared to the strength and advantages now available to our country, and designed to bring an early and enduring end to the war in Vietnam.

Mr. President, I propose the following actions:

First. President Johnson should immediately rescind his Executive action of October 12, 1966, and promptly restore the prohibitions denying Americans the right to engage in wartime trade with Communist Russia and her satellites in accordance with the Battle Act and other similar legislative prohibitions enacted in the past by the Congress of the United States. Those prohibitions against trade with those who supply materials to our fighting enemy in Vietnam should be complete; they should be vigorously enforced; and they should continue until peace comes to Vietnam.

Second. Having once more adopted the national policy of refusing to try to make profit for some in a war which is proving costly to all, we should then urge other freedom-loving nations to join us in this rule of self-restraint so that the pressure of economic forces might be added to the pressure of our military forces to convince the Communists who are arrayed against us that the era of expansion of international communism by ruthless and unprovoked aggression is at an end.

Third. President Johnson, or his successor, if the incumbent remains adamant or unwilling, should then call a Free World Trade-Aid Conference here in Washington to which will be invited all the nations of the world who share our abhorrence of war and who want to do something to protect themselves against a new era of military aggression which in these uneasy days might so easily expand not into the war to end all wars but the war to end all civilization.

At this Conference our President should address those who come substantially as follows:

Our country loves peace and is ready and eager to help like-minded Nations everywhere to the extent of our abilities to achieve security against war, the rights of self-determination free from foreign interference, and to help evolve international pacts and United Nations provisions which will ultimately disarm the world of all nuclear armaments, with complete rights of mutual inspection, along with other steps of disarmament which will eliminate the threat of war and enable a housekeeping international force to protect the borders of sovereign states against those who would still seek to break the peace of the World. However, we are now engaged in the seventh year of a war—the longest in our history—in which our only goal is to prevent the marching aggressors of Communism from denying the rights of determination to citizens of a sovereign State desiring to remain free from Communist domination.

No success which we win in Vietnam can mean more to the USA than it does to those of you from other Nations assembled at this International Conference. Your safety and security will be enhanced as much or more than ours from any victory which we may achieve in Vietnam. And should we be defeated there, forced to turn back and pull out, and let invading Communism run riot thru Southeast Asia as its first new arena of success, your security and safety will be jeopardized far more than ours from such a failure. After all, we still have our nuclear weapons if it comes to that, and our oceans and geography still give us a period of warning and a time for reaction shared by very few other Nations in the World. If, unhappily for civilization, it is going to come to every nation for itself and the god-fearing, upright, free Nations of the world are to react only against aggression as it crosses their own borders, civilization all over will be in jeopardy but the weakest will be the first to Fall and time, strength, mighty armaments, and geographic position will still be working for the United States.

However, our Nation knows that the future for such a World will live on borrowed time; and no Nation, anywhere, including ours, can then look forward to a bright and a better tomorrow. That, basically, is why we are in Vietnam. We will, if we can, continue our efforts there to prevent such a falling apart of the rules of decency and to thwart, while it is still far away and comparatively isolated, the latest—and we hope the last—military effort of Communism to move forward toward its declared goal of world domination. In this crusade we ask and we need your cooperation.

We do not ask you for military forces. We do not ask you for armaments or planes or ships at sea. We do not ask you to supply fresh manpower. We do not seek your financial aid, as we continue our sacrifices fully as much in your interests as in our own. But we do seek your cooperation in applying economic pressures against this long continuing war.

We ask you to stop shooting us in the back, as we fight the good fight for world peace, security, and safety, by stopping completely your shipments of economic and military aid to our enemy—and yours—in Vietnam. We ask you to forbid all ships flying your flags from entering the harbor of Haiphong and from any other traffic supplying the economic and military sinews of war to North Vietnam. We ask you to notify Communist countries which may persist in sending such shipments to North Vietnam that until the war is over or until they cease such aid, you will follow our example—belatedly but now firmly enforced—and prohibit trade of any kind with such Communist countries. And if here and there a free Nation of the World seeks to reap a profit in gold from our sacrifices in blood, we ask that you also join us in applying economic pressures against them. Surely, such sanctions are more justified in seeking a basis for world peace and stopping this war, with its incipient capacities for spreading, than they are in trying to bring a rebellious, independent Government in Rhodesia to its knees, and the free world has shown surprising unanimity in the latter course of action.

Likewise, we urge your support of any actions which might be proposed in the United Nations which might effectively utilize the moral strength and the economic potentials of the membership in this world organization to restore an honorable and lasting peace in Vietnam.

Finally, we urge you to join us in calling another International Conference—this time with the Russians invited—to work out a method of bringing an early and enduring end to this war in Vietnam with guaranteed International border patrols if need be to give both sides a "cooling off period" and an opportunity to establish their own systems of Government on their own sides of the dividing line without interference, trickery, or treachery from either side or from any other Nation in this world.

Mr. President, I confidently believe this type of presentation to an international conference here in Washington, to which all neutral and free nations were invited, would create sufficient world understanding of our motives and our mission in Vietnam to change the carping criticism we sometimes hear from over there to at least the first steps of cautious cooperation which might indeed very well grow long enough and strong enough to usher in a new era of peaceful history. We obviously have nothing to lose from such an attempt at real world leadership. The dimensions of what we have to gain are limitless.

Obviously, Mr. President, the United States cannot and should not call together such a conference so long as we, ourselves, are engaged in trading with the enemy. We must first of all come into the court of world opinion with clean hands.

So long as we permit—and even encourage—a few wartime profiteers, a handful of imperialistic exporters and importers, a tiny minority of greedy citizens, international bankers and brokers, and a selfish but small group of individuals and corporations which value a quick profit over an early peace to stain our national record for selfless sacrifices to make the world a safe and decent place in which to live, we cannot of course expect others to restrict their wartime trade and forego their profits with our Communist adversaries when they themselves have no military forces of their own facing the death-dealing horrors which all this trade provides. But once we have purged ourselves of this greed for gold; once we have stopped sinning against ourselves and the brave servicemen fighting for us in Vietnam; once we have returned to the policy we have followed in every other war—strict prohibitions against giving aid or comfort to the enemy—we can appeal to the conscience and the reason of the world to join us in taking a long and effective step toward a lasting peace in Vietnam.

Such a series of actions, Mr. President, could very well bring Russia to her senses and the North Vietnam peace negotiators in Paris to a termination of their delaying tactics and a realization that all hope of a victory in their war had vanished. The dividends are indeed both great and immediate, since military leaders have long been telling us the North Vietnamese could not continue their fighting for 6 months without benefit of the sophisticated weapons and petroleum they get from Communist countries in Europe and the economic supplies they get both from there and from the free world.

Over the long range, the dividends from such an International Conference are even greater. They would set the stage for more international participation and cooperation in the economic aid needed by developing countries to develop viable economics and stable governments. And above all, the results of such an International Conference would serve notice on restless, unpredictable, hate-ridden Red China that she should forego now all thoughts of developing a nuclear arsenal and a military strength which someday might enable her to wage

destructive war against either the U.S.S.R. or the United States, and that any movements of her military forces across the borders of less powerful nations would be met with the solidified resistance of the world and of the United Nations.

It is the "leadership gap" of the Johnson-Humphrey administration which I deplore, Mr. President, not its courageous determination to refuse to stoop Uncle Sam to his knees so that he crawls out of Vietnam with neither peace nor victory but with the sad realization that those who get home safely must face up to the likelihood of bigger and bloodier wars in the future because of our failures in Vietnam.

Mr. President, once again I submit the case for reason in our conduct of the war in Vietnam and our responsibilities of world leadership. President Johnson might yet set in motion such a conference in his 3 remaining months in office. Otherwise, I hope and pray that whoever succeeds him evidences the required capacities of world leadership and the realism about our wartime trade policies so that under his administration we will no longer try to rely solely upon our military forces to bring an early and enduring peace to Vietnam but that we will supplement this power with the vast economic strength of our country and the diplomatic leadership required to make the United States, in fact as well as in name, the leader of all nations and indeed the world's best hope for permanent peace.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the distinguished Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, I am impressed with the information the Senator from South Dakota has compiled regarding export licenses to the Soviet Union. The distinguished senior Senator from South Dakota has rendered real service to the Senate and to the American people in focusing attention on the fact that our Government is permitting the export of material and supplies from this Nation to the Soviet Union at a time when the Soviet Union is the major supplier of war materiel for the North Vietnamese Government.

It seems to me that if we are going to get this war over with, we must bring all financial and diplomatic pressure possible on all those nations which are supplying our enemy in North Vietnam.

While the peace conferences are going on in Paris, it is important that we not be lulled into a false sense of security. The important figures to me today are these: Of all the casualties that the American people have suffered during the many years we have been involved in Vietnam, 42 percent were suffered during the first 8 months of this year—January through August.

So we are faced with a very grave situation there insofar as casualties are concerned. The American casualties this year are running at a rate double that of last year.

It is time that our Government took all steps possible to prevent trade with those nations which are supplying our enemy, which in turn is inflicting these very heavy casualties on the American troops.

I commend the distinguished senior Senator from South Dakota for focusing attention on this problem and for inserting in the RECORD the export licenses that have been granted by our Government to ship material and commodities to the Soviet Union.

Mr. MUNDT. I deeply appreciate the comments of the distinguished Senator from Virginia, especially for calling attention to the fact that 42 percent of the casualties in this war have occurred in the past 8 months.

Mr. BYRD of Virginia. January through August of this year.

Mr. MUNDT. It seems to me that no realistic citizen can fail to see some association and connection between that sordid fact and the fact that during these same 8 to 12 months war supplies from Russia have been escalating in such great amounts as they are being shipped into North Vietnam. Does the Senator agree?

Mr. BYRD of Virginia. I do agree with the distinguished Senator from South Dakota. However, I might mention also that not only has the amount of Soviet shipping into Haiphong greatly increased, but also the amount of allied shipping has virtually doubled this year compared to last year. To me that is an even more astounding fact, when those who are supposed to be our allies, those who signed the SEATO agreement—and that is why we are in Vietnam according to the Secretary of State—are supplying our enemy in North Vietnam.

Mr. MUNDT. What the Senator has said is correct, and there should be added even those who are associated with us in NATO, where we have stationed large numbers of our troops and invested large sums of money to help provide a shield to protect Europe against communism. Even some of our NATO allies are shipping to North Vietnam and permitting their ships to carry on trade with Vietnam.

About a year ago I had an experience in this connection in Brussels. As the chairman of a NATO standing committee, at a plenary session of NATO I addressed the session on this particular point that we are talking about today; that any defeat we could suffer in Vietnam would be more perilous to them than to us; and I urged their exercise of self-restraint in supplying the sinews of war on ships at sea which might make it possible for the enemy to continue to kill our boys.

Mr. President, do you know what they said? They said, "We agree with your reasoning and everything you have had to say. But give us one reason why we should be able to induce our Government to shut off trade with the Communist countries, from which they are making a rich profit, when we have no boys of our own in the war, when at the same time your country is expanding its trade with the enemy and you are supplying all the men doing the fighting. If you are not concerned about the war's impact on American lives resulting from such trade, how can we convince our Government that we should make trade sacrifices which you are unwilling to make?"

Mr. President, I was almost ashamed I had given the address in the plenary session, but it was there. Certainly, they put their fingers on the point.

I appreciate what the distinguished Senator from Virginia said because about 1 year ago he and I joined in a statement to the American Legion convention in Boston, Mass., about problems of East-West trade. We were happy that the American Legion convention adopted a very strong resolution condemning out-of-hand the unprecedented wartime trade policies of this country.

I simply hope that this country meets that test concerning what is going to happen to the future of this country, what is going to be done about the war in Vietnam, the dangers of surrender and defeat over there, and what our position could be which would flow from success.

I hope that candidates for office at every level are asked, "Where do you stand on the policy of building profits in America for a few through wartime shipments to Russia at the cost of America's success and at the cost of jeopardizing the lives of every American soldier, sailor, and marine fighting in Vietnam?"

I think that is the $64 billion question that should be asked of every candidate running for coroner, Governor, legislator, congressman, or senator on every ticket. Most especially, it should be asked at every press conference of every candidate for President and Vice President in the United States because now is the time when the people of America have a chance to bring some bearing on one of the greatest decisions in American history.

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

Mr. MUNDT. I am happy to yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to commend the able and distinguished Senator from South Dakota for the magnificent address he has just delivered.

I do not know of any one thing that is more important in our foreign policy than not trading with the Communists. There is no question about it. Trading with the Communists has improved their economic situation and has enabled them to build a more powerful military machine because of the trade of the United States and the free countries of the world with the Communist world.

I hope Members of the Senate will read this outstanding address delivered by the distinguished Senator and will take it to heart and give this matter great consideration.

I feel that at the next session of Congress it will be one of the paramount questions to be considered by this body.

Mr. MUNDT. Mr. President, I join the Senator from South Carolina in that hope, but I hope even more, and let the credit go where it should go, that we do not have to wait until the next session

of Congress until our leadership sees the folly of its ways and takes this highly essential action.

I also wish to say that we have voted in the Senate on this facet of trade with the enemy four or five times, and without exception the Congress has done its best to curtail it and stop it. We were successful in stopping a $50 million Fiat automobile plant in Russia to be built with American money. We have engaged in other legislative restrictions.

I am grateful to the Senator for he is indeed one of the few full-fledged generals who made it to the Senate, and he brings with him a great career in the service of the higher echelons of our national defense.

What the Senator has said is true. Every bit of trade, everything we sell, civilian goods, economic goods, military goods, strategic goods, the ingredients we are selling for their explosives, the diamond bits we are selling them so they can drill deeper for oil and send more oil to North Vietnam to help them in the conflict, helps the North Vietnamese in their war effort.

But there is something even worse about our trade policies. The greatest penalty to our cause in Vietnam comes from the fact that because we are guilty of this practice and persist in going for the quick dollar rather than the early peace, we blacken our escutcheon abroad so that when our Government, as it has, and individual Members of the Senate and House, as they have, appeal to other nations to curtail their shipments to North Vietnam, they say to us, as they said to me in Brussells a year ago, "Why? Why should we place restrictions on our profiteers when we supply no manpower in the war, and when you supply all the men? You, whose boys are fighting in Vietnam, not only place no restrictions on your would-be profiteers but actually encourage them by presidential message and presidential benefits to expand their trade."

Mr. President, that is the tragic part of it. That is why our NATO allies send in their ships and economic goods and that is why our SEATO allies, as the Senator from Virginia said a while ago, feel they have a proper right to ship their supplies in. That is how they salve the consciences of their various states and governments as they dip in for quick profits trading with the enemy in North Vietnam whose successes if, heaven forbid they have them, are going to be as dangerous, and more so, to the smaller countries of the world now greedily engaging in this trade than they are to the United States, although the consequences upon us and upon civilization, I think, would be colossal if we fail in Vietnam.

Mr. THURMOND. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. THURMOND. I associate myself with the remarks of the distinguished Senator from South Dakota on this subject. I only wish that action could be taken now to stop trading with the Communists, but knowing of the attitude of the administration in trusting the Communists, I feel that this will not be done. The only hope lies in changing the administration.

Therefore, I hope, with the new administration, that we will get results. If we can get results sooner, of course, the sooner the better. Nothing would I like to see happen more than that.

Mr. MUNDT. The Senator's comments give me one little grain of encouragement that at least we will begin to work harder on this issue. Former Governor Lodge of Connecticut is the New England director of the "Nixon for President" activities and I would hope that perhaps he might carry this message direct to our Republican candidate for President; and that all Republican candidates no less than the vice-presidential candidates, should be faced squarely with the question: "Where do you stand on this basic decision of the hour?"

Mr. President, I yield the floor.

EXHIBIT A

LIST OF COMMODITIES DECONTROLLED BY DEPARTMENT OF COMMERCE FOR SALE TO RUSSIA AND EAST EUROPEAN COUNTRIES

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF INTERNATIONAL COMMERCE, OFFICE OF EXPORT CONTROL,
Washington, D.C., October 18, 1966.

To: All field offices; all customs offices.
From: Mrs. Geraldine S. DePuy, Director, Operations Division.
Subject: Current Export Bulletin No. 941, dated October 12, 1966.

Current Export Bulletin No. 941 revised the Commodity Control List in many different respects, including the decontrol action for exports to Eastern European communist countries (Country Group Y). However, the Eastern European communist countries decontrol created a great deal of public interest in view of its relationship to the President's speech of October 7.

Attached is the following information which should be helpful in answering questions regarding the Eastern European communist countries decontrol action:

Exhibit No. 1: Analysis of the Decontrol Action for Exports to Eastern European Communist Countries.

Exhibit No. 2: Commodities Decontrolled for Exports to Eastern European Communist Countries *Including* East Germany.

Exhibit No. 3: Commodities Decontrolled for Exports to Eastern European Communist Countries *Excluding* East Germany.

EXHIBIT 1

ANALYSIS OF THE DECONTROL ACTION FOR EXPORTS TO EASTERN EUROPEAN COMMUNIST COUNTRIES

Current Export Bulletin No. 941, dated October 12, 1966, announced a decontrol action for United States exports to Eastern European Communist countries. This action was taken to implement the President's speech of October 7, in which he stated in part: "We will reduce export controls on East-West with respect to hundreds of nonstrategic items."

A proper evaluation of the decontrol action requires an examination into two aspects:

(1) What countries were affected by the decontrol action?

(2) What commodities were decontrolled for each of the affected countries?

COUNTRIES AFFECTED

The form of the decontrol action announced decontrols for two country groupings:

(1) Exports to *all* Eastern European Communist countries and

(2) Exports to all such countries *except* East Germany.

As used in the announcement, the term "Eastern European Communist countries" comprises: Albania, Bulgaria, Czechoslovakia, East Germany (Soviet Zone of Germany and the Soviet Sector of Berlin), Estonia, Hungary, Latvia, Lithuania, Outer Mongolia, and Union of Soviet Socialist Republics. The Export Regulations refer to these Eastern European Communist countries as "Country Group Y."

CLASSES OF COMMODITIES DECONTROLLED

As indicated below, only ten commodity items spread over six commodity classes were decontrolled for exports to East Germany. The bulk of the decontrol action centered on the decontrol of commodities for export to Eastern European Communist countries *other than* East Germany. The affected commodity classes and the extent of decontrol for each commodity class is shown below.

EXHIBIT 2

NUMBER OF COMMODITY ITEMS DECONTROLLED BY COMMODITY CLASS AND COUNTRY GROUPING

Commodity class	All Eastern European Communist countries	Eastern European Communist countries except East Germany
Food:		
Cereals and cereal preparations	2	1
Fruits and vegetables	1	
Sugar and sugar preparations		2
Feeding stuff for animals	3	
Miscellaneous food preparations	2	1
Crude materials, inedible:		
Leather scrap		1
Crude rubber		2
Textile fibers		20
Metal scrap		4
Crude animal material		1
Mineral fuels, lubricants, and related materials:		
Petroleum and petroleum products		6
Gas, natural and manufactured		2
Chemicals:		
Chemical elements and compounds	1	23
Crude chemicals from coal and petroleum		2
Dyeing, tanning, and coloring material		7
Medicinal and pharmaceutical products		6
Polishing and cleansing preparations		3
Fertilizers		3
Nonmilitary pyrotechnical articles		1
Cellulose and artificial resins		4
Chemical materials and products, n.e.c.		15
Manufactured goods:		
Rubber manufactures		5
Wood and cork manufactures		6
Paper, paperboard, and manufactures thereof		5
Textile yarn fabrics		44
Nonmetallic mineral manufactures		14
Nonferrous metals manufactures		1
Manufactures of metals, n.e.c.	1	27
Heating and lighting fixtures		3
Furniture		2
Travel goods and handbags		1
Clothing and accessories		23
Footwear		1
Professional, scientific, and controling instruments; photographic and optical goods, and watches and clocks		13
Miscellaneous manufactured articles, n.e.c.		18
Coin, other than gold coin, not being legal tender		1
Machinery and transport equipment:		
Machinery, other than electric		41
Electrical apparatus and appliances		14
Transport equipment		5

COMMODITIES DECONTROLLED FOR EXPORTS TO EASTERN EUROPEAN COMMUNIST COUNTRIES, INCLUDING EAST GERMANY

Export control commodity No.	Commodity description
04811	Breakfast cereals prepared for cooking.
04812	Breakfast cereals prepared for serving.
05420	Beans, peas, and other leguminous vegetables, dried.
08110	Other vegetable products for animal feed, n.e.c.
08195	Other food wastes, n.e.c.
08199	Other prepared animal feed, including feather meal and alfalfa meal.
09100	Margarine; and shortening.
09910	Canned hominy; corn chips and similar chips and sticks; and other grain food preparations and dairy food preparations.
51206	Soil conditioners.
69524	Drill bits, core bits, and reamers, under 4 inches o.d., containing diamonds.

EXHIBIT 3

COMMODITIES DECONTROLLED FOR EXPORTS TO EASTERN EUROPEAN COMMUNIST COUNTRIES, EXCLUDING EAST GERMANY

Export control commodity No.	Commodity description
04840	Other bakery products.
06130	Sugar, beet and cane, raw or refined.
06180	Sugar, invert, liquid, and powdered; lactose, crude and refined; malt sugar (maltose); maple sugar; refined milk sugar; and crude sugar of milk. (Report medicinal grades of malt sugar (maltose) in export control commodity No. 51203.)
06201	Sugar-coated cereal foods and candied or sweetened popped corn.
09904	Mayonnaise; and other salad dressings. Grain food preparations and dairy food preparations.
21180	Leather scrap and chrome shavings for fertilizer manufacture.
23110	Compounds of natural rubber, balata, gutta parcha and other allied gums.
23120	Neoprene (polymers or chloroprene).
26201	Recovered fibers, noils, and waste, n.e.c., wholly or in chief weight wool.
26230	Mohair and other wool-like specialty hair.
26240	Sheep's and lamb's wool, not carded or combed.
26270	Wool or other animal hair, carded or combed, excluding tops.
26280	Tops of wool and other animal hair, except horsehair.
264	Jute, including jute cuttings and waste.
26500	Vegetable fibers and waste of sisal, henequen, manila or abaca.
26621	Other manmade staple fibers, noncellulosic, no carded or combed.
26622	Other continuous filament tow, noncellulosic.
26623	Manmade fibers or waste, noncellulosic, carded or combed or otherwise processed but not spun.
26631	Acetate or rayon (viscose and cuprammonium) staple, not carded or combed.
26632	Acetate or rayon (viscose and cuprammonium) continuous filament tow.
26633	Other manmade fibers or waste, cellulosic, carded or combed or otherwise processed but not spun.
26640	Waste of other manmade fibers, not carded or combed.
26700	Other used civilian clothing, used textile articles, n.e.c., and new or used rags.
27420	Iron pyrites, unroasted.
27621	Mullite grains and pellets.
27640	Asbestos, unmanufactured.
27655	Natural cryolite; and natural chiolite.
27698	Arsenic bisulfide, natural; arsenic sulfide, natural; calcium silicate; kieserite, natural; magnesium chloride, natural, anhydrous; magnesium sulphate, natural sodium sulphate, natural; soil; strontianite; strontium carbonate; and trona.
28100	Iron ore mass.
28200	Terne-plated scrap; and tin-plated scrap which has not been detinned.
28404	Other aluminum alloy waste and scrap.
28405	Other magnesium or magnesium alloy waste and scrap.
29100	Biological supplies, animal origin; glands, crude; hoof meal; horn meal; and pancreas.
33262	Paraffin wax, crystalline.
33291	Other nonlubricating and nonfuel petroleum oils (bbl. of 42 gal.).
33292	Pitch of tar coke.
33293	Pitch coke.
33295	Petroleum bitumen and other petroleum and shale oil residues.
33296	Bituminous mixtures, based on asphalt, petroleum, etc.
34110	Natural gas liquids, including liquefied petroleum gas (L.P.G.) (bbl. of 42 gals.).
34120	Gas, manufactured (artificial).
51202	Ortho-aminonitro-benzene; para-hydroxy-chlorobenzene; and paratoluenesulfonylchloride. (18)
51202	Paradow. (16)
51203	Methionine hydroxy analogue.
51204	6, ethoxy-1,2 dihydro-2,2,4-trimethyl-quinoline.
51205	Methyl stearate; and triethyl phosphate
51206	Sodium pentachlorophenol; 2,3-dichloroallyl diisopropylthiolcarbamate; and 2,3,3-trichloroallyl diisopropylthiolcarbamate.
51207	Nerol and phynyl nerol.
51207	Other chemicals for flavor and perfumery use, natural origin.
51207	Other enzymes.
51208	Cadmium salicylate.
51209	Organic chemicals, the following only: A. B-dibromopropionic acid; adenylic acid; camphoric acid; campho-sulfuric acid; orn protein denaturant; crotonaldehyde; cyana-cetamide; diacetone alcohol; diethyl malonate; dimethyl glyoxime; dipenaerythritol acetate, dipentaerythritol hexaproprionate; dipentaerythritol hexylbutyrate; ethyl alcohol, ethyl butyrate; ethyl chloride; ethyl chloracetate; ethyl chloro-carbonate; ethyl formate; ethyl hydrogen sulfate; ethyl lactate; ethyl malonate; ethyl mercaptan; glutaronitrile; glyceryl monosterate; methyl glutamate; methyl hydroxy acetate (methyl glycolate); methylinoylacetaldehyde; monoisopropanolamine; monopentaerythritol diacetate dinutyrate; monopentaerythritol tetrabutyrate; pentanedione 2-4 (acetylacetone); and perpinylacetate.
51209	Miscellaneous organic chemicals, excluding cyclnic, n.e.c., the following only: aluminum acetate, aluminum dihydroxyaminoacetate; aluminum formate solutations; aluminum isopropylate; aluminum lactate; aluminum octoate: aluminum oxiquinolate; ammonium acetate; ammonium bitartrate; ammonium ferric oxalate; ammonium oxalate; ammonium thioglycollate; antimony lactate; cadmium acetate; cadmium octoate; calcium acetate; calcium formate; calcium linoleate, except paint and varnish dryers; clacium tartrate; chlorophyll, dry; chlorophyll solution (in oil); iron protoxalate; iron sodium oxalate; magnesium oxyphenyl arsenate; manganese acetate; potassium acetate; potassium bitartrate; potassium oxalate; potassium oxichinolin sulfonate; potassium salicylate; sodium allyl arsenate; sodium bitartrate (acid sodium tartrate); sodium formate; sodium gluconate; sodium methylate; sodium oxalate; sodium potassium tartrate; sodium salicylate; sodium stearate; tartar emetic; zinc acetate; and zinc stearate.
51329	Arsenic powder; pyrographite (deposited carbon); and iodine U.S.P. (resublimed).
51333	Sulfuric acid; and oleum.
51338	Hydrochloric or muriatic acid.
51350	Iron hydroxide; zinc hydroxide; and zinc peroxide.
51361	Ammonia, anhydrous or in aqueous solution.
51362	Sodium hydroxide (caustic soda), solid and liquid.
51363	Potassium hydroxide; potassium peroxide; and sodium peroxide.
51368	Tin oxides.
51440	Other inorganic pigments, n.e.c.
51460	Sodium compounds and potassium compounds, the following only: potash-magnesia carbonate; potassium arsenite; potassium bicarbonate; potassium bisulfate; potassium metabisulfite; potassium phosphate, monobasic; potassium silicate; potassium sulfate; potassium sulfide; rochelle salts; sodium ammonium phosphate; sodium arsenate; sodium bisulfite; sodium chlorite; sodium orthosilicate; sodium sesquicarbonate; sodium silicate or water glass; sodium sulfate; and sodium thiosulfate.
51470	Industrial chemicals, as follows: cadmium sulfate; calcium carbide; calcium polysulfide; calcium silicate; carbic cake; carbic carbide; carbide powder, except abrasive powders, chalk precipitated; dicalcium phosphate, epsom salts; ferrous carbonate; ferrous chloride; ferrous sulfate; iron chloride; iron phosphate; iron sulfate; iron sulfide, artificial; lead arsenite; lime bisulfate; lime phosphate; magnesium arsenide; magnesium phosphate; magnesium silicate; magnesium silicofluoride; magnesium sulfate; magnesium trisilicate; monocalcium phosphate; monocalcium sulphate; palladium chloride; palladium salts and compounds; pea carbide; silver chlorides; silver cyanide, industrial; silver nitrate; silver sulfate; silver sulfide sodium chlorite; sodium silico aluminate; zinc carbonate; zinc cyanide; zinc hydrosulfite; zinc nitrate; zinc phosphate; and zinc sulfate.
52130	Ammoniacal gas liquors and spent oxide produced in coal gas purification.

EXHIBIT 3—Continued

COMMODITIES DECONTROLLED FOR EXPORTS TO EASTERN EUROPEAN COMMUNIST COUNTRIES, EXCLUDING EAST GERMANY—Continued

Export control commodity No.	Commodity description
52140	Creosote or dead oil; creosote oil distillates; and resinous oil X–1.
53101	Alizarin sulfonic; indigo, natural and synthetic; and phenosafronine.
53230	Chromium tanning mixtures.
53290	Tannins; and tanning and dyeing extracts of vegetable or animal origin. (Report natural indigo in export control Commodity No. 53101.)
53310	Luminescent zinc pigments, not radioactivated.
53320	Printing inks.
53331	Prepared ceramic colors, including liquid lusters.
53332	Lacquers, except aluminum, gold, pearl, and silver, and paperbacked gold stamping foil.
54162	Beef glands, and inedible dried pancreas, bulk.
54162	Animal products used for medicinal purposes, bulk, the following only; beef brain powder; beef heart extract; bone marrow; bone marrow concentrate; brain substance powder; fibrin muscle; glycerine extract of brain and muscle; and glycerin extract, red bone marrow.
54163	Ferments, other than yeast, except potato flour ferment.
54170	Pharmaceutical preparations for veterinary use, dosage or packed for retail sale, except antibiotics, sulfonamides, hormones, vitamins, and minerals.
54191	Bandages and surgical dressings, not impregnated or coated with pharmaceutical products, put up for retail sale.
54199	Dental rubber.
55300	Deodorants, nonpersonal.
55420	Detergents, the following only: Ethomid HT 15; Intramin WK and Y; and Permalene A–100, A–120, and A–180.
55430	Rifle cleaning compounds; abrasive pastes, compounds, and cake, except chemical, and steel burnishing mixtures.
56100	Urea fertilizer.
57130	Nonmilitary pyrotechnical articles.
58132	Other regenerated cellulose and chemical derivates of cellulose.
58191	Hardened proteins.
58192	Modified resins (including ester gum), and chemical derivatives of natural rubber, all in unfinished or semi-finished form.
58199	Ammonium alginate.
59920	O,O-dimethyl O-P-nitro phenyl phosphorothiate; O,O-diethyl O-P-nitro phenyl phosphorothiate; 3,4-dichloropropionanilide; 3-amino-2,5-dichlorobenzoic acid 2-chloro-4-ethylamino-6-isopropylamino-S-trizaine; 3-(3,4-dichlorophenyl)-1-methoxy-1-methylurea; 2-chloro-N-isopropylacetanilide; alpha-chloro-N-,N-diallylacetamide; 2-chloro-4,6-bis(ethylamino)-S-triazine; a,a,a,-trifluoro-2,6-dinitro-N,N.-dipropyl-p-toluidine; 2-chloroallyl diethyldithiocarbamate; 2,3,5,6-tetrachloroterophthalic acid; 2,3-dichloroallyl diisopropylthiolcarbamate; 2,3,3-trichloroallyl diisopropylthiolcarbamate; and 4-chloro-2-butylnyl-N-chlorocarbanilate.
59951	Inulin.
59952	Gluten and luten flour.
59958	Casein hydrolysate; casein lactalbumin; lactalbumin hydrolsate; lactarene (casein); and inedible soybean protein.
59958	Dextrins (e.g., British gum).
59961	Other tall oil.
59963	Pine oil, except pine-needle oil; terpenic solvents, n.e.c. gum turpentine; and wood turpentine.
59965	Wood tar; wood tar oils; wood creosote; wood naptha; and acetone oil.
59966	Wood pitch and products based thereon or on rosin.
59973	Other animal black, except activated.
59977	Prepared culture media.
59978	Charges for fire extinguishers.
59994	Pickling preparations for metal surfaces; auxiliary preparations for soldering, brazing or welding (fluxes, powders, pastes), containing metal and other constituents.
59995	Composite solvents, paint removers, thinners, and other similar products.
59999	Water softeners, water purifiers, and boiler feed water compounds.
61230	Rubber heels, soles, soling, top lifts, and top lift sheets.
62102	Other rubber cements.
62103	Rubber thread and cord, covered or bare.
62930	Other hygenic and pharmaceutical articles of unhardened rubber.
62988	Other articles of unhardened vulcanized rubber, n.e.c.
63120	Other plywood and wood panels, including wood-veneer and cellular peels.
63141	Improved wood (densified and/or impregnated with resin or resinlike materials).
63142	Reconstituted wood (particle board).
63163	Hoopwood, chipwood, wood chips; and poles, piles, posts, pickets, stakes, and similar products which are split, pointed or both, but not sawn lengthwise.
63240	Windmill towers.
63269	Wood manufactures, the following only: bee hives; boat parts, small, machined to shape; bridges; Fibrisir laminates of melaminephenol formaldehyde resins, sawdust, or ground wood and paper; hog troughs; patterns; propeller blades; propellers; and trestles.
64122	Fine paper.
64130	Kraft paper, in rolls or sheets, uncoated, as follows: abrasive base stock; acid proof; ammunition; antiacid manila; base wad stock; buffing; cable, base stock; cable filling, electrical; cartridge stock; coil winding; document manila, file folder; dynamite; electrical insulating; emery, base stock; expanding envelope stock; flat wallet stock; flint backing; frisket; garnet; gasket; graphite; guide stock; insulating, electrical patch base stock; pattern stock, polishing; red foiling (cartridge paper); red patch base stock; sandpaper backing; shell stock; silk wrap stock; tissue; tympan; voice coil stock; wallet stock; and washer stock.
64180	Machine-made paper and paperboard, simply finished, in rolls or sheets, n.e.c., and hand made paper, the following only: ammunition; guide stock; antiacid manila stock; armature; beaming; cable base stock; calendar roll stock; cartridge stock; coil winding; cone, yarn, designers pattern stock (except tissue); document manila file folder; dynamite; electrical; expanding envelope stock; flat wallet stock; flint backing stock; frisket; gasket; graphite base stock; gum wadding; insulating electrical; interleaving for film; jute tag stock; patch base stock; polishing base stock; portmanteau; red foiling (cartridge paper); red patch base stock; rope, for sand paper backing; sandpaper backing; shell stock; shot shell stock; silk wrap stock; slot insulation; steaming; stencil (18 lbs and over); stencil stock for oiling; tabulating-machine card stock; tape, rope stock for electrical insulating; time card stock; tympan; voice coil stock; wad base stock; wallet stock; washer stock; pattern stock; stencil blanks tabulating machine card stock; absorbent paper for matrix; interleaving; tissue paper under 18 pounds, except sanitary; ground-wood base stock for carbonizing; fine paper (uncoated for printing, writing); bible; check paper; mineotype stencil; body stock for carbonizing, free from ground wood; box covering; carbonizing base stock; duplicating tissue; electrical insulating tissue; heat sealable tissue; imitation Japanese, India, lens, matrix tissue; pencil carbon stock; pottery tissue; press copy; rotograme tissue; stencil tissue; steretoype tissue; tea bags: fibrilise; tissue for duplex decalcomania; transfer stamping; and book lining.
64191	Kleerview (lacquer-coated glassine paper).
64199	Asphalt and tar saturated paper, heavy construction type.
65126	Yarn of wool or of fine animal hair.
65130	Cotton yarn, gray (unbleached); and unfinished cotton thread.
65140	Cotton yarn, carded, combed, finished; sewing, crochet, darning, and embroidery cotton thread.
65172	Rayon or acetate monofil.
65177	Rayon or acetate spun yarn, including singles and plied.
65190	Other yarns of textile fibers, n.e.c., including yarns of vegetable fibers, n.e.c.
65211	Gauze, tobacco cloth, and cheese cloth, unbleached, wholly or in chief weight cotton.
65212	Terry woven fabrics, unbleached, wholly or in chief weight cotton.
65213	Broadwoven fabrics, unbleached, wholly or in chief weight cotton.
65221	Gauze, tobacco cloth, and cheese cloth, bleached, dyed, colored, or otherwise finished, wholly or in chief weight cotton.
65222	Other terrywoven fabrics, bleached, dyed, colored, or otherwise finished, wholly or in chief weight cotton.
65223	Pile and chenille broadwoven fabrics and corduroy, bleached, dyed, colored, or otherwise finished, wholly or in chief weight cotton.
65229	Other broadwoven fabrics, bleached, dyed, colored, or otherwise finished, wholly or in chief weight cotton.
65230	Other broadwoven remnants less than 10 yards in length, and fabrics, n.e.c., wholly or in chief weight cotton.
65301	Broadwoven fabrics wholly or in chief weight flax (linen) or jute.
65321	Other broadwoven fabrics, wholly or in chief weight of wool and/or fine animal hair, excluding pile or chenille.
65322	Pile and chenille broadwoven fabrics, wholly or in chief weight of wool and/or fine animal hair.
65370	Knit or crocheted fabrics, not elastic or rubberized, wholly or in chief weight cotton or wool.
65390	Other broadwoven fabrics, wholly or in chief weight jute or
65401	Narrow woven fabrics, nonelastic, wholly or in chief weight cotton, jute, flax, or wool.
65402	Woven labels, badges, emblems, and insignia, excluding embroidered, wholly or in chief weight cotton, jute, flax, or wools.
65403	Hat braid, all fibers, and other trimmings, nonelastic, wholly or in chief weight cotton, flax, wool, or metal.
65406	Embroideries, wholly or in chief weight cotton, flax, or wool.
65407	Lace machine fabrics, wholly or in chief weight cotton, flax, or wool.
65510	Other coated or impregnated felt fabrics; and felts and felt articles wholly or in chief weight cotton, jute, wool and/or wool-like specialty hairs.
65541	Bonded fabrics and articles wholly or in chief weight cotton or wool. (1)
65542	Other textile fabrics coated with gum or amylaceous substances.
65543	Other textile fabrics, n.e.c., coated or impregnated with resin or other plastic materials.
65544	Other textile fabrics, n.e.c., coated or impregnated with oil.
65546	Other textile fabrics, n.e.c., coated or impregnated.
65550	Elastic fabrics and trimmings, woven or braided.
65560	Other cordage, cable, rope, and twine, and manufactures thereof, wholly or in chief weight other textile fibers, n.e.c.

EXHIBIT 3—Continued

COMMODITIES DECONTROLLED FOR EXPORTS TO EASTERN EUROPEAN COMMUNIST COUNTRIES, EXCLUDING EAST GERMANY—Continued

Export control commodity No.	Commodity description
65570	Other hat bodies.
65581	Wadding and articles of wadding (excluding cellulose wadding), n.e.c., textile flock; and dust and mill neps, wholly or chief weight of other textile fibers.
65610	Bags, wholly or in chief weight of cotton, jute, or wool.
65620	Sails of canvas; and tarpaulins, tents, awnings, and other made-up canvas goods, wholly or in chief weight cotton.
65662	Blankets, wholly or in chief weight cotton. (Report electric blankets in export control commodity No. 65663.)
65663	Blankets, wholly or in chief weight wool, except electric.
65691	Linens and other furnishing articles, wholly or in chief weight cotton or wool, excluding knit, bonded, felt, quilted or stuffed articles.
65692	Other made-up textile articles, n.e.c.
65730	Carpets and rugs, wholly or in chief weight cotton, wool, or jute.
65740	Vinyl asbestos tiles.
65770	Tapestries, hand woven or needle-worked, wholly or in chief weight cotton or wool.
65780	Mats, matting, screens, and other items, n.e.c., of cotton or jute plaiting materials.
66181	Asphalt and tar roofing and siding.
66246	Nonrefractory ceramic hollow tubes.
66312	Hand polishing stones and similar stones of natural abrasives.
66320	Other abrasive paper and cloth, coated with natural abrasives, except dental abrasives.
66381	Packing, gaskets, textiles, yarns, and other manufactures of asbestos, other than friction materials, n.e.c.
66391	Other laboratory and industrial ceramic wares, not refractory.
66420	Other optical glass and elements thereof, not optically worked.
66470	Other laminated glass or toughened safety glass.
66480	Mirrors for automotive vehicles.
66494	Other articles of glass fiber, n.e.c. (Report glass fiber yarn, roving, and strand in export control commodity No. 65180, and tape in No. 65380.)
66512	Glass inners for vacuum vessels.
66581	Laboratory, hygienic, or pharmaceutical glassware.
66585	Articles of glass, n.e.c., the following only: floaters, glass valves, and ballentini reflective material.
66700	Diamonds, rubies and sapphires, natural and synthetic, suitable for gem stones. (Report industrial diamonds, natural, in export control commodity No. 27515; and report stones, mounted or unmounted, worked so as to be recognizable as parts of meters, measuring instruments, clocks, watches, etc., in the appropriate classification provided for parts of the specific item.)
68111	Silver, leaf.
69110	Finished structural parts and structures, iron or steel, as follows: architectural and ornamental work; anchors and fittings for reinforcing refractory walls; bulkhead (water gates); gangways: sluice gates; guardrails; platforms; portholes not specially designed for military watercraft; prayer rails; loading ramps (nonmechanical); and turnstiles, not electric or coin operated.
69120	Aluminum structural parts as follows: fencing and railing, ornamental; gangways; portholes; prayer rails; scaffolding equipment; tower sections; and turnstiles.
69211	Septic tanks, iron or steel.
69213	Septic tanks, aluminum.
69221	Other shipping containers, iron or steel.
69222	Other shipping containers, aluminum, including barrels, boxes, chests and collapsible tubes.
69510	Hand tools mainly used in agriculture or forestry, and parts, n.e.c., as follows: cant hooks; digging bars; digging spuds; gardeners' trowels; mattocks; picks; pike poles; wheel-type cultivators; and wheel-type seeders.
69521	Power saw blades, woodworking; and hand-operated saws, hand saw frames, and saw blades, except hacksaw blades; and parts n.e.c.
69522	Metal-cutting shears and tinmen's snips, not power-operated; wrenches; pliers, pincers and other similar hand tools, and parts, n.e.c.; and files, rasps and file accessories.
69523	Other hand tools, n.e.c., and parts.
69524	Other cutting tools, dies, and parts.
69525	Other machine knives and blades.
69609	Knife blanks.
69791	Steel wool, pot scourers, and other polishing pads, iron or steel.
69794	Figures, flower racks, mirrors, trays, and photograph or picture frames of base metals, n.e.c.
69811	Motor vehicle locks; ignition locks; and tire locks.
69811	Window locks and safety hasps, nonferrous metal; and key blanks, all metals.
69812	Hardware and parts of base metal, as follows: transportation hardware, all metals; furniture beading, nickel-plated steel; edgings, all metals; furniture hardware stainless steel; builders hardware, nonferrous metal: hand rails, all metals; and other hardware, stainless steel, except hinges and butts.
69830	Other chains and parts, iron and steel, n.e.c.
69840	Anchors, grapnels, and parts, iron or steel.
69854	Buckles with die-cut inserts, and belt hooks, all metals; belt fasteners (other than buckles), clasps, grommets, and similar articles of stainless steel.
69861	Other wire springs, iron or steel.
69885	Commercial closures of metal, n.e.c.
69891	Iron or steel cargo hooks; and malleable iron manhole covers.
69899	Other aluminum or aluminum alloy castings and forgings.
69899	Articles of nonferrous metals, n.e.c., other than copper or copper alloy, the following only: boat spikes, wire nails, wire staples, and wire spikes; bolts, screws, rivets, washers and similar articles, except screw eyes and screw hooks; brackets for mounting outboard motors; bulletin boards; cans, n.e.c., made or cut from nonferrous base metals; caskets; clothsline (dryer) reels; fog horns, nonelectric, for ships; hinge chaplets; lids for boxes; link chains, morring swivels; car locks; pipehangers; riget tile; tool boxes and tool chests, empty; and utility boxes.
71189	Windmills and parts, n.e.c.
71711	Cotton gins.
71712	Looms other than cotton looms.
71713	Parts, accessories, and attachments for: (a) cotton gins, and (b) looms other than cotton looms.
71713	Other parts, accessories and attachments for machines for extruding man-made fibers, and for other machines for preparing and processing natural or man-made fibers into yarns, and for winding.
71714	Millinery dies (hat blocks), nonferrous metal.
71715	Silk screen printing equipment; pleating (folding) machines; and parts and attachments, n.e.c.
71811	Laminators, electric, for restoring manuscripts and documents; and parts and attachments.
71811	Other machinery for making or finishing cellulosic pulp, paper or paperboard; and parts and attachments.
71812	Other papercutting machines and machines, n.e.c., for the manufacture of articles of paper pulp, paper or paperboard; and parts and attachments, n.e.c.
71821	Bookbinding machines, and parts.
71829	Price marking machines, and plane-o-plate rotary shavers, and parts.
71831	Grain cleaning machines, and corn husking machines, and parts.
71839	Chocolate homogenizers, and parts.
71842	Snow plows, farm-type; and parts, accessories, and attachments.
71915	Other air conditioning and refrigerating equipment; and parts, n.e.c., including parts for self-contained air conditioning machines. (Report compressors in export control commodity No. 71922.)
71919	Other machines and equipment, other than domestic, for treatment of material by a process involving a change in temperature; and parts, n.e.c.
71922	Compressors, refrigeration and air conditioning type, ½ horsepower and under; and parts, n.e.c.
71923	Laboratory centrifuges, n.e.c., and parts, n.e.c.
71931	Automobile lifts; jacks for automotive vehicles or aircraft; and parts, n.e.c.
71931	Other hand-operated, mechanical and hydraulic jacks; and parts, n.e.c.
71931	Farm elevators; and parts, n.e.c.
71931	Elevators and moving stairways; and parts, n.e.c.
71941	Butter churns, farm type; and parts.
71942	Condensers and evaporators for nonelectric domestic refrigerators; and parts.
71951	Cutting machines for ceramics and similar nonmetallic materials, except quartz, crystal, masonry, or stone.
71951	Other machines, n.e.c., for working asbestos-cement, ceramic concrete, quartz crystals, masonry, stone (including artificial, precious and semiprecious stones), and similar mineral materials. (Report parts in export control commodity No. 71954.)
71952	Other machines, n.e.c., for working bone, ebonite, hard plastics, and other hard carving materials. (Report parts in export control commodity No. 71954.)
71954	Parts, accessories, and attachments for cutting machines for ceramics and similar nonmetallic materials, except glass, quartz crystal, masonry or stone.
71954	Parts, accessories, and attachments for other machines for working asbestos-cement, ceramics, concrete, quartz crystals, masonry, stone (including artificial, precious, and semiprecious stones), and similar mineral materials.
71954	Parts, accessories, and attachments for other machines for working bone, ebonite, hard plastic, and other hard carving materials.
71961	Other calendering machines and similar rolling machines, n.e.c.; and parts.
71963	Lead scale weights for weighing machines.
71964	Hydra-blast parts cleaners, and parts therefor; and windshield washer sets.
71964	Sprayers and dusters, agricultural and pesticidal, except lawn sprinklers; and parts, n.e.c., except nozzles.
71964	Other spray nozzles of metal; and hand-operated spray guns; and parts, n.e.c.
71964	Other sprayers and spraying equipment, n.e.c.; and parts, n.e.c.
71980	Concrete and bituminous pavers, finishers, and spreaders; and parts and accessories, n.e.c.
71980	Windshield wipers, nonelectric, and parts, n.e.c.

EXHIBIT 3—Continued

COMMODITIES DECONTROLLED FOR EXPORTS TO EASTERN EUROPEAN COMMUNIST COUNTRIES, EXCLUDING EAST GERMANY—Continued

Export control commodity No.	Commodity description
71980	Shock absorbers, mechanical or hydraulic.
71992	Other taps, cocks, valves and similar appliances, n.e.c., and parts.
71994	Other gaskets (joints), laminated metal and nonmetal material, or set of gaskets of two or more materials.
72320	Other electrical insulators and fittings of insulating materials, n.e.c.
72410	Color television broadcast receivers, whether or not combined with radio or phonograph; and unassembled color television kits.
72499	Automobile radio receiver antennas; and parts and accessories, n.e.c., specially designed for home-type radio and television receivers and automobile receivers, except communications receivers.
72505	Galleys, buffet servers, ovens, and other equipment specially designed for aircraft; electric heaters for automotive vehicles; and parts.
72620	Other medical and dental X-ray and gamma ray equipment; and medical and dental apparatus based on the use of radiations from radio-active substances; and parts, n.e.c.
72912	Battery separators and blanks, wood; and battery parts made of rubber.
72941	Spark plugs, aircraft and automotive types, and parts. (Report insulators in export control commodity No. 72320.)
72941	Other electrical starting and ignition equipment for other internal combustion engines; and parts.
72942	Other motor vehicle lighting equipment, signaling equipment, horns, electrical windshield wipers, and defrosters; and parts therefor.
72951	Other electricity supply meters. (Report parts in export control commodity No. 86199.)
72952	Test benches, electrical, for automotive engines, brakes, pumps and speedometers.
72960	Electromechanical hand tools; and parts.
72996	Other lighting carbons, brush stock, and carbon brushes.
73280	Heaters for nonmilitary vehicles; and parts.
73291	Other motorcycles, motor bikes, and motor scooters.
73292	Parts and accessories for other motorcycles, motor bikes, and motor scooters.
73300	Logging wagons; and parts. (Report off-highway trucks and trailers in export control commodity No. 73203.)
73593	Buoys, all metals; pontoons for pipe lines, iron or steel; and fiberglass swimming pools, floating.
81210	Central heating apparatus, n.e.c., and parts, n.e.c.
81241	Vapor-proof electric light fixtures.
81242	Explosion-proof lighting fixtures; and vapor-proof lighting fixtures.
82103	Mattresses, mattress supports, and similar stuffed furnishings, n.e.c., cotton.
82108	Plastic furniture; and laboratory furniture, metal; and parts, n.e.c.
83100	Travel goods, handbags, and other personal goods of cotton.
84111	Men's and boys' outergarments (excludes shirts), not knit or crocheted: (a) wholly or in chief weight of cotton or wool or, (b) safety apparel and raincoats, all materials.
84112	Women's, misses', girls', children's and infants' outergarments, including blouses, waists, and blouse shirts, not knit or crocheted: (a) wholly or in chief weight of cotton or wool. (b) safety apparel and raincoats, all materials.
84113	Men's and boys' undergarments, including outer shirts, not knit or crocheted, wholly or in chief weight of cotton or wool.
84114	Women's, girls' and infants' undergarments (excludes blouse shirts), not knit or crocheted, wholly or in chief weight of cotton or wool.
84121	Handkerchiefs, wholly or in chief weight of cotton.
84125	Corsets, brassieres, and girdles of cotton or other textile fibers, n.e.c., except rubberized.
84126	Gloves and mittens, not knit or crocheted, wholly or in chief weight cotton or wool.
84127	Cuffs and collars, wholly or in chief weight of cotton or wool; and neckties, cravats, mufflers, and scarves, not knit or crocheted, all materials.
84129	Clothing accessories, not knit or crocheted, wholly or chief weight of cotton or wool, n.e.cc.
84130	Safety apparel and clothing accessories of leather.
84141	Gloves, knit or crocheted, wholly or in chief weight of cotton or wool.
84142	Hosiery, not elastic or rubberized, wholly or in chief weight of cotton or wool.
84143	Undergarments, including shirts, knit or crocheted, wholly or in chief weight of cotton or wool.
84145	Knitted or crocheted elastic fabric and articles thereof, except ankle supports, knee-pads, and wristlets.
84146	Men's and boys' outergarments (excludes shirts), knit or crocheted, not elastic or rubberized: (a) waterproof, all fibers, (b) neckties, cravats, mufflers, and scarves, all fibers and (c) other outergarments, wholly or in chief weight of cotton or wool.
84147	Women's and misses' outergarments, knit or crocheted, not elastic or rubberized: (a) waterproof, all fibers, (b) mufflers and scarves, all fibers, and (c) other outergarments, wholly or in chief weight of cotton or wool.
84148	Girls' children's, and infants' outergarments, knit or crocheted, not elastic or rubberized: (a) waterproof, all fibers, (b) mufflers and scarves, all fibers, and (c) other outergarments, wholly or in chief weight of cotton or wool.
84149	Other nonapparel articles, knit or crocheted, not elastic or rubberized.
84154	Hat and cap materials, except hat bodies, wholly or in chief weight cotton, jute, wool or textile manufactures, n.e.c. (Report hat bodies in export control commodity No. 65570).
84155	Other millinery, hats, caps, and other headgear, n.e.c., including helmets.
84160	Other apparel and clothing accessories, including surgeons gloves, rubber or rubberized.
84202	Artificial fur and articles thereof, wholly or in chief weight cotton or wool.
85100	Nonmilitary spats, leggings, and gaiters, wholly or in chief weight cotton or wool.
86120	Protective spectacles and goggles (safety equipment).
86134	Other microscopes, excluding electron and proton: microprojectors: and photomicrographic equipment; and parts and accessories.
86135	Telescopes, including astronomical telescopes.
86171	Dental hand instruments and tools for use with hand pieces, n.e.c., and parts.
86172	Whirlpool baths.
86182	Other revolution counters, production counters, and similar counting devices, n.e.c.
86193	Optical measuring and checking instruments; and parts.
86193	Other measuring and checking instruments, appliances and machines; and parts.
86196	Laboratory type hydrometers and similar instruments; and thermometers, pyrometers, barometers, hygrometers, psychrometers, and any combination of these.
86243	Paper, paperboard and cloth, sensitized, not developed.
86248	Exposed sensitized plates, and exposed and developed plates, except lantern slides.
86401	Other clocks, electric and nonelectric; and time recording and time stamp machines.
86402	Other clock parts.
89111	Magnetic recording and/or reproducing equipment for voice and music only.
89112	Parts and accessories for magnetic recording and/or reproducing equipment for voice and music only.
89300	Other finished articles, n.e.c., of artificial plastic materials, except articles wholly or partially made of polyimides, polybenzimiadazole, polyimidazo-pyrrolone, aromatic polyamide, poly paraxylylene, polytetrafluoroethylene, or polychlorotrifluorethylene; or items wholly made of other fluorocarbon polymers of copolymers.
89425	Artificial Christmas trees, metal; and tinsel of metal.
89442	Base metal wire wickets; and safety apparel and equipment for recreational purposes.
89512	Stapling wire (all metals) on spools; and nonferrous metal staples for hand-stapling devices.
89711	Jewelry and related items of carat gold, platinum and platinum group metals, except rosaries.
89714	Other articles of other than precious metals, incorporating pearls or precious or semi-precious stones.
89715	Hollow ware, solid or plated, of precious metals; and silver leaf.
89927	Hand sieves and hand riddles, laboratory types.
89927	Other wire cloth sieves.
89926	Hat braids of natural or man-made fibers.
89934	Cigarette and cigar lighters of precious metals.
89952	Leatherette buttons.
89955	Corset stays, and similar supports for apparel.
89994	Wool-like specialty hair prepared for making wigs and similar articles.
89995	Wigs, false beards, and other articles, n.e.c., of wool-like specialty hair.
89997	Vacuum bottles, jugs, and chests, complete (assembled or unassembled), usable only for hot or cold food or drinks.
94100	Coin, other than gold coin, not being legal tender. (Report numismatic and collectors coins in export control commodity No. 89600; coins mounted in objects of personal adornment in Nos. 89711–89720; coins for legal tender in Nos. 68070 and 68080.)

EXHIBIT B

STRATEGIC COMMODITIES EXPORTED TO SOVIET BLOC DESTINATIONS

[U.S.S.R. unless otherwise noted]

Date	Description	Value
Jan. 4, 1967	Phosphate and coal mining spare parts	$4,884
Feb. 10, 1967	do	2,479
Mar. 3, 1967	Phosphate and coal mining machinery spare parts	3,500
Apr. 10, 1967	Phosphate and coal mining machinery parts	8,400
Do	do	21,860
Feb. 9, 1967	do	1,500
Mar. 14, 1967	Phosphate and coal mining machinery spare parts	75,000
Nov. 27, 1966	Continuous mining machinery parts (potash)	150,025
Apr. 6, 1966		186,510
June 10, 1966	Mine shuttle car parts	171,535
Aug. 5, 1966	Diethylene glycol	527,500
Aug. 11, 1966	Shuttle car parts for mining installations	30,668
Aug. 16, 1966	Diethylene glycol	176,250
May 9, 1967	Polyvinyl butyral	268,975
May 4, 1967	Chemical wood pulp	2,387,000
June 15, 1967	Synthetic fiber manufacturing machines and parts	1,230,250
June 21, 1967	Ball bearings—replacement parts for iron ore mining equipment	1,100
Do	Diagonal deck concentrating tables for tin ore concentrating	330,750
July 13, 1967	do	220,050
July 14, 1967	Industrial chemicals	463,050
July 24, 1967	Construction machinery parts	170,000
July 25, 1967	Twin-bore parts for potash mining equipment	57,500
Do	Galvanometer driver amplifier	244
July 26, 1967	Varitypers (for computers)	25,920
July 28, 1967	Telegraph equipment	23,378
July 27, 1967	Technical data for a benzene plant	No value
July 31, 1967	Instrument for testing physical properties of materials	2,223
Aug. 4, 1967	Telegraph equipment parts	702
Do	Electronic computer components (Czechoslovakia)	56,032
Aug. 8, 1967	Chemical analysis equipment for research in organic compounds and chemicals.	34,682
Do	Chemical analysis equipment (Poland)	2,395
Aug. 10, 1967	Gas chromatograph parts	510
Aug. 11, 1967	Industrial chemicals	113,700
Do	Computer parts	4,800
Aug. 14, 1967	Cobalt metal granules (Poland)	83,774
Aug. 15, 1967	Synthetic resins	183,649
Aug. 18, 1967	Semiconductors	75
Do	Electronic computer parts (Rumania)	30,360
Aug. 21, 1967	Digital electronic computer system	269,443
Aug. 23, 1967	Vanadium pentoxide (Czechoslovakia)	53,800
Do	Prime mercury (Poland)	182,000
Do	Sodium borate concentrates (Poland)	14,800
Aug. 22, 1967	Aluminum oxide for the production of aluminum	1,512,000
Do	Digital electronic computer system parts	239,662
Aug. 16, 1967	Computer parts (Czechoslovakia)	8,400
Do	do	50,390
Aug. 24, 1967	Convertor and accessory parts	29,898
Do	Chemical analysis equipment and parts (Czechoslovakia)	6,900
Do	Electronic equipment components (Czechoslovakia)	42,814
Aug. 25, 1967	Electronic computer components and parts (East Germany)	14,928
Do	Magnetic computer tape (Hungary)	4,560
Aug. 28, 1967	Construction machinery and parts to be used for gold mining	1,171,000
Do	Electronic computer components and parts (East Germany)	17,427
Aug. 29, 1967	Laboratory and scientific instruments for biochemical research (Czechoslovakia)	49,623
Do	Synchronous motor (Czechoslovakia)	247
Do	Petroleum drilling equipment (Rumania)	46,905
Aug. 30, 1967	Spectrometer	180,575
Do	Spectrum measuring instruments	21,911
Do	Gear manufacturing machines	3,081,305
Aug. 31, 1967	Percussion rock drills and parts for mining operations (Bulgaria)	304,919
Do	Petroleum drilling and production equipment (Poland)	105,000
Sept. 1, 1967	Varityper machine parts (computers)	389
Do	Aluminum oxide and hydroxide	1,623,600
Do	Roller bearings	1,832
Do	Electronic computer	697,985
	Electronic computer components (Czechoslovakia)	30,000
Sept. 5, 1967	Industrial chemicals	8,880
Sept. 6, 1967	Electrical measuring and controlling instrument parts (Czechoslovakia)	1,056
Sept. 7, 1967	Ball and roller bearings	4,200
Do	Radiochromatography system and parts (Czechoslovakia)	4,030
Do	Varityper machines and parts (for computer)	18,910
Sept. 8, 1967	Synthetic resins	2,925
Do	Industrial chemicals (Czechoslovakia)	22,534
Do	Tapered roller bearings (Rumania)	815
Do	Telecommunication equipment	1,555
Sept. 12, 1967	Electronic components for communication research (Poland)	176
Do	Industrial chemicals (Czechoslovakia)	152,500
Sept. 18, 1967	Dielectric heating unit and parts	125,565
	Glass working machinery parts (Czechoslovakia)	10,000
Do	Crank shaft lathes with tooling (Poland)	369,342
Nov. 17, 1967	Electronic computer and associated parts	569,150
Sept. 19, 1967	Copper scrap (Yugoslavia)	+139,000
Sept. 20, 1967	Diesel engines (probably associated with automated potash and coal mining installation).	147,031
Do	Electronic computer parts (Czechoslovakia)	24,000
Do	Electronic computer tape (Poland)	21,700
Do	Laboratory recording instruments (Czechoslovakia)	2,550
Do	Chemical woodpulp (manufacturing source for solid propellants)	3,236,710
Sept. 22, 1967	Cobalt metal briquettes (Poland)	77,161
Sept. 25, 1967	Petroleum coke (production of aluminum)	195,600
Sept. 26, 1967	Industrial instruments and parts (East Germany)	150,000
Do	Butyl alcohol	195,750
Sept. 29, 1967	Spiral gears manufacturing equipment (Poland)	+214,000
Do	Ball bearings (for shuttle cars and/or mining)	848
Do	Spectrum measuring instruments	38,445
Do	Spectrum measuring instrument & parts (East Germany)	64,000
Do	Construction machinery (Czechoslovakia)	50,044
Oct. 4, 1967	Short recorder for chemistry research (Czechoslovakia)	1,238
Do	Varietyper and parts for printing telephone directories	75,351
Oct. 11, 1967	Printing press parts	26,500
Oct. 13, 1967	Diesel engine	$6,031
Do	Core drill parts for mineral exploration (East Germany)	2,223
Do	Gas chromatography part (Czechoslovakia)	3,038
Do	Electronic computer parts (Hungary)	28,195
Do	Electronic computer parts	4,260
Oct. 16, 1967	Colorimeters and parts	7,109
Oct. 12, 1967	Turbine water pump	9,337
Do	Television broadcasting camera tubes	3,060
Oct. 17, 1967	Spectographic steels (Rumania)	230
Do	Carbon steel tubes and pipes for irrigation system	7,926
Do	Synthetic resins (Czechoslovakia)	31,000
Oct. 18, 1967	Cryogenic refrigerators and parts (Poland)	112,143
Do	Videotape recorders and reproducers (Yugoslavia)	196,000
Oct. 24, 1967	Oscilloscopes and parts (East Germany)	3,925
Oct. 25, 1967	Mining equipment parts	14,340
Do	Varityper parts (for printing)	25,790
Oct. 26, 1967	Alumina	1,364,400
Nov. 1, 1967	Spectrophotometer and parts (Bulgaria)	24,185
Do	Spectrometer parts (Czechoslovakia)	5,987
Do	Plastic forming machinery and parts (East Germany)	260,000
Do	Petroleum drilling and production equipment (Rumania)	8,154
Do	Raw cotton linters (East Germany)	266,873
Nov. 6, 1967	Magnesium oxide (for manufacture of rubber)	260,000
Nov. 3, 1967	Isobutyl alcohol	23,750
Oct. 23, 1967	Electronic computer and parts (East Germany)	623,375
Nov. 9, 1967	Projection TV set	4,206
Do	Chemical analysis equipment and parts (Czechoslovakia)	8,412
Do	Machines and mechanical appliances for the coating of paperboard milk cartons.	229,000
Do	Industrial chemicals (Czechoslovakia)	50,000
Nov. 13, 1967	Construction machine (Rumania)	43,808
Do	Electronic computer and parts	333,755
Nov. 1, 1967	Electrical measuring and recording instruments	13,394
Nov. 2, 1967	Ground navigation equipment and parts	734
Nov. 3, 1967	Photocopying machine (Czechoslovakia)	4,975
Nov. 3, 1967	Cotton linters (East Germany)	107,744
Do	Photocopying machine (Czechoslovakia)	5,975
Do	License for technical data production of glass envelopes for TV tubes (Rumania)	6,500,000
Do	Technical data materials and equipment (Rumania)	15,124,175
Nov. 7, 1967	Telecommunications equipment and parts for weather recording	24,335
Do	Industrial chemical (Czechoslovakia)	88,104
Nov. 9, 1967	Construction machinery parts	300
Do	Forage harvester parts	582
Do	Semiconductors (Poland)	2,149
Do	Chemical analysis equipment	4,140
Do	Reader (Czechoslovakia)	1,285
Nov. 14, 1967	Construction equipment parts	69,000
Do	do	319,435
Do	Laboratory and scientific instrument parts	4,085
Nov. 16, 1967	Electronic Computer parts (Czechoslovakia)	2,413
Do	Borates (Czechoslovakia)	11,040
Do	Portable hot splicers and parts for movie studios	2,034
Nov. 20, 1967	Photocopying machine parts	2,028
Nov. 21, 1967	Industrial chemicals (Czechoslovakia)	2,500
Nov. 22, 1967	Oil well logging equipment (Rumania)	1,010
Do	Synthetic resins	109,616
Do	Yellow grain sorghums (East Germany)	999,439
Do	Seismograph equipment for oil exploration (Rumania)	320,960
Nov. 24, 1967	Electrical measuring instruments (Czechoslovakia)	4,439
Nov. 27, 1967	Plugging switch for glass manufacturing	216
Do	Synthetic resins (Czechoslovakia)	16,758
Nov. 29, 1967	Prime mercury (Poland)	330,900
Do	Prime mercury (East Germany)	92,568
Do	Prime mercury (Rumania)	232,500
Do	Glass making parts	258
Do	Electronic computer parts (East Germany)	422
Do	do	454
Do	do	742
Do	do	85
Nov. 30, 1967	Ore sampling systems and parts (Czechoslovakia)	5,404
Do	Varitypers and parts for printing	8,527
Do	Industrial chemicals	133,600
Dec. 1, 1967	do	90,168
Dec. 4, 1967	Off the highway tires	15,860
Do	Electrical testing instruments (Czechoslovakia)	2,050
Dec. 5, 1967	Aluminum oxide for production of aluminum	2,790,000
Do	Spray etcher and spray resistant remover and parts (East Germany)—for manufacture of printed circuits	29,071
Dec. 8, 1967	Machine parts for computer (Czechoslovakia)	7,200
Do	Electronic computer parts (Czechoslovakia)	238
Dec. 13, 1967	Chemical woodpulp	1,722,800
Do	Industrial chemicals	296,500
Dec. 19, 1967	Oscilloscope and parts (to test and maintain electronic computer system).	3,969
Do	Grinding mills and parts for processing wettable powder for agricultural insecticides.	84,950
Dec. 20, 1967	Yellow corn (East Germany)	896,775
Dec. 22, 1967	Chemical analysis equipment	6,150
Do	Measuring instruments for moisture analysis	29,658
Do	Measuring instruments (Czechoslovakia)	11,025
Do	Insecticides	1,430,000
Dec. 21, 1967	Chemical analysis equipment and parts (Czechoslovakia)	14,168
Do	Electrical indicating and testing instrument (Czechoslovakia)	1,730
Do	Electronic equipment parts for airborne communication equipment	417
Do	Semiconductor devices for above application	319
Do	Industrial chemicals for water purification	360,000
Do	Photocopying machine (Czechoslovakia)	5,975
Do	Electronic computer components and parts (Czechoslovakia)	97,720
Dec. 29, 1967	Spectrum measuring instruments (Czechoslovakia)	29,276

EXHIBIT B—Continued

STRATEGIC COMMODITIES EXPORTED TO SOVIET BLOC DESTINATIONS—Continued

[U.S.S.R. unless otherwise noted]

Date	Description	Value
Jan. 3, 1968	Rolling mill machine parts (Czechoslovakia)	$50,000
Do	Measuring recording and testing instruments	12,351
Do	Industrial chemicals	41,910
Do	Graphic recorders and parts	22,971
Do	Industrial chemicals for the separation of acid from gas streams	224,279
Jan. 4, 1968	Physical properties testing and inspecting instrument (Czechoslovakia)	2,861
Do	Coil winding machinery for use in manufacturing of electric motors	414,600
Do	Moisture measuring system and parts	17,581
Jan. 5, 1968	Electronic digital computer system (Czechoslovakia)	1,262,000
Do	Industrial chemicals for separating gases	101,500
Jan. 9, 1968	Vertical surface grinder and parts	38,694
Do	Physiological gas analyzer	3,051
Jan. 11, 1968	Air compressor parts	5,181
Do	Steam generating power boilers	39,271
Do	Measuring instruments and parts (Czechoslovakia)	945
Jan. 12, 1968	Chemical analysis equipment and parts (Rum)	2,050
Jan. 15, 1968	Chemical analysis equipment	1,275
Do	do	2,640
Do	Industrial chemicals (Czechoslovakia)	10,825
Do	Industrial processing instrument (Czechoslovakia)	2,254
Do	Chemical analysis equipment	7,499
Jan. 16, 1968	Industrial process control instrument parts (Czechoslovakia)	1,490
Do	Inorganic chemicals	21,690
Do	Herbicides (Czechoslovakia)	5,609
Jan. 18, 1968	Motion picture photographic and photocopying equipment and parts.	27,986
Do	Magnesium oxide (for use in production of rubber)	518,000
Do	Woodpulp (Czechoslovakia)	643,500
Jan. 17, 1968	Dust collectors	9,900
Do	Mining equipment parts for mining equipment used in potash and iron ore mining.	838,443
Do	Ball and roller bearings (purpose as above)	1,319
Do	Construction machinery (Czechoslovakia)	61,662
Jan. 23, 1968	Herbicides	24,680
Do	Synthetic resins (Czechoslovakia)	16,520
Jan. 24, 1968	Synthetic resins	194,710
Do	Electrical testing instruments	20,550
Jan. 29, 1968	Weighing machines and scales	4,508
Do	Chemical analysis equipment and parts	12,749
Do	Petroleum drilling and production equipment	12,206
Do	Electrical apparatus and parts	201,664
Do	Lifting, loading, and conveying machines and parts	49,602
Do	Cotton gin plant machinery and equipment parts	314,203
Do	Automatic motor drive linter saw filer gummer	14,010
Jan. 25, 1968	Yellow grain sorghums (East Germany)	1,365,819
Do	Woodpulp dissolving chemical	4,452,000
Do	Electromatic tamper (East Germany)	86,650
Jan. 26, 1968	Industrial chemicals	910,000
Do	Compressor parts	1,350
Jan. 30, 1968	Coke refiner	1,002
Feb. 1, 1968	Air conditioning equipment and parts (East Germany) (for use in computer installation)	29,321
Feb. 2, 1968	Filtering machine parts	3,094
Do	Aluminum oxide	1,615,570
Do	Collecting reagents for refinement of copper zinc ores	215,600
Feb. 6, 1968	Coal tar intermediates for the manufacture of epoxy resins	192,500
Do	Pulse generator for electronic equipment checkout (Czechoslovakia)	1,675
Do	Electronic medical system (Czechoslovakia)	8,128
Do	Paper tape punch (Czechoslovakia)	2,145
Do	Electronic computer components (Hungary)	16,605
Feb. 5, 1968	Industrial instruments for the production of textile products	15,627
Do	Forming machine for passenger car parts (Rumania)	46,100
Feb. 7, 1968	Industrial chemicals for antiblacking agent	6,650
Feb. 8, 1968	Industrial chemicals for gas refining	336,000
Feb. 9, 1968	Surface active agent (for foaming agent in gas drilling)	16,125
Feb. 12, 1968	TV tube phosphor	59,150
Feb. 13, 1968	Spectrum measuring instrument	$7,612
Do	Herbicides	25,025
Feb. 14, 1968	Industrial instruments parts (Czechoslovakia)	1,637
Feb. 15, 1968	Insulated copper alloy wire, nickel chrome ribbon, other welding and soldering rods and wire for measuring strain and structural parts (Czechoslovakia)	197
Feb. 16, 1968	Industrial solvent	139,000
Do	Photographic film	2,038
Feb. 19, 1968	Photocopying equipment and parts	4,406
Feb. 23, 1968	Vaccines (possibly for BW warfare analysis)	10
Feb. 26, 1968	Synthetic resins for extruded plastic products	108,630
Do	Photographic film	18,017
Do	Acetal resins (Czechoslovakia)	6,165
Feb. 27, 1968	Armid (chemical intermediate)	16,408
Do	Intermediate chemical for maufacture of vitamins	6,744
Do	Glassworking machinery with parts and accessories	865,200
Do	Industrial instruments	21,247
Do	Magnetic recording equipment (Czechoslovakia)	22,220
Do	Synthetic rubber (East Germany)	35,520
Feb. 29, 1968	Glassworking machinery with parts and accessories	321,930
Do	Electronic data processing machine parts (Czechoslovakia)	3,000
Feb. 20, 1968	Off-the-highway tires	15,860
Feb. 21, 1968	Physical properties testing equipment	20,140
Do	Chemical analysis equipment parts (Czechoslovakia)	1,196
Do	Rubber compounding chemicals	181,060
Mar. 4, 1968	Physical properties testing equipment parts (Czechoslovakia)	460
Do	Oscilloscopes parts and accessories (Yugoslavia)	2,575
Do	Oscilloscopes (Yugoslavia)	2,940
Do	Oscilloscopes and parts	3,105
Do	Electronic computer parts	3,921
Do	Industrial chemicals used in manufacture of petroleum products	149,600
Do	Industrial chemicals for manufacture of agriculture products (Czechoslovakia)	6,430
Mar. 7, 1968	Chemical woodpulp for manufacture of tire yarn	1,039,200
Mar. 8, 1968	Aircraft parts (Yugoslavia)	2,504,500
Do	Woodpulp for manufacture of tire yarns	1,039,200
Do	Passenger tires and tubes	803
Mar. 13, 1968	Trailer mounted rotary drilling (Poland)	147,746
Do	Physical properties testing instruments	4,832
Do	Synthetic rubber (Hungary)	26,123
Do	Industrial solvent	90,168
Mar. 14, 1968	Electronic data processing machine parts (Hungary)	51,360
Do	Electrical test instrument and parts (Czechoslovakia)	2,530
Do	Well logging equipment (Yugoslavia)	260,034
Do	Petroleum products (Poland)	1,843
Do	Agricultural machinery (East Germany)	46,386
Do	do	55,451
Mar. 15, 1968	Oil and gas field equipment (Rumania)	3,930
Do	Oscilloscope (Yugoslavia)	2,680
Do	Semiconductor (Yugoslavia)	1,080
Do	Oscilloscope (Yugoslavia)	2,680
Do	Oscilloscopes and parts (Yugoslavia)	7,830
Do	Electronic computer parts (Yugoslavia)	1,272
Do	Oscilloscope (Yugoslavia)	1,440
Do	do	1,160
Do	Semiconductors (Yugoslavia)	401
Do	Petroleum drilling and production equipment parts (Rumania)	2,230
Do	do	571
Do	do	859
Do	do	19,374
Mar. 1, 1968	Computer parts (Yugoslavia)	1,828
Do	Electronic computer parts	161,952
Do	Inorganic chemicals for fertilizer and detergent production	50,000
Mar. 18, 1968	Synthetic resins	234,150
Do	Metal cutting and metalworking machine tool (Czechoslovakia)	87,600
Do	Industrial instruments for manfacturing yarn (Rumania)	5,830
Do	Coaxial cable (Poland)	1,950
Do	Herbicides	18,439

EXHIBIT C

EAST-WEST TRADE—THE DANGEROUS ILLUSION

(Statement by John E. Davis, commander, American Legion)

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 Yugoslavia 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 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 embarrased by burdens that military operations in Vietnam impose on his domestic program, how can our government argue that the same prin-

ciple 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."

EXHIBIT D

RESOLUTION 264 BY VETERANS OF FOREIGN WARS OPPOSING ALL FORMS OF TRADE, COMMERCE, AND FINANCIAL ASSISTANCE TO COMMUNIST OR COMMUNIST-CONTROLLED NATIONS

Whereas, any aid to a Communist country, be it nonstrategic or wheat or a "loan" of American dollars, strengthens the Communist masters and further enslaves the peoples of these countries; and

Whereas, monies derived from these various imports are being converted into munitions, trucks and weapons that are being sent to North Vietnam to be used against the United States Armed Forces and their Allies fighting for Freedom in Vietnam; and

Whereas, in paragraph 7, of Resolution No. 14, (1966 Convention) entitled "Resisting Communism and Assisting Our Loyal Allies in Restoring Freedom" it reads: "Oppose all forms of trade, commerce, and financial assistance that will strengthen the Communist nations, thus adhering to a policy of not strengthening the forces of Communism which have as their prime objectives destruction of the United States and freedom throughout the world." This Resolution being unanimously passed by the Delegates in session at the 67th National Convention in New York; and

Whereas, in a news release dated Thursday December 22, 1966, Commander-in-Chief Fry commends Rep. Paul Findley (R-Ill.) for his amendment in opposition of Sale of Surplus Food to Communist Nations, and in the third paragraph says "This is bad enough (referring to 4-million dollars in credit subsidies) but Yugoslavia and other Communist nations are continually trading with Communist aggressors of North Vietnam. Their goods and materials are aiding in the death of American fighting men every day."; and

Whereas, Commander-in-Chief Fry in the last paragraph of his news release of December 22, 1966 says "We must not allow food, clothing, fuel and arms to be put into the hands of the aggressors like North Vietnam so they might drag that war for Freedom to eternity. The sooner our government stands straighter and stops listening to those who supposedly 'build bridges' with our enemies, the sooner our men can come home where they belong."; now therefore

Be it resolved, by the 68th National Convention of the Veterans of Foreign Wars of the United States, that we emphatically go on record demanding that the importing of Communist products be stopped immediately; and that a campaign be begun by every post, county council, district and department urging their families, friends and the citizens of their respective communities to cease purchasing these Communist imports.

Adopted at the 68th National Convention of the Veterans of Foreign Wars of the United States held at New Orleans, La., August 20 through 25, 1967.

SOME ARMY RESERVISTS AND SERVICE IN VIETNAM

Mr. THURMOND. Mr. President, in recent days many articles have been published in the newspapers about certain reservists taking steps to keep from being sent to Vietnam to fight for their country.

Any reservist who would take a position of that kind is not worthy to be called a reservist.

I am sure that there must be only a few such reservists, because those with whom I have come in contact throughout the Nation in years past, and recently, have been patriotic, public-spirited citizens, most willing to serve their country in time of peace as well as in war.

One of the judges who has encouraged this kind of action is Supreme Court Justice William O. Douglas.

Yesterday, I made some remarks along this line and today I ask unanimous consent that an editorial published in the State of Columbia, S.C., on September 25, 1968, entitled, "Judge of Last Resort," be printed in the RECORD.

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

JUDGE OF LAST RESORT

Supreme Court Justice William O. Douglas, that devoted outdoorsman and perennial romantic, is never too far out in the wilderness, physically speaking, to hear the cry of weepy malcontents seeking special favor.

The other day, for example, Justice Douglas picked up the phone in his remote vacation spot in the State of Washington and transmitted his own special brand of judicial compassion to a few Army Reservists cringing at the thought of going to Vietnam.

These so-called Reservists (they dishonor the name) advanced the argument they were unconstitutionally called to active duty because a state of war or national emergency had not been officially declared. (They were activated under a 1966 law permitting call-ups in the national interest.)

Chief Justice Earl Warren and Associate Justice Hugo Black, hardly known for hard hearts, had earlier rejected similar pleas from these same Reservists and others.

Let us put aside for the time being a discussion of this long-established but questionable practice of permitting complainants to trot from one judge to another until they find a sympathetic one.

And let us not belabor the point that the vast majority of citizen soldiers, be they Reservists or National Gaurdsmen, fully accept their role in national defense and go willingly and uncomplainingly, if not eagerly when called to active duty. This, after all, is what they train for and get paid for.

Rather, let us focus on Justice Douglas actions and their potential consequences. In the instant case, he clearly is asking for a knuckle rapping from his colleagues. His action in ordering the Army not ship these men to war until the full court hears the case is mischevious, dangerous and obviously motivated by personal political views rather than law.

The 70-year-old maverick justice has long hankered to get the high court to rule on the legality of the war in Vietnam. He has made no secret of his own strong opposition to that conflict.

But war and foreign policy are functions of the Executive Department and the Congress. While they can't run roughshod over individual rights in carrying out their responsibilities, it should take more than an individual's disinclination to go to war to bring the court into play.

There is great potential danger to the national security if judges, whatever their motivation, begin to interfere with and actually interrupt military decisions and movements by use of injunctive power or judicial decision.

Wisely, the court had consistently stayed out of the thicket. It seems unlikely that Douglas can persuade three colleagues to go along with him on this issue. (Four are needed to get present cases on the docket.) The court is expected to curtly reverse the stays ordered by Douglas.

If its own precedents are inadequate, the Supreme Court could well adopt the attitude expressed by a U.S. district judge in Colorado. Ruling in another case involving a reluctant Reservist, he decalred that Congress acted well within its "war powers" as outlined in the Constitution when it passed the 1966 statute.

The Colorado judge found it unnecessary to determine whether a state of war or national emergency exists. He dismissed the point with a statement that is all but undeniable: "It is sufficient to note that the condition is scarcely a state of peace . . ."

It might also be noted that William O. Douglas' condition is scarcely a state of reason.

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.

PALMETTO BEND RECLAMATION PROJECT, TEXAS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that

the Senate proceed to the consideration of Calendar No. 1580, H.R. 5117.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 5117) to authorize the Secretary of the Interior to construct, operate, and maintain stage 1 and to acquire lands for stage 2 of the Palmetto Bend reclamation project, Texas, 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.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from the report (No. 1591), explaining the purposes of the bill.

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

PURPOSE OF THE MEASURE

The purpose of H.R. 5117 is to authorize the Secretary of the Interior to construct, operate, and maintain stage 1 of the Palmetto Bend reclamation project in Texas and to acquire the lands necessary for the construction of stage 2 of the project. The Palmetto Bend project is a multipurpose water resource development which would furnish municipal and industrial water supplies, provide opportunities for public outdoor recreation, and conserve fish and wildlife.

BACKGROUND

The Secretary of the Interior transmitted his report on the Palmetto Bend project to the Congress on August 24, 1965, with the recommendation that it be authorized for construction. The report was subsequently printed as House Document No. 279, 89th Congress, first session. A reevaluation statement dated April 1967, updating the findings of the feasibility report, was transmitted to the committee by letter dated February 15, 1968.

The Subcommittee on Water and Power Resources held hearings on March 28, 1968, on S. 2319, a bill similar to H.R. 5117, introduced by Senator Yarborough. The Department of the Interior, by letter of February 15, 1968, recommended enactment of S. 2319. The Bureau of the Budget, by letter of February 15, 1968, expressed no objection to enactment.

In commenting on H.R. 5117, the Department recommended enactment of the legislation with amendments. The recommended amendments are incorporated in the bill as passed by the House.

PLAN OF DEVELOPMENT

The plan of development for the Palmetto Bend project envisions the construction of Palmetto Dam and Reservoir, in two separate stages, across the Lavaca and Navidad Rivers a short distance above their confluence near Edna, Tex. The Palmetto Bend Reservoir will regulate the flows of those two rivers to provide a dependable water supply of 105,000 acre-feet per year—75,000 acre-feet by stage 1 and 30,000 acre-feet by stage 2. Only the first stage, which is the Navidad River arm of the reservoir, is authorized by this legislation which, however, also provides authority for the acquisition of the land which will be needed for the second stage.

The first stage calls for a reservoir with a capacity of 192,000 acre-feet, with provision for increasing the capacity of 285,000 acre-feet by construction of the second stage. It is estimated that first-stage development will meet the water needs in project service area for approximately 19 years. If, for some reason, stage 2 of the project is not authorized within 20 years after the initial operation of stage 1, the bill provides that the Secretary must dispose of the land acquired for stage 2 in accordance with procedures established by the Federal Water Project Recreation Act.

No distribution facilities are included in the project works.

The Jackson County Flood Control District will be responsible for planning, financing, constructing, operating, and maintaining the pumping and distribution facilities. The district also will operate and maintain the reservoir in accordance with prescribed operating criteria.

The recreation facilities provided as a part of the project include access roads, parking areas, water supply and sanitation facilities, boat-launching ramps, picnic, and camping areas, and bathing beaches. The operation, maintenance, and administration of these facilities will also be the responsibility of the Jackson County Flood Control District pursuant to the provisions of the Federal Water Project Recreation Act.

FINANCIAL AND ECONOMIC ANALYSIS

The total estimated investment cost of the first stage of the project is $34,077,000. The cost of acquiring lands for the second stage is estimated to be $2,700,000 in addition.

Of the cost of the first stage, $23,104,000 is allocated to municipal and industrial water supply, $8,049,000 to recreation, and $2,924,000 to fish and wildlife. The $23,104,000 allocated to municipal and industrial water supply is reimbursable with interest pursuant to the Water Supply Act of 1958, and $828,500 of the amount allocated to recreation reimbursable with interest. The remaining amount allocated to recreation and fish and wildlife is nonreimbursable pursuant to the provisions of the Federal Water Project Recreation Act.

Before construction is started, the Jackson County Flood Control District will enter into a repayment contract with the United States by which the district will undertake to repay the full cost allocated to municipal and industrial water supply within a 50-year period. Subsection 2(b) of the bill provides that if contracts for the repayment of all of the costs allocated to municipal and industrial water supply have not been executed within 5 years of the date of enactment the authorization of the project shall terminate.

The economic analysis for the first stage of the project shows that annual benefits exceed the annual economic costs in the ratio of 1.9 to 1.0.

NEED FOR THE PROJECT

Stage 1 of the Palmetto Bend project is needed to support urban and industrial growth in Jackson and Calhoun Counties, Tex. This stretch of the Texas gulf coast is served by deep water navigation facilities as well as shallow draft barge navigation facilities. The area is experiencing a period of major industrial development and accompanying urban expansion. It has excellent access to the tremendous store of mineral resources available for industrial use in the Texas coastal area. Only an adequate supply of water to meet industrial needs and supply requirements of urban residents is needed to assure continued industrial growth. Water from wells is undependable and subject to salt water intrusion, and the surface water supplies of the Navidad and Lavaca Rivers presently are underdeveloped. The Palmetto Bend project will provide the needed water supply from stage 1 development and later from stage 2 development.

In addition, the project will provide extensive recreational opportunities in an area where recreation facilities are inadequate and are in great demand. In addition to the nearby urban areas that will be served by these facilities, the reservoir will be within 2 hours drive from either Houston or Corpus Christi, and the National Park Service estimates that more than 500,000 visitors per year will take advantage of the outdoor recreation opportunities that will be provided.

COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs recommends that H.R. 5117 be enacted without amendment.

The report of the Department of the Interior on H.R. 5117 dated August 11, 1967, and the supplemental report dated February 15, 1968, are set out in full below. The Department recommends enactment of this legislation with amendments. The amendments recommended by the Department of the Interior have been incorporated in the bill as passed by the House.

PALMETTO BEND DAM PROJECT DESERVES PROMPT PASSAGE

Mr. YARBOROUGH. Mr. President, I urge my fellow Senators to join me in support of H.R. 5117, identical to a bill I introduced as S. 2317, authorizing the Secretary of the Interior to construct and operate a primary stage of the Palmetto Bend reclamation project on the Navidad and Lavaca Rivers in south Texas. The bill also authorizes the Secretary to acquire lands for a second stage of the project, to be constructed at a later date.

Palmetto Dam and Reservoir is to be constructed in two stages across the Lavaca and Navidad Rivers, just above their confluence point near Edna, Tex. The reservoir will regulate the flows of the two rivers, providing a dependable water supply of 105,000 acre-feet per year—75,000 acre-feet with construction of the first stage, and 30,000 acre-feet upon completion of stage two. This bill authorizes only the first stage, but it also authorizes the Secretary of the Interior to buy lands for stage two.

The first stage includes a reservoir that will hold 192,000 acre-feet of water at capacity, with provisions for increasing that capacity to 285,000 acre-feet upon completion. Stage one should serve the needs of the area amply for some 19 years, according to the Interior Department study. Administration of the project, upon completion, will fall upon the Jackson County Flood Control District in cooperation with the Federal Government under provisions of the Federal Water Project Recreation Act. At current price levels, the first stage of the Palmetto Bend project is expected to cost $34,077,000, including $1,657,000 for recreation facilities. Land costs for the second stage are set at $2,700,000. Thus, the total cost of the bill before us today is estimated at $36,777,000.

The Palmetto Bend project has been recommended by the Department of the Interior, and this bill has the full support of the agency. Jackson and Calhoun Counties are growing rapidly. The area needs this water storage for municipal and industrial use, as well as for conservation and development of wildlife and recreation resources.

The Secretary of the Interior estimates that the ratio of benefits to total annual costs will be approximately 1.8 to 1.

Last March a group of south Texans appeared with me at hearings before the Subcommittee on Water and Power Resources, chaired by the distinguished senior Senator from New Mexico [Mr. ANDERSON]. These citizens and officials of

south Texas expressed strong community support for the project, and committed themselves to bear a sizable share of the cost, with the State of Texas also contributing funds. The Jackson County Flood Control District will enter into a repayment contract with the Federal Government, obligating itself to repay the full cost allocated to municipal and industrial use within a 50-year period.

As this session of Congress has worn on, and the press of business continued great, there was some concern in the Palmetto Bend area that this bill might be lost in the shuffle toward adjournment. The able chairman of the Senate Interior and Insular Affairs Committee, the distinguished Senator from Washington [Mr. JACKSON] has prevented that, however, and the people of my State are in his debt.

Mr. President, the Texas gulf coast stretch which includes Jackson and Calhoun Counties has a wide variety of mineral resources available to serve industries. The area is served by deep water as well as shallow draft navigation facilities. The absence of a proper water supply to meet industrial and public needs could become a serious disability, however, in furthering development there.

The Senate's approval of this project will bring about a wise investment in the future development and prosperity of an important section of our country, the Palmetto Bend area of south Texas. I urge passage of H.R. 5117.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

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

PRIVILEGE OF FLOOR

Mr. YARBOROUGH. Mr. President, during the consideration of the conference report on the Higher Education Amendments of 1968 and the vocational education amendments I request permission that professional staff members, both of the majority and the minority, be permitted access to the floor to assist Senators in the course of the consideration of those measures.

The PRESIDING OFFICER. Would they be from the Committee on Labor and Public Welfare?

Mr. YARBOROUGH. Yes.

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

HIGHER EDUCATION AMENDMENTS OF 1968—CONFERENCE REPORT

Mr. YARBOROUGH. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3769) to amend the Higher Education Act of 1965, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The assistant legislative clerk read the report.

(For conference report, see House proceedings of Sept. 26, 1968, pp. 28328–28352, CONGRESSIONAL RECROD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. YARBOROUGH. Mr. President, since there were nearly 100 major points of difference between the two bills and a detailed presentation of each of those would be a rather lengthy presentation, under the circumstances, I ask unanimous consent that the conference report and the statement of the managers on the part of the House be printed in the RECORD at this point.

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

CONFERENCE REPORT (H. REPT. No. 1919)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3769) to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act, with the following table of contents, may be cited as the "Higher Education Amendments of 1968".

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TITLE I—STUDENT ASSISTANCE

PART A—AMENDMENTS TO EDUCATIONAL OPPORTUNITY GRANT PROGRAM

EXTENSION OF EDUCATIONAL OPPORTUNITY GRANT PROGRAM

SEC. 101. (a) The first sentence of section 401(b) of the Higher Education Act of 1965 is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "three succeeding fiscal years, $100,000,000 for the fiscal year ending June 30, 1970, and $140,000,000 for the fiscal year ending June 30, 1971".

(b) (1) Such section is further amended by striking out the second sentence thereof.

(2) Sections 405(b), 406(b), and 407(b)(2) of such Act are each amended by striking out "third sentence" and inserting in lieu thereof "second sentence".

MAXIMUM AMOUNT OF EDUCATIONAL OPPORTUNITY GRANT; TREATMENT OF WORK-STUDY ASSISTANCE FOR MATCHING PURPOSES

SEC. 102. The first sentence of section 402 of the Higher Education Act of 1965 is amended by striking out all that follows "which amount" and inserting in lieu thereof the following: "shall not exceed the lesser of $1,000 or one-half of the sum of the amount of student financial aid (including assistance under this title, and including compensation paid under a work-study program assisted under part C of this title) provided such student by such institution and any assistance provided such student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulations of the Commissioner."

ADMINISTRATIVE EXPENSES

SEC. 103. Effective for fiscal years ending on or after June 30, 1970, section 407(a)(1) of the Higher Education Act of 1965 is amended by inserting before the semicolon the following: "and of section 463 of this Act (relating to administrative expenses)".

REVISION OF MAINTENANCE OF EFFORT PROVISION

SEC. 104. Effective for fiscal years ending on or after June 30, 1970, section 407(a)(4) of the Higher Education Act of 1965 is amended to read as follows:

"(4) provide that the institution will meet the requirements of section 464 of this Act (relating to maintenance of effort);".

CONSOLIDATION AND REVISION OF TALENT SEARCH AND UPWARD BOUND PROGRAMS; SPECIAL SERVICES TO DISADVANTAGED STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

SEC. 105. (a) Section 408 of the Higher Education Act of 1965 is amended to read as follows:

"IDENTIFYING QUALIFIED LOW-INCOME STUDENTS; PREPARING THEM FOR POST SECONDARY EDUCATION; SPECIAL SERVICES FOR SUCH STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"SEC. 408. (a) To assist in achieving the objectives of this part the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5))—

"(1) to make grants to, or contracts with, institutions of higher education and combinations of institutions of higher education for planning, developing, or carrying out one or more of the programs described in subsection (b),

"(2) to make grants to, or contracts with, public and private nonprofit agencies and organizations (including professional and scholarly associations) and to make contracts with public and private agencies and organizations for planning, developing, or carrying out Talent Search programs described in subsection (b)(1), and

"(3) in exceptional cases, to make grants to, or contracts with, secondary schools, and postsecondary educational institutions accredited by a State, for planning, developing, or carrying out Upward Bound programs described in subsection (b)(2).

No grant or contract for planning, developing, or carrying out a Talent Search program described in subsection (b)(1) may exceed $100,000 per year.

"(b) The programs referred to in subsection (a) are—

"(1) programs, to be known as 'Talent Search', designed to—

"(A) identify qualified youths of financial or cultural need with an exceptional potential for postsecondary educational training and encourage them to complete secondary school and undertake postsecondary educational training.

"(B) publicize existing forms of student financial aid, including aid furnished under this title, and

"(C) encourage secondary-school or college dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs;

"(2) programs, to be known as 'Upward Bound', (A) which are designed to generate skills and motivation necessary for success in education beyond high school and (B) in which enrollees from low-income backgrounds and with inadequate secondary-school preparation participate on a substantially full-time basis during all or part of the program; or

"(3) programs, to be known as 'Special Services for Disadvantaged Students', of remedial and other special services for students with academic potential (A) who are enrolled or accepted for enrollment at the institution which is the beneficiary of the grant or contract, and (B) who, by reason of deprived educational, cultural, or economic background, or physical handicap, are in need of such services to assist them to initiate, continue, or resume their postsecondary education.

"(c)(1) Upward Bound programs under paragraph (2) of subsection (b) must include arrangements to assure cooperation among one or more institutions of higher education and one or more secondary schools. Such programs must include necessary health services. Enrollees in such programs may not receive stipends in excess of $30 per month. The cost of carrying out any such program may not exceed $150 per enrollee per month. Federal financial assistance by way of grant or contract for such a program may not be in excess of 80 per centum of the cost of carrying out such program. Such programs shall be carried on within the States.

"(2) Special Services for Disadvantaged Students programs carried on under paragraph (3) of subsection (b) may provide, among other things, for—

"(A) counseling, tutorial, or other educational services, including special summer programs, to remedy such students' academic deficiencies,

"(B) career guidance, placement, or other student personnel services to encourage or facilitate such students' continuance or reentrance in higher education programs, or

"(C) identification, encouragement, and counseling of any such students with a view to their undertaking a program of graduate or professional education.

"(d) There are authorized to be appropriated to carry out this section $10,000,000 in the fiscal year ending June 30, 1969 (of which $500,000 shall be available in connection with planning and related activities for Upward Bound programs described in subsection (b)(2)), $56,680,000 for the fiscal year ending June 30, 1970, and $96,000,000 for the fiscal year ending June 30, 1971."

(b) Effective July 1, 1969, section 222(a) of the Economic Opportunity Act of 1964 is amended by striking out paragraph (5) and by redesignating paragraphs (6), (7), and (8) (and references thereto) as paragraphs (5), (6), and (7).

(c)(1) On July 1, 1969, all functions, powers, and duties of the Director of the Office of Economic Opportunity with respect to Upward Bound programs, are transferred to the Commissioner of Education. No provision of law which limits the number of persons who may be appointed as full-time civilian employees, or temporary and part-time employees, in the executive branch of the Government shall apply to employees of the Office of Education whose duties the Director of the Bureau of the Budget determines primarily relate (A) to programs carried out under section 408(b)(2) of the Higher Education Act of 1965, or (B) to functions transferred by this paragraph. In applying any such provision of law to the departments and agencies in the executive branch, the number of such employees of the Office of Education shall not be taken into account.

(2) For purposes of this subsection the term "Upward Bound program" means a program carried out under section 222(a)(5) of the Economic Opportunity Act of 1964 (as so designated prior to the amendment made by subsection (b) of this section) or a comparable program carried out under section 221 of such Act.

PART B—AMENDMENTS TO INSURED STUDENT LOAN PROGRAM

EXTENSION OF AUTHORITY FOR PAYMENTS TO REDUCE STUDENT INTEREST COSTS; ELIMINATION OF AUTHORITY TO MAKE SUCH PAYMENTS DURING REPAYMENT PERIOD

SEC. 111. (a) Section 428(a)(4) of the Higher Education Act of 1965 is amended by striking out "October 31, 1968" and inserting in lieu thereof "June 30, 1971, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1975".

(b)(1)(A) The portion of the first sentence of section 428(a)(1) which follows subparagraph (C) is amended by striking out ", over the period of the loan,".

(B) The first sentence of section 428(a)(2) of such Act is amended by striking out ", and 3 per centum per annum of the principal amount of the loan (excluding interest which has been added to principal) thereafter".

(2) The amendments made by this subsection shall apply to loans made on or after the sixtieth day after the date of enactment of this Act, except that such amendments shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to such sixtieth day. An application for a certificate of insurance or of comprehensive insurance coverage pursuant to section 429 of such Act shall be issued or shall be effective on or after such sixtieth day with respect to loans made prior to such sixtieth day without regard to such amendments.

EXTENSION OF FEDERAL LOAN INSURANCE PROGRAM AND OF AUTHORITY TO GUARANTEE OUTSTANDING NON-FEDERALLY INSURED LOANS

SEC. 112. (a) Subsection (a) of section 424 of the Higher Education Act of 1965 is amended (1) in the first sentence by striking out "period thereafter ending October 31, 1968" and inserting in lieu thereof "fiscal year ending June 30, 1968, and each of the three succeeding fiscal years"; and (2) in the second sentence by striking out "October 31, 1968" and inserting in lieu thereof "June 30, 1975".

(b) Section 428(c)(5) of such Act is amended by striking out "October 31, 1968" and inserting in lieu thereof "September 1, 1969".

REPAYMENT BY COMMISSIONER OF LOANS OF DECEASED OR DISABLED BORROWERS

SEC. 113. (a) Part B of title IV of such Act is amended by inserting at the end thereof the following new section:

"REPAYMENT BY COMMISSIONER OF LOANS OF DECEASED OR DISABLED BORROWERS

"SEC. 437. If a student borrower who has received a loan with respect to which a portion of the interest (1) is payable by the Commissioner under section 428(a) or (2) would be payable but for the adjusted family income of the borrower, dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Commissioner, then the Commissioner shall discharge the borrower's liability on the loan by repaying the amount owed on the loan."

(b)(1) Section 421(b)(2) of the Higher Education Act of 1965 is amended by inserting after "on student loans" the following: "and for payments under section 437."

(2) Section 427(a)(2)(E) of such Act is amended by inserting after the comma at the end thereof the following: "and that the lender will enter into such agreements with the Commissioner as may be necessary for the purpose of section 437,".

(3) Section 428(b)(2)(B) of such Act is amended by inserting after "of this part" the following: ", including such provisions as may be necessary for the purpose of section 437,".

(4) Section 428(c) of such Act is amended by striking out in paragraph (1) ", death, or permanent and total disability", by striking the last sentence of paragraph (3), and by amending paragraph (4) to read as follows:

"(4) For purposes of this subsection, the terms 'insurance beneficiary' and 'default' shall have the meanings assigned to them by section 430(e)."

(5) Section 430 of such Act is amended—

(A) by striking out in the section heading, "DEATH, OR DISABILITY";

(B) by striking out in the first sentence of subsection (a) "or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full,"; and

(C) by striking out in subsection (c) all that follows "payment on that insurance" and inserting in lieu thereof a period.

(c) The amendments made by this section shall apply only with respect to loans made on or after the sixtieth day following the date of enactment of this Act.

FEDERAL ADVANCES TO RESERVE FUNDS OF NON-FEDERAL STUDENT LOAN INSURANCE PROGRAMS

SEC. 114. (a)(1) Section 421(b) of the Higher Education Act of 1965 is amended by striking out "and" at the end of paragraph (2); by striking out the period at the end of the first sentence of that subsection and inserting in lieu thereof ", and"; and by adding thereafter the following new paragraph:

"(4) there is authorized to be appropriated the sum of $12,500,000 for making advances after June 30, 1968, pursuant to section 422 for the reserve of funds of State and nonprofit private student loan insurance programs."

(2) The second sentence of section 421(b) of such Act is amended by striking out "under clauses (1) and (2)" and inserting in lieu thereof "under clauses (1), (2), and (4)".

(b) Section 422(a) of such Act is amended—

(1) by striking out "clause (3)" in the first sentence of paragraph (1) and inserting in lieu thereof "clauses (3) and (4)", and by striking out "of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968," and inserting in lieu thereof "fiscal year" in the second sentence of such paragraph; and

(2) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) No advance shall be made after June 30, 1968, unless matched by an equal amount from non-Federal sources. Such equal amount may include the unencumbered non-Federal portion of a reserve fund. As used in the preceding sentence, the term 'unencumbered non-Federal portion' means the amount (determined as of the time immediately preceding the making of the advance) of the reserve fund less the greater of (A) the sum of (i) advances made under

this section prior to July 1, 1968, (ii) an amount equal to twice the amount of advances made under this section after June 30, 1968, and before the advance for purposes of which the determination is made, and (iii) the proceeds of earnings on advances made under this section, or (B) any amount which is required to be maintained in such fund pursuant to State law or regulation, or by agreement with lenders, as a reserve against the insurance of outstanding loans."

(c) Section 422(b) of such Act is amended by inserting "(1)" after "(b)", by inserting "prior to July 1, 1968" before "pursuant to subsection (a)" where it appears in the first and third sentences, by deleting the last sentence of such subsection, and by adding at the end of such subsection the following new paragraphs:

"(2) The total of the advances from the sums appropriated pursuant to clause (4) of section 421(b) (A) to nonprofit private institutions and organizations for the benefit of students in any State and (B) to such State may not exceed an amount which bears the same ratio to such sums as the population of such State aged eighteen to twenty-two, inclusive, bears to the population of all the States aged eighteen to twenty-two, inclusive, but such advances may otherwise be in such amounts as the Commissioner determines will best achieve the purposes for which they are made. The amount available, however, for advances to any State shall not be less than $25,000, and any additional funds needed to meet this requirement shall be derived by proportionately reducing (but not below $25,000) the amount available for advances to each of the remaining States.

"(3) For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him."

AMENDMENTS RELATING TO ADMINISTRATIVE COST ALLOWANCE AND INTEREST RATE PROVISIONS

SEC. 115. (a)(1) Section 428(a)(2)(B) of the Higher Education Act of 1965 is amended to read as follows:

"(B) If (i) a State student loan insurance program is covered by an agreement under subsection (b), (ii) a statute of such State limits the interest rate on loans insured by such program to a rate which is less than 7 per centum per annum on the unpaid principal balance, and (iii) the Commissioner determines that section 428(d) does not make such statutory limitation inapplicable and that such statutory limitation threatens to impede the carrying out of the purposes of this part, then he may pay an administrative cost allowance to the holder of each loan which is insured under such program and which is made during the period beginning on the sixtieth day after the date of enactment of the Higher Education Amendments of 1968 and ending 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969. Such administrative cost allowance shall be paid over the term of the loan in an amount per annum (determined by the Commissioner) which shall not exceed 1 per centum of the unpaid principal balance of the loan."

(2) Section 428(a)(2)(A) of such Act is amended by striking out the second sentence and by inserting in the last sentence after "portion of the interest" the following: "and administrative cost allowance".

(3) Section 428 of such Act is amended by adding at the end thereof the following new subsection:

"(d) No provision of any law of the United States (other than sections 427(a)(2)(D) and 427(b) of this Act) or of any State (other than a statute applicable principally to such State's student loan insurance program) which limits the rate or amount of interest payable on loans shall apply to a loan—

"(1) which bears interest (exclusive of any premium for insurance) on the unpaid principal balance at a rate not in excess of 7 per centum per annum, and

"(2) which is insured (A) by the United States under this part, or (B) by a State or nonprofit private institution or organization under a program covered by an agreement made pursuant to subsection (b) of this section."

(4) The amendments made by this subsection shall not apply with respect to loans made prior to the sixtieth day after the date of enactment of this Act.

(b) Section 428(a)(2)(B) of such Act (as in effect prior to the amendment made by subsection (a)) is amended by striking out "October 31, 1968" and inserting in lieu thereof "the fifty-ninth day after the date of enactment of the Higher Education Amendments of 1968".

(c) The amendments made by section 2(a) of Public Law 90-460, approved August 3, 1968, shall not be effective with respect to (1) any loan made or contracted for prior to the date of enactment of such Public Law, or (2) any loan made, after the date of enactment of this Act, in whole or in part to consolidate or convert a loan made or contracted for prior to the date of enactment of such Public Law.

MERGER OF NATIONAL VOCATIONAL STUDENT LOAN INSURANCE ACT OF 1965 WITH STUDENT LOAN INSURANCE PROGRAM OF HIGHER EDUCATION ACT OF 1965

SEC. 116. (a) Section 435 of the Higher Education Act of 1965 is amended—

(1) by redesignating subsections (a), (b), (c), (d), (e), and (f) as (b), (d), (e), (f), (g), and (h), respectively;

(2) by inserting before subsection (b) as so redesignated the following new subsection:

"(a) The term 'eligible institution' means (1) an institution of higher education, (2) a vocational school, or (3) with respect to students who are nationals of the United States, an institution outside the States which is comparable to an institution of higher education or to a vocational school and which has been approved by the Commissioner for purposes of this part.";

(3) by striking out in subsection (b) (as so redesignated) "eligible institution" and inserting in lieu thereof "institution of higher education", by striking out in the second sentence of such subsection "any institution outside the States which is comparable to an institution described in the preceding sentence and which has been approved by the Commissioner for the purposes of this title, and also includes"; and

(4) by inserting after subsection (b) (as so redesignated) the text of subsection (a) of section 17 of the National Vocational Student Loan Insurance Act of 1965 amended as follows:

(A) Strike out "(a)" and insert in lieu thereof "(c)".

(B) Strike out "eligible institution" and insert in lieu thereof "vocational school", and

(C) Strike out "Act" in clause (4)(C) and insert in lieu thereof "part".

(b)(1) Section 425(a) of such Act is amended by striking out "(1)" after "SEC. 425. (a)" and by striking out paragraph (2).

(2) Section 427(a)(2)(C)(i) of such Act is amended by striking out "institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner" and inserting in lieu thereof "eligible institution".

(3) Section 428(a)(6) of such Act is repealed.

(4) Section 434 of such Act is amended by striking out "10 per centum" and inserting in lieu thereof "15 per centum".

(5) Section 436(a) of such Act is amended by striking out "title and the National Vocational Student Loan Insurance Act of 1965" and inserting in lieu thereof "part".

(c)(1) The National Vocational Student Loan Insurance Act of 1965 is repealed.

(2) All assets and liabilities of the vocational student loan insurance fund established by section 13 of the National Vocational Student Loan Insurance Act of 1965, matured or contingent, shall be transferred to, and become assets and liabilities of, the student loan insurance fund established by section 431 of the Higher Education Act of 1965. Payments in connection with defaults of loans made on or after the sixtieth day after the date of enactment of this Act and insured by the Commissioner (under the authority of subsection (e)(3) or (e)(4) of this section) under the National Vocational Student Loan Insurance Act of 1965 shall be paid out of the fund established by such section 431.

(d) Section 433 of the Higher Education Act of 1965 is amended to read as follows:

"DIRECT LOANS

"SEC. 433. (a) The Commissioner may make a direct loan to any student who would be eligible for an insured loan for study at a vocational school under this part if (1) in the particular area in which the student resides loans which are insurable under this Act are not available at the rate of interest prescribed by the Secretary pursuant to section 427(a)(2)(D) for such area, or (2) the particular student has been unable to obtain an insured loan at a rate of interest which does not exceed such rate prescribed by the Secretary.

"(b) Loans made under this section shall bear interest at the rate prescribed by the Secretary under section 427(a)(2)(D) for the area where the student resides, and shall be made on such other terms and conditions as the Commissioner shall prescribe, which shall conform as nearly as practicable to the terms and conditions of loans insured under this Act.

"(c) There is authorized to be appropriated the sum of $1,000,000 for the fiscal year ending June 30, 1969 and for each of the two succeeding fiscal years to carry out this section."

(e)(1) Except as provided in paragraphs (2), (3), and (4):

(A) This section (and any amendment or repeal made thereby) shall apply to loans made on or after the sixtieth day after the date of enactment of this Act, and the terminal date applicable under the first sentence of section 5(a), under section 9(a)(2)(B), and under section 9(a)(4) of the National Vocational Student Loan Insurance Act shall, instead of October 31, 1968, be deemed to be (i) the day immediately preceding such sixtieth day, or (ii) with respect to any particular lender or State or nonprofit private agency to which paragraph (3) relates, the last day of the period required for modification or termination of, or refusal to extend, the Commissioner's agreements with such agency.

(B) In computing the maximum amounts which may be borrowed by a student who obtains an insured loan on or after such sixtieth day, and the minimum amounts of repayment allowable with respect to sums borrowed by such a student, there shall be included all loans, whenever made, (i) insured by the Commissioner, or a State institution, or organization with which the Commissioner has an agreement under section 428(b) of part B of title IV of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965, or (ii) made by a State under section 428(a)(2)(B) of such part or section 9(a)(2)(B) of such Act, or by the Commissioner under section 433 of such part.

(2) Clause (i) (attendance at eligible institution) and clause (iv) (VISTA service) of section 427(a)(2)(C) of the Higher Educa-

tion Act of 1965, shall apply to loans made by the Commissioner and, with the consent of the lender, loans insured by the Commissioner, to students for study at vocational schools, which are outstanding on the sixtieth day after the enactment of this Act, but only with respect to periods of service or attendance occurring on or after such sixtieth day.

(3) This section (and any amendment or repeal made thereby) shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to the sixtieth day after enactment of this Act, under the Higher Education Act of 1965 or the National Vocational Student Loan Insurance Act of 1965, or, except with the consent of the State or nonprofit private agency concerned, impair the obligation of any agreement made pursuant to section 428(b) of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965. The Commissioner of Education shall undertake to obtain necessary modifications of agreements entered into by him pursuant to section 428(b) of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965 and in force upon the date of enactment of this Act so as to conform the provisions of such agreements to the requirements of such section 428(b). If, however, such modifications cannot be obtained because a party to such an agreement is subject to a statute of a State that prevents such party from complying with the terms of such modification, the Commissioner shall not, before 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969, exercise his authority to terminate, or to refuse to extend, such agreement.

(4) A certificate of insurance or of comprehensive insurance coverage pursuant to section 11 of the National Vocational Student Loan Insurance Act of 1965 may be issued or made effective on or after the sixtieth day after the date of enactment of this Act with respect to loans made prior to such sixtieth day without regard to any amendment or repeal made by this section.

AUTHORIZING DEFERMENT OF REPAYMENT OF NON-FEDERALLY INSURED LOANS DURING MILITARY, VISTA, OR PEACE CORPS SERVICE, OR ATTENDANCE AT ELIGIBLE INSTITUTION; FEDERAL PAYMENT OF INTEREST ACCRUING DURING SUCH ATTENDANCE OR SERVICE

SEC. 117. (a)(1) Section 428 of the Higher Education Act of 1965 (as amended by this Act) is amended by adding at the end of such section the following new subsection:

"(e) The Commissioner shall encourage the inclusion, in any State student loan program or any State or nonprofit private student loan insurance program meeting the requirements of subsection (a)(1)(B) or (a)(1)(C), of provisions authorizing or requiring that in the case of student loans covered by such program periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (1) during which the borrower is pursuing a full-time course of study at an eligible institution, (2) not in excess of three years during which the borrower is a member of the Armed Forces of the United States, (3) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, or (4) not in excess of three years during which the borrower is in service as a full-time volunteer under title VIII of the Economic Opportunity Act of 1964. In the case of any such State or nonprofit private program containing such a provision any such period shall be excluded in determining the period specified in subsection (b)(1)(C)(ii), or the maximum period for repayment specified in subsection (b)(1)(D)."

(2)(A) Section 428(b)(1)(C)(ii) of the Higher Education Act of 1965 is amended by inserting after "(ii)" the following: "except as provided in subsection (e) of this section,".

(B) Section 428(b)(1)(D) of such Act is amended by inserting after "subject to subparagraph (C)" the following: "of this paragraph and except as provided by subsection (e) of this section".

(b) The first sentence of section 428(a)(2) of such Act is amended by inserting before "; but such portion" the following: ", or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (e) of this section or in section 427(a)(2)(C)".

(c) Section 427(a)(2)(C)(iv) of such Act is amended by inserting "full-time" before "volunteer".

(d) Deferment of repayment of principal as provided in the amendments made by subsection (a) of this section, may be authorized (but not required) with respect to loans meeting the requirements of subparagraph (B) or (C) of section 428(a)(1) of the Higher Education Act of 1965 which are outstanding on the sixtieth day after the date of enactment of this Act, but only with respect to periods of attendance or service occurring on or after such sixtieth day. The amendments made by subsection (b) shall become effective on the sixtieth day after the date of enactment of this Act.

PARTICIPATION BY PENSION FUNDS AND FEDERAL SAVINGS AND LOAN ASSOCIATIONS

SEC. 118. (a) Section 435(g) of the Higher Education Act of 1965 (as so redesignated by section 116 of this Act) is amended by inserting before the period at the end thereof the following: ", or a pension fund approved by the Commissioner for this purpose".

(b) The third paragraph of section 5(c) of the Home Owners Loan Act of 1933 is amended by striking out "expenses of college or university education" and inserting in lieu thereof "expenses of college, university, or vocational education".

ACCESS TO FEDERAL LOAN INSURANCE PROGRAM

SEC. 119. (a) Section 423 of the Higher Education Act of 1965 is amended by striking out "The" after "SEC. 423." and inserting in lieu thereof "(a) Except as provided in subsection (b), the"; and by adding at the end thereof the following new subsection:

"(b) The Commissioner may issue certificates of insurance under section 429 to a lender in a State—

"(1) for insurance of a loan made to a student borrower who does not, by reason of his residence, have access to loan insurance under the loan insurance program of such State (or under any private nonprofit loan insurance program which has received an advance under section 422 for the benefit of students in such State, or

"(2) for insurance of all of the loans made to student borrowers by a lender who satisfies the Commissioner that, by reason of the residence of such borrowers, he will not have access to any single State or nonprofit private loan insurance program which will insure substantially all of the loans he intends to make to such student borrowers."

(b) Section 421(a)(2) is amended by inserting "or lenders" before "who do not have reasonable access".

COORDINATION BETWEEN NON-FEDERAL AND FEDERAL PROGRAMS WITH RESPECT TO MAXIMUM AMOUNTS OF INDIVIDUAL LOANS INSURED, ISSUANCE OF INSTALLMENT OBLIGATIONS, AND MINIMUM AMOUNTS OF REPAYMENT INSTALLMENTS ON SUCH LOANS

SEC. 120. (a)(1) Section 428(b)(1)(A) of the Higher Education Act of 1965 is amended by inserting the following before the semicolon at the end of such subparagraph: ", which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed $7,500".

(2) Section 425 (a) of the Higher Education Act of 1965 is amended (A) by striking out "in the case of a graduate or professional student (as defined in regulations of the Commissioner), or $1,000 in the case of any other student" in the first sentence, and (B) by striking out "in the case of any graduate or professional student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or $5,000 in the case of any other student" in the second sentence.

(b) Section 428 (b)(1)(D) of such Act is amended (1) by striking out "subparagraph (C)" and inserting in lieu thereof "subparagraphs (C) and (K)", and (2) by striking out ", where the total of the insured loans to any student which are held by any one person exceeds $2,000, repayment of such", and inserting in lieu thereof "repayment of".

(c)(1) Section 428(b)(1) of the Higher Education Act of 1965 is amended (A) by striking out "and" at the end of subparagraph (I), (B) by striking out the period at the end of subparagraph (J) and inserting "; and" in lieu thereof, and (C) by adding after subparagraph (J) the following:

"(K) provides that the total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are (i) insured under this part, or (ii) made by a State or the Commissioner under section 428(a)(1)(B) or 433, respectively, shall not be less than $360 or the balance of all such loans (together with interest thereon), whichever amount is less."

(2) Section 427(c) of such Act is amended by striking out "by the Commissioner", and by inserting the following after "this part": ", or which are made by a State or the Commissioner under section 428(a)(1)(B) or 433, respectively,".

(3) The caption of section 427 of such Act is amended by inserting "FEDERALLY INSURED" before "STUDENT LOANS".

(d)(1) Subject to paragraph (2) of this subsection, (A) the amendments made by this section shall apply to loans made on or after the sixtieth day after the date of enactment of this Act, and (B) in computing the maximum amounts which may be borrowed by a student who obtains an insured loan on or after such sixtieth day, and the minimum amounts of repayment allowable with respect to sums borrowed by such a student, there shall be included all loans, whenever made, (i) insured by the Commissioner, or a State, institution, or organization with which the Commissioner has an agreement under section 428(b) of part B of title IV of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965, or (ii) made by a State under section 428(a)(2)(B) of such part or section 9(a)(2)(B) of such Act, or by the Commissioner under section 433 of such part.

(2) This section (and the amendments made thereby) shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to such sixtieth day or, except with the consent of the State or nonprofit private agency concerned, impair the obligation of any agreement made pursuant to section 428(b) of the Higher Education Act of 1965. The Commissioner of Education shall undertake to obtain necessary modifications of agreements entered into by him pursuant to section 428(b)(1) of the Higher Education Act of 1965

and in force upon the date of enactment of this Act so as to conform the provisions of such agreements to the requirements of such section 428(b)(1) as amended by this section. If, however, such modifications cannot be obtained because a party to such an agreement is subject to a statute of a State that prevents such party from complying with the terms of such modification, the Commissioner shall not, before 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969, exercise his authority to terminate, or to refuse to extend, such agreement.

PART C—AMENDMENTS TO COLLEGE WORK-STUDY PROGRAM

TRANSFER OF WORK-STUDY PROVISIONS TO HIGHER EDUCATION ACT OF 1965

SEC. 131. (a) Title IV of the Higher Education Act of 1965 is amended by striking out part C thereof. Part C of title I of the Economic Opportunity Act of 1964 is transferred to the Higher Education Act of 1965 and inserted as part C of title IV of such Act.

(b) Part C of title IV of the Higher Education Act of 1965 (as amended by subsection (a) of this section) is further amended—

(1) by redesignating sections 141 through 145 (and references thereto) as sections 441 through 445, respectively; and

(2) by designating the section of such part which follows section 445 (as so redesignated) as section 446; and

(3) by amending section 442(a) to read as follows:

"SEC. 442. (a) From the sums appropriated to carry out this part for a fiscal year, the Commissioner shall allot not to exceed 2 per centum among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of such sums shall be allotted among the States as provided in subsection (b)."

(c) Any reference to any provision of part C of title I of the Economic Opportunity Act of 1964 in any law of the United States shall be deemed to be a reference to the corresponding provision of part C of title IV of the Higher Education Act of 1965 as amended by this section.

EXTENSION OF WORK-STUDY PROGRAM

SEC. 132. Section 441 of the Higher Education Act of 1965 (as amended by section 131 of this Act) is amended by adding "; APPROPRIATIONS AUTHORIZED" at the end of the section heading, by inserting "(a)" after "SEC. 441.", and by adding at the end of such section the following new subsection:

"(b) There are authorized to be appropriated $225,000,000 for the fiscal year ending June 30, 1969, $255,000,000 for the fiscal year ending June 30, 1970, and $285,000,000 for the fiscal year ending June 30, 1971, to carry out this part."

ELIGIBILITY OF AREA VOCATIONAL SCHOOLS

SEC. 133. (a) Part C of the Higher Education Act of 1965 (as amended by section 131 of this Act) is amended by striking out the terms "institution of higher education" and "institutions of higher education" wherever they appear (except in section 442(b)(1)) and inserting in lieu thereof "eligible institution" and "eligible institutions", respectively.

(b) Section 443(b) of such Act (as added by section 131 of this Act) is amended to read as follows:

"(b) For the purposes of this part the term 'eligible institution' means an institution of higher education (as defined in section 435(b) of this Act), or an area vocational school (as defined in section 8(2) of the Vocational Education Act of 1963)."

(c) Section 444 of such Act (as added by section 131 of this Act) is amended by inserting "(a)" after "SEC. 444."; by redesignating paragraphs (a) through (h) as paragraphs (1) through (8), respectively; by redesignating subparagraphs (1), (2), and (3) of paragraphs (1) and (3) (as so redesignated) as subparagraphs (A), (B), and (C), respectively; and by adding at the end of such section the following new subsection:

"(b) An agreement entered into pursuant to section 443 with an area vocational school shall contain, in addition to the provisions described in subsection (a) of this section, a provision that a student in such a school shall be eligible to participate in a program under this part only if he (1) has a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate, and (2) is pursuing a program of education or training which requires at least six months to complete and is designed to prepare the student for gainful employment in a recognized occupation."

REVISION OF MATCHING PROVISIONS

SEC. 134. Section 444(a)(6) of the Higher Education Act of 1965 (as amended by this part) is amended to read as follows:

"(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation; except that the Federal share may exceed 80 per centum of such compensation if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of 80 per centum is required in furtherance of the purposes of this part;"

SET-ASIDE FOR RESIDENTS OF AMERICAN SAMOA OR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 135. (a) The first sentence of section 442(a) of the Higher Education Act of 1965 (as amended by this part) is amended by inserting "(1)" before "allot not to exceed 2 per centum", and by inserting before the period at the end thereof the following: ", and (2) reserve the amount provided by subsection (e)".

(b) Such section 442 is further amended by adding at the end thereof the following new subsection:

"(e) From the appropriation for this part for each fiscal year the Commissioner shall reserve an amount to provide work-study assistance to students who reside in, but who attend eligible institutions outside of, American Samoa or the Trust Territory of the Pacific Islands. The amount so reserved shall be allotted to eligible institutions and shall be available only for the purpose of providing work-study assistance to such students."

ELIMINATION OF AVERAGE HOURS OF EMPLOYMENT LIMITATION DURING NON-REGULAR ENROLLMENT PERIODS

SEC. 136. Section 444 of the Higher Education Act of 1965 (as amended by this part) is amended by adding at the end thereof the following new subsection:

"(c) For purposes of paragraph (4) of subsection (a) of this section, in computing average hours of employment of a student over a semester or other term, there shall be excluded any period during which the student is on vacation and any period of non-regular enrollment. Employment under a work-study program during any such period of non-regular enrollment during which classes in which the student is enrolled are in session shall be only to the extent and in accordance with criteria established by or pursuant to regulations of the Commissioner."

REVISION OF MAINTENANCE OF EFFORT REQUIREMENT

SEC. 137. Effective for fiscal years ending on or after June 30, 1970, section 444(a)(5) of the Higher Education Act of 1965 (as amended by this part) is amended to read as follows:

"(5) provide that the institution will meet the requirements of section 464 of this Act (relating to maintenance of effort);"

ADMINISTRATIVE EXPENSES

SEC. 138. Effective for fiscal years ending on or after June 30, 1970, section 444(a)(2) of the Higher Education Act of 1965 (as amended by this part) is amended by striking out all that follows "administrative expenses" and inserting in lieu thereof "in accordance with section 463 of this Act;".

ELIGIBILITY OF PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION

SEC. 139. Effective for fiscal years ending on or after June 30, 1970—

(1) Section 443(b) of the Higher Education Act of 1965 (as amended by this part) is amended by striking out "or" before "an area vocational school", and by inserting before the period at the end thereof the following: ", or a proprietary institution of higher education (as defined in section 461(b) of this Act)".

(2) Section 444(a)(1) of such Act (as amended by this part) is amended by inserting after "work for the institution itself" the following: "(except in the case of a proprietary institution of higher education),".

PART D—COOPERATIVE EDUCATION PROGRAMS

GRANTS TO INSTITUTIONS OF HIGHER EDUCATION FOR PROGRAMS OF COOPERATIVE EDUCATION; GRANTS AND CONTRACTS FOR TRAINING AND RESEARCH IN COOPERATIVE EDUCATION

SEC. 141. Title IV of the Higher Education Act of 1965 is amended by redesignating part D as part F, by redesignating sections 461 through 467 as sections 491 through 497, respectively, and by inserting after part C the following new part:

"PART D—COOPERATIVE EDUCATION PROGRAMS

"APPROPRIATIONS AUTHORIZED

"SEC. 451. (a) There are authorized to be appropriated $340,000 for the fiscal year ending June 30, 1969, $8,000,000 for the fiscal year ending June 30, 1970, and $10,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make grants pursuant to section 452 to institutions of higher education for the planning, establishment, expansion, or carrying out by such institutions of programs of cooperative education that alternate periods of full-time academic study with periods of full-time public or private employment that will not only afford students the opportunity to earn through employment funds required toward continuing and completing their education but will, so far as practicable, give them work experience related to their academic or occupational objective. Such amount for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this title.

"(b) There are further authorized to be appropriated $750,000 for the fiscal year ending June 30, 1969, and for each of the two succeeding fiscal years, to enable the Commissioner to make training or research grants or contracts pursuant to section 453.

"(c) Appropriations under this part shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this part.

"GRANTS FOR PROGRAMS OF COOPERATIVE EDUCATION

"SEC. 452. (a) From the sums appropriated pursuant to subsection (a) of section 451, and for the purposes set forth therein, the Commissioner is authorized to make grants to institutions of higher education that have applied therefor in accordance with subsection (b) of this section, in amounts not in excess of $75,000 to any one such institution for any fiscal year.

"(b) Each application for a grant authorized by subsection (a) of this section shall be filed with the Commissioner at such time or times as he may prescribe and shall—

"(1) set forth programs or activities for which a grant is authorized under this section;

"(2) provide that the applicant will expend during such fiscal year for the purpose of such program or activity not less than was expended for such purpose during the previous fiscal year;

"(3) provide for the making of such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this part, and for the keeping of such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

"(4) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part; and

"(5) include such other information as the Commissioner may determine necessary to carry out the purposes of this part.

"(c) No institution of higher education may receive grants under this section for more than three fiscal years.

"(d) In the development of criteria for approval of applications under this section, the Commissioner shall consult with the Advisory Council on Financial Aid to Students.

"GRANTS AND CONTRACTS FOR TRAINING AND RESEARCH

"SEC. 453. From the sums appropriated pursuant to subsection (b) of section 451, the Commissioner is authorized, for the training of persons in the planning establishment, administration, or coordination of programs of cooperative education, or for research into methods of improving, developing, or promoting the use of cooperative education programs in institutions of higher education, to—

"(1) make grants to or contracts with institutions of higher education, or combinations of such institutions, and

"(2) make grants to other public or private nonprofit agencies or organizations, or contracts with public or private agencies or organizations, when such grants or contracts will make an especially significant contribution to attaining the objectives of this section."

PART E—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

AMENDMENTS EFFECTIVE UPON ENACTMENT

SEC. 151. Title IV of the Higher Education Act of 1965 is amended by inserting after part D the following new part:

"PART E—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

"SUBPART 1—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 461. (a) For purposes of this title, the term 'State' includes the Trust Territory of the Pacific Islands.

"(b) For purposes of part C of this title and title II of the National Defense Education Act of 1958, the term 'proprietary institution of higher education' means a school (1) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (2) which meets the requirements of section 801(a)(1) and 801(a)(2) of this Act, (3) which does not meet the requirement of section 801(a)(4) of this Act, (4) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (5) which has been in existence for at least two years. For purposes of this paragraph, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"ELIGIBILITY OF RESIDENTS OF TRUST TERRITORY OF PACIFIC ISLANDS

"SEC. 462. Permanent residents of the Trust Territory of the Pacific Islands shall be eligible for assistance under title II of the National Defense Education Act of 1958 and under this title to the same extent that citizens of the United States are eligible for such assistance.

"SUBPART 2—ADVISORY COUNCIL ON FINANCIAL AID TO STUDENTS

"ESTABLISHMENT OF COUNCIL

"SEC. 469. (a) There is established in the Office of Education an Advisory Council on Financial Aid to Students (hereafter in this section referred to as the 'Council'), consisting of the Commissioner, who shall be Chairman, and of members appointed by the Commissioner without regard to the civil service or classification laws. Such appointed members shall include (1) leading authorities in the field of education, (2) persons representing State and private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education and other eligible institutions as those terms may be variously defined in this Act or in the National Defense Education Act of 1958, and (3) at least one undergraduate student in an institution of higher education or other eligible institution.

"(b) The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to financial assistance to students and on evaluation of the effectiveness of these programs.

"(c) Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Council 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 persons employed intermittently in the Government Service.

"(d) The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Council my require to carry out its functions."

AMENDMENTS EFFECTIVE FOR FISCAL YEAR 1970 AND THEREAFTER

SEC. 152. Effective for fiscal years ending on or after June 30, 1970, part E of title IV of the Higher Education Act of 1965 (as added by section 151 of this Act) is amended by inserting after section 462 the following new sections:

"EXPENSES OF ADMINISTRATION

"SEC. 463. (a) An institution which has entered into an agreement with the Commissioner under part A or C of this title shall be entitled for each fiscal year for which it receives an allotment under either such part to a payment in lieu of reimbursement for its expenses during such fiscal year in administering programs assisted under such part. The payment for a fiscal year (1) shall be payable from each such allotment in accordance with regulations of the Commissioner, and (2) shall (except as provided in subsection (b)) be an amount equal to 3 per centum of (A) the institution's expenditures during the fiscal year from its allotment under part A plus (B) its expenditures during such fiscal year under part C for compensation of students.

"(b) The aggregate amount paid to an institution for a fiscal year under this section plus the amount withdrawn from its student loan fund under section 204(b) of the National Defense Education Act of 1958 may not exceed $125,000.

"MAINTENANCE OF EFFORT

"SEC. 464. An agreement between the Commissioner and an institution under part A or part C shall provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under such parts, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement."

PART F—AMENDMENTS TO NATIONAL DEFENSE STUDENT LOAN PROGRAM (TITLE II OF NATIONAL DEFENSE EDUCATION ACT OF 1958)

EXTENSION OF NATIONAL DEFENSE STUDENT LOAN PROGRAM

SEC. 171. (a) Section 201 of the National Defense Education Act of 1958 is amended—

(1) by striking out "and" before "$225,000,000";

(2) by inserting after "June 30, 1968," the following: "$210,000,000 for the fiscal year ending June 30, 1969, $275,000,000 for the fiscal year ending June 30, 1970, and $300,000,000 for the fiscal year ending June 30, 1971,";

(3) by striking out "and such sums for the fiscal year ending June 30, 1969" and inserting in lieu thereof "and there are further authorized to be appropriated such sums for the fiscal year ending June 30, 1972"; and

(4) by striking out "July 1, 1968" and inserting in lieu thereof "July 1, 1971".

(b) Subsection 202 of such Act is amended by striking out "1968" in subsections (a) and (b) and inserting in lieu thereof "1971".

(c) Section 206 of such Act is amended by striking out "1972" each time it appears in subsections (a), (b), and (c) of such section, and inserting in lieu thereof "1975".

ADMINISTRATIVE EXPENSES

SEC. 172. Effective for fiscal years ending on or after June 30, 1970—

(1) Section 204 of the National Defense Education Act of 1958 is amended by inserting "(a)" after "SEC. 204.", and by striking out in paragraph (3) "(C) routine expenses" and all that follows down through "whichever is the lesser" and inserting in lieu thereof "(C) administrative expenses as provided in subsection (b)".

(2) Section 204 of such Act is amended by adding at the end thereof the following new subsection:

"(b) An institution of higher education that has entered into an agreement with the Commissioner under this section shall be entitled for each fiscal year during which it makes any student loans from a student loan fund established under this title to a payment in lieu of reimbursement for its expenses during such fiscal year in administering its student loan program assisted under this title. Such payment (1) shall be payable from its student loan fund in accordance with regulations of the Commissioner, and (2) (except as provided in section 463 (b) of the Higher Education Act of 1965) shall be an amount equal to 3 per centum of the principal amount of loans made from such fund during a fiscal year."

AMENDMENTS TO TEACHER CANCELLATION PROVISION

SEC. 173. (a) (1) Section 205(b)(3) of the National Defense Education Act of 1958 is

amended by inserting after "50 per centum of any such loan" the following: "made prior to July 1, 1970".

(2) Clause (A) of such section is amended by inserting before "the Commissioner shall not make such determination" the following: "(unless all of the schools so determined are schools in which the enrollment of children described in clause (A), (B), or (C) of section 103(a)(2) of such Public Law (using a low-income factor of $3,000) exceeds 50 per centum of the total enrollment of the school)".

(b) The amendments made by subsection (a)(2) shall apply with respect to service performed during academic years ending after the date of the enactment of this Act, whether the loan was made before or after such Act.

ELIGIBILITY OF PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION

SEC. 174. (a) Section 103(b) of the National Defense Education Act of 1958 is amended—

(1) by striking out "and also includes," in the second sentence and inserting in lieu thereof "; any proprietary institution of higher education (as defined in section 461(b) of the Higher Education Act of 1965) which includes in its agreement under section 204 of such title such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school under such title has not, and will not, increase the tuition, fees, or other charges to such students; and"; and

(2) by inserting after "requirements of clause (5)" in the third sentence the following: "(but meets the requirements of clause (4))".

(b) Effective with respect to fiscal years ending on or after June 30, 1969, section 203 of such Act is amended by adding at the end thereof the following new sentence: "The aggregate amount of Federal capital contributions paid for any fiscal year under this section to proprietary institutions of higher education (as defined in section 461 (b) of the Higher Education Act of 1965) may not exceed the amount by which the funds appropriated pursuant to section 201 for such fiscal year exceed $190,000,000."

ELIMINATION OF REQUIREMENT OF SPECIAL CONSIDERATION FOR STUDENTS OF SUPERIOR ACADEMIC BACKGROUND

SEC. 175. Section 204 of the National Defense Education Act of 1958 is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

WAIVING OATH OF ALLEGIANCE REQUIREMENT FOR RESIDENTS OF TRUST TERRITORY OF PACIFIC ISLANDS

SEC. 176. Section 1001(f)(1) of the National Defense Education Act of 1958 is amended by inserting after "any individual" the following: "(other than a permanent resident of the Trust Territory of the Pacific Islands)".

TITLE II—AMENDMENTS TO OTHER PROVISIONS OF HIGHER EDUCATION ACT OF 1965

PART A—AMENDMENTS TO COMMUNITY SERVICE PROGRAM PROVISIONS (TITLE I)

EXTENSION OF GRANT PROGRAM

SEC. 201. (a) The first sentence of section 101 of the Higher Education Act of 1965 is amended (1) by striking out "and" after "1966," and (2) by inserting before the period at the end of such sentence the following: ", $10,000,000 for the fiscal year ending June 30, 1969, $50,000,000 for the fiscal year ending June 30, 1970, and $60,000,0000 for the fiscal year ending June 30, 1971".

(b) Such section is amended by striking out the second sentence.

MODIFICATION OF REQUIREMENT FOR COMPREHENSIVE, COORDINATED, AND STATEWIDE SYSTEM OF COMMUNITY SERVICE PROGRAMS

SEC. 202. Section 105(a)(2) of the Higher Education Act of 1965 is amended by inserting before the semicolon at the end thereof the following: "(except that if a comprehensive, coordinated, and statewide system of community service programs cannot be effectively carried out by reason of insufficient funds, the plan may set forth one or more proposals for community service programs in lieu of a comprehensive, coordinated, and statewide system of such programs)".

MODIFICATION OF FEDERAL SHARE PROVISION

SEC. 203. (a) Section 106(a) of the Higher Education Act of 1965 is amended by striking out "and 50 per centum of such costs for each of the three succeeding fiscal years" and inserting in lieu thereof "50 per centum of such costs for the fiscal year ending June 30, 1968, and 66⅔ per centum of such costs for fiscal years ending on or after June 30, 1969".

(b) The amendment made by subsection (a) of this section shall be effective with respect to grants awarded after the enactment of this Act.

PART B—AMENDMENTS TO COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH PROGRAMS (TITLE II)

EXTENSION OF COLLEGE LIBRARY ASSISTANCE PROGRAM (PART A)

SEC. 211. Section 201 of the Higher Education Act of 1965 is amended (1) by inserting after "two succeeding fiscal years," the following: "$25,000,000 for the fiscal year ending June 30, 1969, $75,000,000 for the fiscal year ending June 30, 1970, and $90,000,000 for the fiscal year ending June 30, 1971," and (2) by striking out the second sentence.

ELIGIBILITY OF BRANCH INSTITUTIONS FOR SUPPLEMENTAL AND SPECIAL PURPOSE GRANTS

SEC. 212. (a)(1) The first sentence of section 203(a) of such Act is amended by inserting after "institutions of higher education" the following: "(and to each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner)".

(2) The second sentence of such section is amended by inserting "(or branch)" after "institution".

(b) Section 204(a)(2)(A) of such Act is amended by inserting after "institutions of higher education" the following: "(or to branches of such institutions which are located in a community different from that in which the parent institution is located, as determined in accordance with regulations of the Commissioner)".

(c) Section 204(a)(2)(B) of such Act is amended by inserting after "institutions of higher education" the following: "(or to such branches)".

REVISION OF MAINTENANCE-OF-EFFORT REQUIREMENT FOR SPECIAL PURPOSE GRANTS

SEC. 213. (a) Section 204(b)(2) of the Higher Education Act of 1965 is amended by inserting after "June 30, 1965" the following: ", or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is less".

(b) The amendment made by subsection (a) shall be effective with respect to applications for grants payable on or after the date of the enactment of this Act.

ELIGIBILITY OF NEW INSTITUTIONS FOR BASIC GRANTS

SEC. 214. (a) The first sentence of section 202 of the Higher Education Act of 1965 is amended (1) by striking out "and" and inserting in lieu thereof a comma, and (2) inserting after "such institutions" the following: ", and, in accordance with criteria prescribed by regulation, new institutions of higher education in the fiscal year preceding the first year in which students are to be enrolled".

(b) The amendments made by subsection (a) shall be effective with respect to appropriations for grants under title II of the Higher Education Act of 1965 for fiscal years beginning after June 30, 1969.

EXTENSION OF LIBRARY TRAINING AND RESEARCH PROGRAM (PART B)

SEC. 215. Section 221 of the Higher Education Act of 1965 is amended (1) by inserting after "two succeeding fiscal years," the following: "$11,800,000 for the fiscal year ending June 30, 1969, $28,000,000 for the fiscal year ending June 30, 1970, and $38,000,000 for the fiscal year ending June 30, 1971," and (2) by striking out the second sentence.

AMENDMENTS TO LIBRARIANSHIP TRAINING PROVISIONS

SEC. 216. The second sentence of section 223(a) of the Higher Education Act of 1965 is amended—

(1) by striking out "to assist in covering the cost of courses of training or study for such persons, and" and inserting in lieu thereof "(1) to assist in covering the cost of courses of training or study (including short term or regular session institutes) for such persons, (2)"; and

(2) by inserting before the period at the end thereof the following: ", and (3) for establishing, developing, or expanding programs of library and information science".

EXTENSION OF LIBRARY OF CONGRESS PROGRAM (PART C)

SEC. 217. Section 231 of such Act is amended (1) by striking out "and" after "1967," and by inserting after "1968," the following: "$6,000,000 for the fiscal year ending June 30, 1969, and $11,100,000 each for the fiscal year ending June 30, 1970, and the succeeding fiscal year," and (2) by striking out the second sentence.

CLARIFYING AUTHORITY TO PURCHASE COPIES; INCREASING AUTHORITY TO PREPARE CATALOG AND BIBLIOGRAPHIC MATERIALS; AUTHORIZING LIBRARIAN TO ACT AS ACQUISITION AGENT

SEC. 218. Section 231 of the Higher Education Act of 1965, as amended by section 217 of this Act, is further amended—

(1) in paragraph (1), by inserting "copies of" before "all" and by striking out "and";

(2) in paragraph (2), by striking out "for these materials promptly after receipt, and distributing bibliographic information" and inserting in lieu thereof "promptly and distributing this and other bibliographic information about library materials", and by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) enabling the Librarian of Congress to pay administrative costs of cooperative arrangements for acquiring library materials published outside of the States and not readily obtainable outside of the country of origin, for institutions of higher education or combinations thereof for library purposes, or for other public or private nonprofit research libraries."

PART C—AMENDMENTS TO DEVELOPING INSTITUTIONS PROGRAM (TITLE III)

EXTENSION OF DEVELOPING INSTITUTIONS PROGRAM

SEC. 221. Section 301(b)(1) of the Higher Education Act of 1965 is amended by striking out "and" after "1967," and by inserting after "1968," the following: "the sum of $35,000,000 for the fiscal year ending June 30, 1969, the sum of $70,000,000 for the fiscal year ending June 30, 1970, and the sum of $91,000,000 for the fiscal year ending June 30, 1971,".

INCREASED SHARE FOR JUNIOR COLLEGES

SEC. 222. Effective with respect to fiscal years beginning after June 30, 1968, section 301(b)(2) of the Higher Education Act of

1965 is amended by striking out "78 per centum" and inserting in lieu thereof "77 per centum".

PROFESSORS EMERITUS

SEC. 223. (a) Title III of the Higher Education Act of 1965 is amended by inserting immediately after section 305 the following new section:

"PROFESSORS EMERITUS

"SEC. 306. (a) The Commissioner is authorized to award grants under this section, from funds appropriated for the purpose of this title, to professors retired from active duty at institutions of higher education (other than developing institutions) to encourage such professors to teach and to conduct research at developing institutions. Such grants may be awarded by the Commissioner (1) only upon application made by an institution and approved for this purpose by the Commissioner and (2) 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) The Commissioner shall undertake a program of dissemination of information concerning this section.

"(c) Grants may be awarded under this section for such period of teaching or research 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."

(b) The amendment made by this section shall be effective with respect to appropriations for fiscal years beginning after June 30, 1969.

PART D—AMENDMENTS TO EDUCATION PROFESSIONS DEVELOPMENT PROGRAM (TITLE V)

EXTENSION OF PROGRAMS

SEC. 231. (a) Sections 504(b), 511(b), 518(b), 528, 532, and 543 of the Higher Education Act of 1965 are each amended by striking out "the fiscal year ending June 30, 1970" and inserting in lieu thereof the following: "each of the succeeding fiscal years ending prior to July 1, 1971".

(b)(1) Such section 511(b) is further amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1972".

(2) Such section 528 is further amended by striking out "July 1, 1970" and inserting in lieu thereof "July 1, 1971", and by changing the comma before "and such sums" to a semicolon.

PROVISION OF MEDICAL INSURANCE COVERAGE TO TEACHER CORPS MEMBERS NOT OTHERWISE COVERED

SEC. 232. Section 514 of the Higher Education Act of 1965 is amended by adding immediately following subsection (d) thereof the following new subsection:

"(e) The Commissioner is authorized to provide medical (including hospitalization) insurance for members of the Teachers Corps who do not otherwise obtain such insurance coverage either under an arrangement made pursuant to subsection (d) of this section or as an incident of an arrangement between the Commissioner and an institution or a State or local educational agency pursuant to section 513."

AUTHORIZING STATE EDUCATIONAL AGENCIES TO ADMINISTER DIRECTLY PROGRAMS OF TEACHER AND TEACHER AIDE RECRUITMENT AND TRAINING

SEC. 233. (a) Subsection (a) of section 518 of the Higher Education Act of 1965 is amended by inserting after "teacher shortages" the following: ", or the efforts of State educational agencies,".

(b) Subsection (a) of section 520 of such Act is amended—

(1) in paragraph (2), by inserting after "local educational agencies" the following: "or of the State educational agency, or both,"

(2) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3) with respect to so much of the State program as is to be carried out by local educational agencies, (A) provides assurance that every local educational agency whose application for funds under the plan is denied will be given an opportunity for a fair hearing before the State educational agency and (B) sets forth the policies and procedures to be followed in allocating Federal funds to local educational agencies in the State, which policies and procedures shall insure that such funds will be allocated to local educational agencies having the most urgent need for teachers and teacher aides;" and

(4) by redesignating paragraphs (5) through (10) as paragraphs (4) through (9), respectively.

MINIMUM ALLOTMENT FOR TITLE V–B, SUBPART 2

SEC. 234. (a) The second sentence of section 519(a) of the Higher Education Act of 1965 is amended to read as follows: "From the remainder of such sums, the Commissioner shall apportion $100,000 to each State, and shall then apportion to each State such part of the amount remaining which bears the same ratio to the total of such amount as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children so enrolled in such schools in all of the States.".

(b) The amendment made by this section shall be effective with respect to appropriations for fiscal years beginning after June 30, 1968.

FELLOWSHIPS FOR SCHOOL ADMINISTRATORS

SEC. 235. The third sentence of section 521 of the Higher Education Act of 1965 is amended by inserting after "become such teachers," the following: "a career in the administration of such schools,".

ALLOCATION OF FELLOWSHIPS UNDER TITLE V–C

SEC. 236. Clause (1) of section 523 of the Higher Education Act of 1965 is amended (1) by inserting after "provide an equitable distribution of such fellowships throughout the States," the following: "taking into account such factors as the number of children in each State who are aged three to seventeen and the undergraduate student enrollment in institutions of higher education in each State," and, (2) by striking out "except that to the extent he deems proper in the national interest after consultation with the National Advisory Council on Education Professions Development, the Commissioner may give preference to programs designed to meet an urgent national need" and inserting in lieu thereof "except that to the extent that the National Advisory Council on Education Professions Development determines that an urgent need for a certain category of educational personnel is unlikely to be met without preference in favor of such category over other categories of educational personnel, the Commissioner may give preference to programs designed to meet that need, but in no case shall such preferred programs constitute more than 50 per centum of the total number of fellowships awarded in any fiscal year".

TECHNICAL CORRECTIONS

SEC. 237. Section 524(a) of the Higher Education Act of 1965 is amended by inserting in paragraphs (1) and (4) "or postsecondary vocational education" after "career in elementary and secondary education".

INCREASE IN COST-OF-EDUCATION ALLOWANCE

SEC. 238. Section 525(b) of the Higher Education Act of 1965 is amended to read as follows:

"(b) The Commissioner shall (in addition to stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount shall not exceed $3,500 per academic year for each such person."

EQUITABLE DISTRIBUTION UNDER TITLE V–D

SEC. 239. The Higher Education Act of 1965 is amended by inserting at the end of part D the following new section:

"DISTRIBUTION OF TRAINING PROGRAMS

"SEC. 533. In making grants and contracts for programs and projects under this part, the Commissioner shall seek to achieve an equitable geographical distribution of training opportunities throughout the Nation, taking into account the number of children in each State who are aged three to seventeen."

PART E—EQUIPMENT AND MATERIALS FOR HIGHER EDUCATION (TITLE VI)

EXTENSION OF PROGRAM

SEC. 241. Section 601 of the Higher Education Act of 1965 is amended—

(1) in subsection (b), by striking out "and" and after "1967," and by inserting after "1968," the following: "$13,000,000 for the fiscal year ending June 30, 1969, and $60,000,000 for each of the two succeeding fiscal years,";

(2) in subsection (c), by striking out "and" after "1966," and by inserting after "for the succeeding fiscal year," the following: "$1,500,000 for the fiscal year ending June 30, 1969, and $10,000,000 for each of the two succeeding fiscal years,"; and

(3) by striking out subsection (d).

ELIGIBILITY OF COMBINATIONS OF INSTITUTIONS

SEC. 242. (a) Sections 601(b), 601(c) and 605(a) of the Higher Education Act of 1965 are each amended to inserting after "institutions of higher education" the following: "and combinations of institutions of higher education".

(b) The second sentence of section 604(a) of such Act and the first sentence of section 604(b) are each amended by inserting after "institution" the following: "or combination of institutions of higher education".

(c) The third sentence of section 604(a) is amended by striking out "applicant institutions" and inserting in lieu thereof "applicants".

(d) Section 604(b) of such Act is amended by inserting after the second sentence the following: "A combination of institutions of higher education shall be eligible for such a grant in accordance with regulations of the Commissioner prescribing requirements for maintenance of effort."

(e) Section 605(b)(5)(C) of such Act is amended by striking out "institution" and inserting in lieu thereof "applicant".

CONSULTATION

SEC. 243. Part A of title VI of the Higher Education Act of 1965 is amended by inserting at the end thereof the following:

"CONSULTATION

"SEC. 610. So as to promote the coordination of Federal programs providing assistance in the purchase of laboratory or other special equipment for education in the natural or physical sciences, the Commissioner shall consult with the National Science Foundation and other agencies in developing general policy, under this title, in respect thereof."

PART F—NETWORKS FOR KNOWLEDGE

SHARING OF EDUCATIONAL AND RELATED RESOURCES AMONG COLLEGES AND UNIVERSITIES

SEC. 251. The Higher Education Act of 1965 is amended by redesignating title VIII as title XII, and sections 801 through 804 (and

references thereto however styled in such Act, or any other Act, including such references heretofore made in this Act) as sections 1201 through 1204, respectively. The Higher Education Act of 1965 is further amended by inserting after title VII the following new title:

"TITLE VIII—NETWORKS FOR KNOWLEDGE

"SHARING EDUCATIONAL AND RELATED RESOURCES

"SEC. 801. (a) To encourage colleges and universities to share to an optimal extent, through cooperative arrangements, their technical and other educational and administrative facilities and resources, and in order to test and demonstrate the effectiveness and efficiency of a variety of such arrangements, the Commissioner is authorized to enter into contracts and to make project grants for all or part of the cost of planning, developing, or carrying out such arrangements. Such grants may be made to public or nonprofit private colleges or universities. When in the Commissioner's judgment it will more effectively promote the purposes of this title, the Commissioner may make grants to other established public or nonprofit private agencies or organizations, including professional organizations or academic societies and he may enter into contracts with established private agencies and organizations.

"(b) Projects for the planning, development, or carrying out of such arrangements assisted under this title may, subject to the provisions of subsection (c), include—

"(1)(A) joint use of facilities such as classrooms, libraries, or laboratories, including joint use of necessary books, materials, and equipment; or (B) affording access to specialized library collections through preparation of interinstitutional catalogs and through development of systems and preparation of suitable media for electronic or other rapid transmission of materials;

"(2) establishment and joint operation of closed-circuit television or equivalent transmission facilities (such as the instructional television fixed services); and

"(3) establishment and joint operation of electronic computer networks and programs therefor, to be available to participating institutions for such purposes as financial and student records, student course work, or transmission of library materials.

"(c)(1) Grants pursuant to clause (B) of paragraph (1) of subsection (b) may not be used to pay the costs of electronic transmission terminals.

"(2) In the case of a project for the establishment and operation of a computer network, grants may not include—

"(A) the cost of operating administrative terminals or student terminals at participating institutions; or

"(B) the cost, or any participating institution's pro rata share of the cost, of using the central computer facilities of the network, except (i) such costs of systems development and programing of computers and transmission costs as are necessary to make the network operational, (ii) the administrative and program support costs of the central facilities of the network, and (iii) the line-access costs incurred by participating institutions.

"APPROPRIATIONS AUTHORIZED

"SEC. 802. There are authorized to be appropriated for the purposes of this title (and planning and related activities in the initial fiscal year for such purpose), $340,000 for the fiscal year ending June 30, 1969, $4,000,000 for the fiscal year ending June 30, 1970, and $15,000,000 for the fiscal year ending June 30, 1971.

"AUTHORITY FOR FREE OR REDUCED RATE COMMUNICATIONS INTERCONNECTION SERVICES

"SEC. 803. Nothing in the Communications Act of 1934, as amended, or in any other provision of law shall be construed to prevent United States communications common carriers from rendering, subject to such rules and regulations as the Federal Communications Commission may prescribe, free or reduced rate communications interconnection services for interconnection systems within the purview of this title, whether or not included in a project for which a grant is made under this title."

PART G—EDUCATION FOR THE PUBLIC SERVICE

GRANTS, CONTRACTS, AND FELLOWSHIPS TO STRENGTHEN PROGRAMS OF EDUCATION FOR THE PUBLIC SERVICE

SEC. 261. The Higher Education Act of 1965 is amended by inserting after title VIII the following new title:

"TITLE IX—EDUCATION FOR THE PUBLIC SERVICE

"PURPOSE

"SEC. 901. It is the purpose of this title to establish a program of grants and fellowships to improve the education of students attending institutions of higher education in preparation for entrance into the service of State, local, or Federal governments, and to attract such students to the public service.

"PART A—GRANTS AND CONTRACTS TO STRENGTHEN AND IMPROVE EDUCATION FOR THE PUBLIC SERVICE

"PROJECT GRANTS AND CONTRACTS

"SEC. 903. The Secretary is authorized to make grants to or contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects (i) for the preparation of graduate or professional students to enter the public service or (ii) for research into, or development or demonstration of, improved methods of education for the public service. Such grants or contracts may include payment of all or part of the cost of programs or projects such as—

"(1) planning for the development or expansion of graduate or professional programs to prepare students to enter the public service;

"(2) training and retraining of faculty members;

"(3) strengthening the public service aspects of courses of curriculums leading to a graduate or professional degree;

"(4) establishment, expansion, or operation of centers for study at the graduate or professional level (but not including payment for construction or acquisition of buildings);

"(5) conduct of short-term or regular session institutes for advanced study by persons engaged in, or preparing to engage in, the preparation of students to enter the public service;

"(6) carrying out innovative and experimental programs of cooperative education involving alternate periods of full-time or part-time academic study at the institution and periods of full-time or part-time public service; and

"(7) research into, and development of, methods of training students or faculty, including the preparation of teaching materials and the planning of curriculum.

"APPLICATION FOR GRANTS OR CONTRACT; ALLOCATION OF GRANTS OR CONTRACTS

"SEC. 904. (a) A grant or contract authorized by this part may be made only upon application to the Secretary at such time or times and containing such information as he may prescribe, except that no such application shall be approved unless it—

"(1) sets forth programs, activities, research, or development for which a grant is authorized under this part, and describes the relation to any program set forth by the applicant in an application, if any, submitted pursuant to part B;

"(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

"(3) provides for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(b) The Secretary shall allocate grants or contracts under this part in such manner as will most nearly provide an equitable distribution of the grants or contracts throughout the United States among institutions of higher education which show promise of being able to use funds effectively for the purposes of this part.

"(c)(1) Payments under this section may be used, in accordance with regulations of the Secretary, and subject to the terms and conditions set forth in an application approved under subsection (a), to pay part of the compensation of students employed in public service, other than public service as an employee in any branch of the Government of the United States, as part of a program ror which a grant has been approved pursuant to this section.

"(2) Departments and agencies of the United States are encouraged, to the extent consistent with efficient administration, to enter into arrangements with institutions of higher education for the full-time, part-time, or temporary employment, whether in the competitive or excepted service, of students enrolled in programs set forth in applications approved under subsection (a).

"PART B—PUBLIC SERVICE FELLOWSHIPS

"AWARD OF PUBLIC SERVICE FELLOWSHIPS

"SEC. 911. The Secretary is authorized to award fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Secretary may determine but not to exceed three academic years.

"ALLOCATION OF FELLOWSHIPS

"SEC. 912. The Secretary shall allocate fellowships under this part among institutions of higher education with programs approved under the provisions of this part for the use of individuals accepted into such programs, in such manner and according to such plan as will insofar as practicable—

"(1) provide an equitable distribution of such fellowships throughout the United States; and

"(2) attract recent college graduates to pursue a career in public service.

"APPROVAL OF PROGRAMS

"SEC. 913. The Secretary shall approve a graduate or professional program of an institution of higher education only upon application by the institution and only upon his findings—

"(1) that such program has as a principal or significant objective the education of persons for the public service, or the education of persons in a profession or vocation for whose practitioners there is a significant and continuing need in the public service as determined by the Secretary after such consultation with other agencies as may be appropriate;

"(2) that such program is in effect and of high quality, or can readily be put into effect and may reasonably be expected to be of high quality;

"(3) that the application describes the relation of such program to any program, activity, research, or development set forth by the applicant in an application, if any, submitted pursuant to part A; and

"(4) that the application contains satis-

factory assurance that (A) the institution will recommend to the Secretary, for the award of fellowships under this part, for study in such program, only persons of superior promise who have demonstrated to the satisfaction of the institution a serious intent to enter the public service upon completing the program, and (B) the institution will make reasonable continuing efforts to encourage recipients of fellowships under this part, enrolled in such program, to enter the public service upon completing the program.

"STIPENDS

"SEC. 914. (a) The Secretary shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Secretary shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs.

"FELLOWSHIP CONDITIONS

"SEC. 915. A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in this part only during such periods as the Secretary finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than employment approved by the Secretary by or pursuant to regulation.

"PART C—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 921. As used in this title—

"(a) The term 'State' includes the Canal Zone, and the Trust Territory of the Pacific Islands.

"(b) The term 'institution of higher education' means an educational institution described in the first sentence of section 1201 (other than an institution of any agency of the United States) which is accredited by a nationally recognized accrediting agency or association approved by the Secretary for this purpose. For purposes of this subsection, the Secretary shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(c) The term 'public service' means service as an officer or employee in any branch of State, local, or Federal Government.

"(d) The term 'academic year' means an academic year or its equivalent, as determined by the Secretary.

"COORDINATION OF FEDERAL ASSISTANCE

"SEC. 922. In administering this title, the Secretary shall give primary emphasis to the assistance of programs and activities not otherwise assisted by the Department of Health, Education, and Welfare, or by other agencies of the Federal Government, so as to promote most effectively the objectives of this title.

"LIMITATION

"SEC. 923. No grant, contract, or fellowship shall be awarded under this title to, or for study at, a school or department of divinity. For the purposes of this section, the term 'school or department of divinity' means an institution or department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"REPORT

"SEC. 924. The Secretary shall include in his annual report to the Congress a report of activities of his Department under this title, including recommendations for needed revisions in the provisions thereof.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 925. There are authorized to be appropriated $340,000 for the fiscal year ending June 30, 1969, $5,000,000 for the fiscal year ending June 30, 1970, and $13,000,000 for the fiscal year ending June 30, 1971, to carry out the purposes of this title (and planning and related activities in the initial fiscal year for such purpose). Funds appropriated for the fiscal year ending June 30, 1969, shall be available for obligation pursuant to the provisions of this title during that year and the succeeding fiscal year."

PART H—IMPROVEMENT OF GRADUATE PROGRAMS

AUTHORIZATION

SEC. 271. The Higher Education Act of 1965 is amended by inserting after title IX the following new title:

"TITLE X—IMPROVEMENT OF GRADUATE PROGRAMS

"STATEMENT OF PURPOSES

"SEC. 1001. The purposes of this title are to strengthen and improve the quality of graduate programs leading to a doctoral or professional (other than medical) degree, and to increase the number of such quality programs.

"APPROPRIATIONS AUTHORIZED; USE OF GRANTS

"SEC. 1002. (a) There are authorized to be appropriated $340,000 for the fiscal year ending June 30, 1969, $5,000,000, for the fiscal year ending June 30, 1970, and $10,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make grants to institutions of higher education having programs leading to a degree of doctor of philosophy or comparable professional or other graduate degree, upon such terms and conditions as he may establish, to pay part of the cost of planning, developing, or carrying out projects or activities designed to achieve one or more of the purposes set forth in section 1001. Such amount for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this title. Such grants may be used for experimental, innovative, or interdisciplinary projects or activities such as—

"(1) the strengthening of graduate faculties by enlarging their size, improving their academic or professional qualifications, or increasing the number of disciplines in which they are skilled;

"(2) the expansion or improvement of existing graduate programs, or the establishment of additional graduate programs;

"(3) the acquisition of appropriate equipment or curricular, research, or other materials required to fulfill the objectives of projects or activities described in clause (2);

"(4) the development or carrying out of cooperative arrangements among graduate schools in furtherance of the purposes of this title; or

"(5) the strengthening of graduate school administration.

"(b) No portion of the sums granted under this title may be used—

"(1) for payment in excess of 66⅔ per centum of the total cost of such project or activity;

"(2) for payment in excess of 50 per centum of the cost of the purchase or rental of books, audiovisual aids, scientific apparatus, or other materials or equipment, less any per centum of such cost, as determined by the Commissioner, that is paid from sums received (other than under this part) as Federal financial assistance; or

"(3) for sectarian instruction or religious worship, or primarily in connection with any part of the program of an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"SELECTION OF GRANT RECIPIENTS

"SEC. 1003. In the awarding of grants under this title the Commissioner shall, insofar as practicable and consistent with the other purposes of this title, give weight to the objective of having an adequate number of graduate and professional schools of good quality within each appropriate region.

"CONSULTATION

"SEC. 1004. In the development of general policy governing the administration of this title, the Commissioner shall consult with the National Science Foundation, the National Foundation on the Arts and the Humanities, and the Federal Judicial Center for the purpose of promoting the coordination of Federal programs bearing on the purposes of this title."

PART I—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

AUTHORIZATIONS

SEC. 281. The Higher Education Act of 1965 is amended by inserting after title X the following new title:

"TITLE XI—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

"PROGRAM AUTHORIZATIONS

"SEC. 1101. (a) The Commissioner is authorized to enter into contracts with accredited law schools in the States for the purpose of paying not to exceed 90 per centum of the cost of establishing or expanding programs in such schools to provide clinical experience to students in the practice of law, with preference being given to programs providing such experience, to the extent practicable, in the preparation and trial of cases.

"(b) Such costs may include necessary expenditures incurred for—

"(1) planning;

"(2) training of faculty members and salary for additional faculty members;

"(3) travel and per diem for faculty and students;

"(4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;

"(5) equipment; and

"(6) such other items as are allowed pursuant to regulations issued by the Commissioner.

"(c) No law school may receive more than $75,000 in any fiscal year pursuant to this title.

"(d) For the purpose of this title the term 'accredited law school' means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose.

"APPLICATIONS

"SEC. 1102. (a) A contract authorized by this title may be made by the Commissioner upon application which—

"(1) is made at such time or times and contains such information as he may prescribe;

"(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this title; and

"(3) provides for making such reports, in such form and containing such information as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find

necessary to assure the correctness and verification of such reports.

"(b) The Commissioner shall allocate contracts under this title in such manner as will provide an equitable distribution of such contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purposes of this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1103. There are authorized to be appropriated $340,000 for the fiscal year ending June 30, 1969, and $7,500,000 for each of the fiscal years ending June 30, 1970, and June 30, 1971, to carry out the purposes of this title (and planning and related activities in the initial fiscal year for such purposes). Funds appropriated for the fiscal year ending June 30, 1969, shall be available for obligation pursuant to the provisions of this title during that year and the succeeding fiscal year."

PART J—AMENDMENTS TO GENERAL PROVSIONS (TITLE XII)

ESTABLISHMENT OF ADVISORY COUNCIL ON GRADUATE EDUCATION; ABOLITION OF HIGHER EDUCATION FACILITIES ACT ADVISORY COMMITTEE

SEC. 291. (a) The Higher Education Act of 1965 is amended by adding after the section 1204 (as redesignated by section 251 of this Act) the following new section:

"ADVISORY COUNCIL ON GRADUATE EDUCATION

"SEC. 1205. (a) There is hereby established in the Office of Education an Advisory Council on Graduate Education (hereafter in this section referred to as the 'Council'), consisting of the Commissioner, who shall be Chairman, of one representative each from the Office of Science and Technology in the Executive Office of the President, the National Science Foundation, and the National Foundation on the Arts and the Humanities, and of members appointed by the Commissioner without regard to the civil service or classification laws. Such appointed members shall be selected from among leading authorities in the field of education, except that at least one of them shall be a graduate student.

"(b) The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to graduate education.

"(c) Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Council 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 persons employed intermittently in the Government service.

"(d) The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Council may require to carry out its functions."

(b)(1) Section 203 of the Higher Education Facilities Act of 1963 is repealed.

(2) Paragraph (1) of section 202(c) of such Act is amended to read as follows:

"(1) The Commissioner shall not approve any application for a grant under this title until he has obtained the advice and recommendations of a panel of specialists who are not employees of the Federal Government and who are competent to evaluate such applications."

DISSEMINATION OF INFORMATION

SEC. 292. The Higher Education Act of 1965 is further amended by adding after section 1205 (as added by this title) the following new section:

"DISSEMINATION OF INFORMATION

"SEC. 1206. (a) For the purpose of carrying out more effectively the provisions of this Act, the National Defense Education Act of 1958, the Higher Education Facilities Act of 1963, and other Acts administered by him in the field of higher education (including those administered by him by delegation), the Commissioner—

"(1) shall prepare and disseminate to institutions of higher education, State agencies concerned with higher education, and other appropriate agencies and institutions (A) reports on programs and projects assisted under such Acts and other programs and projects of a similar nature, and (B) catalogs, reviews, bibliographies, abstracts, analyses of research and experimentation, and such other materials as are generally useful for such purpose;

"(2) may upon request provide advice, counsel, technical assistance, and demonstrations to institutions and agencies referred to in paragraph (1) undertaking to initiate or expand programs or projects under such Acts in order to enhance the quality, increase the depth, or broaden the scope of such programs or projects, and shall inform such institutions and agencies of the availability of assistance pursuant to this paragraph;

"(3) shall from time to time prepare and disseminate to institutions and agencies referred to in paragraph (1) reports setting forth developments in the utilization and adaptation of projects carried out pursuant to such Acts; and

"(4) may enter into contracts with public or private agencies, organizations, groups, or individuals to carry out the provisions of this section.

"(b) There are authorized to be appropriated to carry out the provisions of this section $2,000,000 for the fiscal year ending June 30, 1970. For the fiscal year ending June 30, 1971, there may be appropriated to carry out the provisions of this section only such amount as the Congress may hereafter authorize by law."

CONFORMING DEFINITIONS OF INSTITUTION OF HIGHER EDUCATION IN HIGHER EDUCATION ACT OF 1965 AND IN NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 293. (a) Section 1201(a) of the Higher Education Act of 1965 (as so redesignated by section 251 of this Act) is amended by inserting after "if not so accredited," in clause (5) the following: "(A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B)".

(b) The second sentence of such paragraph (a) is amended by striking out "Such term also includes any business school or technical institution" and inserting in lieu thereof "Such term also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and".

INSERTION OF DEFINITION OF "COMBINATION OF INSTITUTIONS OF HIGHER EDUCATION" IN HIGHER EDUCATION ACT OF 1965

SEC. 294. Section 1201 of the Higher Education Act of 1965 (as so redesignated by section 251 of this Act) is amended by inserting at the end thereof the following:

"(j) The term 'combination of institutions of higher education' means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf."

PROVISIONS FOR ADEQUATE LEADTIME AND FOR PLANNING AND EVALUATION IN HIGHER EDUCATION PROGRAMS

SEC. 295. The Higher Education Act of 1965, as amended by this Act, is further amended by adding after section 1206 the following new sections:

"PROGRAM PLANNING AND EVALUATION FOR HIGHER EDUCATION PROGRAMS

"SEC. 1207. There are authorized to be appropriated $1,117,000 for the fiscal year ending June 30, 1969, and $1,900,000 for the fiscal year ending June 30, 1970, to be available to the Secretary, in accordance with regulations prescribed by him, for expenses, including grants, loans, contracts, or other payments, for (1) planning for the succeeding year programs or projects authorized under any other provision of this Act or any provision of the National Defense Education Act of 1958 or the Higher Education Facilities Act of 1963, and (2) evaluation of programs or projects so authorized.

"ADVANCE FUNDING

"SEC. 1208. To the end of affording the responsible State, local, and Federal officers concerned adequate notice of available Federal financial assistance for education, appropriations for grants, loans, contracts, or other payments under any Act referred to in section 1207 are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. In order to effect a transition to this method of timing appropriation action, the preceding sentence shall apply notwithstanding that its initial application under any such Act will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

"EVALUATION REPORTS AND CONGRESSIONAL REVIEW

"SEC. 1209. (a) No later than March 31 of each calendar year, the Secretary shall transmit to the respective committees of the Congress having legislative jurisdiction over any Act referred to in section 1207 and to the respective Committees on Appropriations a report evaluating the results and effectiveness of programs and projects assisted thereunder during the preceding fiscal year, together with his recommendations (including any legislative recommendations) relating thereto.

"(b) In the case of any such program, the report submitted in the penultimate fiscal year for which apppropriations are then authorized to be made for such program shall include a comprehensive and detailed review and evaluation of such program (as up to date as the due date permits) for its entire past life, based to the maximum extent practicable on objective measurements, together with the Secretary's recommendations as to proposed legislative action.

"AVAILABILITY OF APPROPRIATIONS ON ACADEMIC OR SCHOOL YEAR BASIS

"SEC. 1210. Appropriations for any fiscal year for grants, loans, contracts, or other payments to educational agencies or institutions under any Act referred to in section 1207, may, in accordance with regulations of the Secretary, be made available for expenditure by the agency or institution concerned on the basis of an academic or school year differing from such fiscal year."

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

PART A—EQUIPMENT AND MATERIALS FOR ELEMENTARY AND SECONDARY EDUCATION (TITLE III)

EXTENSION OF PROGRAM

SEC. 301. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "and $110,000,000 for the fiscal year ending June 30, 1968," and inserting in lieu thereof ", $110,000,000 for each of the fiscal years ending June 30, 1968, and June 30, 1969, $120,000,000 for the fiscal year ending June 30, 1970, and $130,000,000 for the fiscal year ending June 30, 1971,".

(b) Such section 301 is further amended by striking out "the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1971".

(c) The second sentence of section 304(b) of such Act is amended by striking out "eight" and inserting in lieu thereof "eleven".

PROVISION FOR WITHIN-STATE EQUALIZATION IN STATE-IMPOSED REQUIREMENTS FOR FINANCIAL PARTICIPATION OF PROJECT APPLICANTS

SEC. 302. Subsection (a) of section 303 of the National Defense Education Act of 1958 is amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and by inserting at the end of such subsection the following new paragraph:

"(6) sets forth any requirements imposed upon applicants for financial participation in projects assisted under this part, including any provision for taking into account, in such requirements, the resources available to any applicant for such participation relative to the resources for participation available to all other applicants."

PRIVATE SCHOOLS: AUTHORIZING REALLOTMENT OF SET-ASIDE FOR LOANS REPEALING LOAN ALLOTMENT FORMULA

SEC. 303. (a) (1) Section 305 of the National Defense Education Act of 1958 is amended by striking out "SEC. 305." and all that follows down to but not including subsection (b) (1) and inserting in lieu thereof the following:

"SEC. 305. From the sums reserved for each fiscal year for the purposes of this section under the provisions of section 302(a), the Commissioner is authorized to make loans to private nonprofit elementary and secondary schools in any State. Any such loan shall be made only for the purposes for which payments to State educational agencies are authorized under the first sentence of section 301, and—".

(2) Paragraph (3) of such section is amended by striking out "the current average yield on all outstanding marketable obligations of the United States" and inserting in lieu thereof "the current average market yield on outstanding marketable obligations of the United States with redemption periods to maturity comparable to the average maturities of such loans".

(b) Section 302(c) of such Act is amended to read as follows:

"(c) The amount of any State's allotment under subsection (a) of this section for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to the other States in proportion to the original allotments to such States under subsection (a) of this section, but with such proportionate amount for any such State being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reserved for any fiscal year for making loans under section 305 which the Commissioner determines will not be required for that purpose for such year shall be available for allotment among the States in the manner provided in the preceding sentence for reallotments. Any amount allotted or reallotted to a State under this subsection during a year from funds appropriated pursuant to section 301 shall be deemed part of its allotment under subsection (a) of this section for such year."

(c) The amendment made by subsection (a) (2) shall apply with respect to loans made after the date of enactment of this Act.

EQUIPMENT FOR EDUCATIONALLY DEPRIVED CHILDREN

SEC. 304. (a) Title III of the National Defense Education Act of 1958 is amended by inserting immediately below the center heading thereof the following:

"PART A—GRANTS TO STATES"

(b) Title III of such Act is amended (1) by striking out "this title" wherever it appears and inserting in lieu thereof "this part"; and (2) by adding at the end thereof the following new part:

"PART B—GRANTS TO LOCAL EDUCATIONAL AGENCIES

"APPROPRIATIONS AUTHORIZED

"SEC. 311. There are hereby authorized to be appropriated, for carrying out this part, $84,373,000 for the fiscal year ending June 30, 1969, and $160,000,000 for the fiscal year ending June 30, 1970. For the fiscal year ending June 30, 1971, there may be appropriated to carry out the provisions of this part only such amount as the Congress may hereafter authorize by law.

"ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 312. From the sums appropriated pursuant to section 311 for any fiscal year the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine for allotment as provided in section 1008(A). From the remainder of such sums the Commissioner shall allot to each local educational agency (other than local educational agencies of States which receive their allotments under this part as provided in subsection 1008(A)) an amount which bears the same ratio to the amount of such remainder as the amount received by such agency from funds appropriated for the preceding fiscal year for grants under title I of the Elementary and Secondary Education Act of 1965 (title II of Public Law 874, Eighty-first Congress, as amended) bears to the amount received by all local educational agencies from such funds for such year.

"APPLICATION OF LOCAL EDUCATIONAL AGENCY

"SEC. 313. (a) A local educational agency may receive a grant under this part for any fiscal year only on application therefor approved by the appropriate State educational agency, upon its determination (consistent with such basic criteria as the Commissioner may establish)—

"(1) that payments under this part will be used for the acquisition of equipment and materials referred to in section 303(a) (1) to be used in programs and projects designed to meet the special educational needs of educationally deprived children in school attendance areas having a high concentration of children from low-income families;

"(2) that, to the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency has made provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) which will afford such children the benefits of the equipment and materials provided under this part;

"(3) that the local educational agency has provided satisfactory assurance that the control of funds provided under this part, and that title to equipment and materials acquired therewith, shall be in a public agency for the uses and purposes provided in the part, and that a public agency will administer such funds and equipment and materials; and

"(4) that the local educational agency will make an annual report and such other reports to the State educational agency, in such form and containing such information, as may be reasonably necessary to enable the State educational agency to perform its duties under this part, and will keep such records and afford such access thereto as the State educational agency may find necessary to assure the correctness and verification of such reports.

"(b) The State educational agency shall not finally disapprove in whole or in part any application for funds under this part without first affording the local educational agency submitting the application reasonable notice and opportunity for a hearing.

"STATE APPLICATION

"SEC. 314. (a) Any State desiring to participate under this part shall submit through its State educational agency to the Commissioner an application, in such detail as the Commissioner deems necessary, which provides satisfactory assurance—

"(1) that payments under this part will be used only for programs and projects which have been approved by the State educational agency pursuant to section 313, and that such agency will in all other respects comply with the provisions of this part, including the enforcement of any obligations imposed upon a local educational agency under section 313.

"(2) that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, funds paid to the State (including such funds paid by the State to local educational agencies) under this part; and

"(3) that the State educational agency will make to the Commissioner such reports as may be reasonably necessary to enable the Commissioner to perform his duties under this part (including such reports as he may require to determine the amounts which local educational agencies of that State are eligible to receive for any fiscal year), and assurance that such agency will keep such records and afford such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(b) An application submitted under this section shall be deemed a State plan for the purposes of sections 1004 and 1005.

"PAYMENTS

"SEC. 315. (a) The Commissioner shall, from time to time pay to each State, in advance or otherwise, the amount which the local educational agencies of that State are eligible to receive under this part. Such payments shall take into account the extent (if any) to which any previous payments to such State educational agency under this part (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it.

"(b) From the funds paid to it pursuant to subsection (a) each State educational agency shall distribute to each local educational agency of the State, which has submitted an application approved to pursuant to section 313(a) the amount for which such application has been approved, except that this amount shall not exceed its allotment for the fiscal year under section 312."

(c) Paragraph (2) of section 1004(c) of the National Defense Education Act of 1958 is amended, (1) by striking out "title III or V" and inserting in lieu thereof "part A or B of title III or under title V"; and (2) by inserting "part or" before "title or section"

each time these words appear in such paragraph.

PART B—AMENDMENTS TO NATIONAL DEFENSE FELLOWSHIP PROGRAM

EXTENSION OF PROGRAM

SEC. 311. (a) Section 402(a) of the National Defense Education Act of 1958 is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "seven succeeding fiscal years".

(b) Section 403(a) of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

INCREASING MAXIMUM LENGTH OF FELLOWSHIP FROM THREE TO FOUR YEARS IN SPECIAL CIRCUMSTANCES, AND REQUIRING INSTITUTIONAL EFFORT TO ENCOURAGE RECIPIENTS TO ENTER OR CONTINUE TEACHING

SEC. 312. (a) Subsection (a) of section 402 of the National Defense Education Act of 1958 is amended by inserting "(1)" after "except" in the second sentence therof, and by inserting immdiately before the period at the end of such sentence the following: ", and (2) that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one academic year (or one calendar year in the case of fellowships to which clause (1) applies) in addition to the maximum period otherwise applicable, under special circumstances in which the purposes of this title would most effectively be served thereby".

(b) The Commissioner may in his discretion increase, in accordance with the amendment made by subsection (a), the maximum periods of fellowships awarded prior to the date of enactment of this Act.

(c) The second sentence of section 403(a) is amended by striking out the period at the end of clause (2) of such sentence and inserting ", and " in lieu thereof; and adding the following new clause:

"(3) that the application contains satisfactory assurance that the institution will make reasonable continuing efforts to encourage recipients of fellowships under this title, enrolled in such program, to teach or continue to teach in institutions of higher education."

(d) The amendment made by subsection (c) of this section shall apply with respect to fellowships awarded on or after the date of enactment of this Act.

REQUIRING STIPENDS TO BE SET IN AN AMOUNT CONSISTENT WITH THOSE AWARDED FOR COMPARABLE FELLOWSHIPS

SEC. 313. (a) Section 404 of the National Defense Education Act of 1958 is amended to read as follows:

"FELLOWSHIP STIPENDS

"SEC. 404. (a) The Commissioner shall pay to persons awarded fellowships under this title such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amounts as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount shall not exceed $3,500 per acadamic year for any such person."

(b) The amount of any stipend payable with respect to a fellowship awarded prior to the date of enactment of this Act shall not, during the period for which such fellowship was awarded, be less with respect to any year of study than the amount that would in the absence of the amendment made by subsection (a) of this section be payable with respect to such year.

EQUITABLE DISTRIBUTION OF FELLOWSHIPS UNDER TITLE IV OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 314. Section 403 of the National Defense Education Act of 1958 is amended by inserting at the end thereof the following new subsection:

"(e) In order to provide training opportunities in those areas of the Nation which have greater need for increased numbers of highly qualified persons to teach in institutions of higher education, the Commissioner shall seek to achieve an equitable geographical distribution of graduate programs approved under this section throughout the Nation, based upon such factors as student enrollments in institutions of higher education and population."

PART C—GUIDANCE, COUNSELING, AND TESTING (TITLE V)

EXTENSION OF PROGRAM

SEC. 321. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out "and" after "June 30, 1966," and by inserting after "two succeeding fiscal years," the following: "$25,000,000 for the fiscal year ending June 30, 1969, $40,000,000 for the fiscal year ending June 30, 1970, and $54,000,000 for the fiscal year ending June 30, 1971.".

(b)(1) The second sentence of section 504(a) of such Act is amended by striking out "eight".

(2) Section 504(b) of such Act is amended by striking out "nine".

SHORT-TERM TRAINING SESSIONS IN GUIDANCE AND COUNSELING

SEC. 322. Section 503(a)(2) of the National Defense Education Act of 1958 is amended by inserting before the period at the end thereof a comma and the following: "and such programs may include, at the discretion of such State agency, short-term training sessions for persons engaged in guidance and counseling in elementary and secondary schools, junior colleges, and technical institutes in such States".

PART D—LANGUAGE DEVELOPMENT (TITLE VI)

EXTENSION OF PROGRAM

SEC. 331. (a) Subsections (a) and (b) of section 601 of the National Defense Education Act of 1958 are each amended by striking out "1968" and inserting in lieu thereof "1971".

(b) Section 603 of such Act is amended by striking out "and" before "$18,000,000" and by inserting after "1968," the following: "$16,050,000 for the fiscal year ending June 30, 1969, $30,000,000 for the the fiscal year ending June 30, 1970, and $38,500,000 for the fiscal year ending June 30, 1971".

PART E—EDUCATIONAL MEDIA (TITLE VII)

SPECIAL PERSONNEL

SEC. 341. Section 762 of the National Defense Education Act of 1958 is amended by striking out "television, radio, motion pictures, and other related media of communication" and inserting in lieu thereof "new media and technology".

PART F—AMENDMENT TO MISCELLANEOUS PROVISIONS (TITLE X)

PROVISION IN NATIONAL DEFENSE EDUCATION ACT OF 1958 FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS, FOR SCHOOLS OF DEPARTMENT OF INTERIOR FOR INDIAN CHILDREN, AND FOR OVERSEAS DEPENDENT SCHOOLS OF DEPARTMENT OF DEFENSE

SEC. 351. (a) Section 1008 of the National Defense Education Act of 1958 is amended to read as follows:

"ALLOTMENTS TO TERRITORIES AND POSSESSIONS

"SEC. 1008. The amounts reserved by the Commissioner under sections 302, 312, and 502 shall, in accordance therewith, be allotted among—

"(A) Puerto Rico, the Canal Zone, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for the type of assistance furnished under the part or title in which the section appears, and

"(B) in the case of amounts so reserved under sections 302 and 502, (1) the Secretary of the Interior, according to the need for such assistance in order to effectuate the purposes of such part or title in schools operated for Indian children by the Department of the Interior, and (ii) the Secretary of Defense according to the need for such assistance in order to effectuate the purposes of such part or title in the overseas dependents schools of the Department of Defense. The terms upon which payments for such purpose shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title"

(b) Sections 302(a)(1) and 502 (a) of such Act are each amended by striking out "2 per centum thereof, as he may determine for allotment as provided in section 1008" and inserting in lieu thereof "3 per centum thereof, as he may determine for allotment as provided in section 1008(A), and such amount, not in excess of 1 per centum thereof, as he may determine for allotment as provided in section 1008(B)".

(c) Section 103(a) of such Act is amended (1) by striking out "or" each time it appears before "the Virgin Islands", (2) by inserting after "the Virgin Islands," as it first appears "and, for the purposes of titles II, III, and V, the Trust Territory of the Pacific Islands,", (3) by striking out "(1) as used in section 205(b)(3) of this title such term includes the Trust Territory of the Pacific Islands, and (2)", and (4) by inserting before the period at the end thereof ", or the Trust Territory of the Pacific Islands".

(d) The amendments made by this section shall be effective with respect to fiscal years ending after June 30, 1968.

TITLE IV—AMENDMENTS TO HIGHER EDUCATION FACILITES ACT OF 1963

EXTENSION OF PROGRAM

SEC. 401. (a)(1) Subsection (a) of section 101 of the Higher Education Facilities Act of 1963 is amended by striking out "during the fiscal year ending June 30, 1964, and each of the seven succeeding fiscal years.".

(2) Subsection (b) of section 101 of such Act is amended by striking out so much of the first sentence thereof as follows "June 30, 1968, and" and inserting in lieu thereof "$936,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971.".

(3) Subsection (b) of section 105 of such Act is amended (A) by striking out "two succeeding fiscal years" in the first sentence thereof and inserting in lieu thereof "four succeeding fiscal years", and (B) by striking out the last sentence of such subsection.

(4) Section 103 (b)(1) and section 104(b)(1) of such Act are each amended by striking out the last sentence.

(b) Section 201 of the Higher Education Facilities Act of 1963 is amended—

(1) in the first sentence, by striking out ", during the fiscal year ending June 30, 1964, and each of the seven succeeding fiscal years,"; and

(2) by striking out so much of the second sentence as follows "and the sum of $120,000,000" and inserting in lieu thereof "for each of the succeeding fiscal years ending prior to July 1, 1971.".

(c) Subsection (c) of section 303 of the Higher Education Facilities Act of 1963 is amended—

(1) in the first sentence thereof by striking out ", during the fiscal year ending June 30, 1964, and each of the seven succeeding fiscal years,"; and

(2) in the second sentence thereof by striking out so much of such sentence as follows "$400,000,000" and inserting in lieu thereof "for each of the succeeding fiscal years ending prior to July 1, 1971.".

BROADENING ELIGIBILITY FOR CONSTRUCTION GRANTS

SEC. 402. (a) Effective with respect to fiscal years ending on or after June 30, 1969—

(1) Section 106 (1) and (2) of the Higher Education Facilities Act of 1963, as amended, is amended by inserting after "enrollment capacity" in each case the following: ", capacity to provide needed health care to students or personnel of the institution.".

(2) The second sentence of section 107(a) of such Act is amended by striking out "and" before "(2)" and by inserting before the period at the end thereof the following: ", and (3) shall give consideration to expansion of capacity to provide needed health care to students and institutional personnel".

(3) Section 108(b) of such Act is amended by striking out "and", at the end of paragraph (5), redesignating paragraph (6) as paragraph (7) and inserting after paragraph (5) the following:

"(6) in the case of a project to construct an infirmary or other facility designed to provide primarily for outpatient care of students and institutional personnel, he determines that no financial assistance will be provided such project under title IV of the Housing Act of 1950; and".

(4) Section 303(a) is amended by striking out "and" at the end of clause (2), and by inserting before the period the following: ", and (4) that, in the case of a project to construct an infirmary or other facility designed to provide primarily for outpatient care of students and institutional personnel, no financial assistance will be provided such project under title IV of the Housing Act of 1950".

(5) The first sentence of section 401(a) of such Act is amended by inserting before the period at the end thereof the following: "; and, for purposes of titles I and III, such term includes infirmaries or other facilities designed to provide primarily for outpatient care of students and institutional personnel".

(b)(1) Section 106 of the Higher Education Facilities Act of 1963 is amended by inserting at the end thereof the following new sentence: "If the Commissioner finds that the student enrollment capacity of an institution would decrease if an urgently needed academic facility is not constructed, construction of such a facility may be considered, for the purposes of this section, to result in expansion of the institution's student enrollment capacity.".

(2) The amendment made by paragraph (1) of this subsection shall be effective only with respect to grants made from appropriations for fiscal years beginning after June 30, 1969.

ANNUAL INTEREST GRANTS

SEC. 403. Title III of the Higher Education Facilities Act of 1963 is amended by adding at the end thereof the following new section:

"ANNUAL INTEREST GRANTS

"SEC. 306. (a) To assist institutions of higher education and higher education building agencies to reduce the cost of borrowing from other sources for the construction of academic facilities, the Commissioner may make annual interest grants to such institutions and agencies.

"(b) Annual interest grants to an institution of higher education or higher education building agency with respect to any academic facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were the maximum rate specified in section 303(b): *Provided*, That the amount on which such grant is based shall be approved by the Secretary.

"(c)(1) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants to institutions of higher education and higher education building agencies in accordance with this section.

"(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid to institutions of higher education and higher education building agencies in any year pursuant to contract entered into under this section shall not exceed $5,000,000, which amount shall be increased by $6,750,000,000 on July 1, 1969, and by $13,500,000 on July 1, 1970.

"(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used within any one State.

"(e) No annual interest grant pursuant to this section shall be made unless the Commissioner finds (1) that not less than 10 percent of the development cost of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure a loan in the amount of the loan with respect to which the annual interest grant is to be made, from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (3) that the construction will be undertaken is an economical manner and that it will not be of elaborate or extravagant design or materials. For purposes of this section, a loan with respect to which an interest grant is made under this section shall not be considered financing from a non-Federal source. For purposes of the other provisions of this Act, such a loan shall be considered financing from a non-Federal source."

EXTENSION AUTHORIZATION FOR HIGHER EDUCATION FACILITIES CONSTRUCTION ASSISTANCE IN MAJOR DISASTER AREAS

SEC. 404. Section 408(a) of the Higher Education Facilities Act of 1963 is amended by striking out "July 1, 1967," and inserting in lieu thereof "July 1, 1971.".

INCREASING FEDERAL SHARE

SEC. 405. (a) Sections 107(b) and 401(d) of the Higher Education Facilities Act of 1963 are each amended (1) by striking out "33⅓ per centum" and inserting in lieu thereof "50 per centum" and (2) by striking out "40 per centum" and inserting in lieu thereof "50 per centum".

(b) Section 202(b) of such Act is amended by striking out "33⅓ per centum" and inserting in lieu thereof "50 per centum".

MINIMUM TITLE I ALLOTMENTS TO STATES AND TERRITORIES

SEC. 406. (a) Title I of the Higher Education Facilities Act of 1963 is amended by inserting after the second sentence of section 103 and after the first sentence of section 104 the following: "The amount allotted to any State under the preceding sentence for any fiscal year which is less than $50,000 shall be increased to $50,000, the total of increases thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than $50,000."

(b) The amendments made by this section shall apply with respect to fiscal years ending on or after July 30, 1969.

TITLE V—MISCELLANEOUS

EXTENSION OF PROGRAM OF FINANCIAL ASSISTANCE FOR STRENGTHENING INSTRUCTION IN THE HUMANITIES AND ARTS

SEC. 501. (a) The first sentence of section 12 of the National Foundation on the Arts and Humanities Act of 1965 is amended (1) by striking out "two succeeding years" and inserting in lieu thereof "five succeeding fiscal years", and (2) by striking out all that follows "$500,000" and inserting in lieu thereof a period.

(b) Such section is further amended, (1) in subsection (b), by striking out "allotted" and inserting in lieu thereof "reserved, allotted, and reallotted"; and (2) in subsection (f), by striking out "allot and".

EXTENSION OF INTERNATIONAL EDUCATION ACT OF 1966

SEC. 502. Section 105(a) of the International Education Act of 1966 is amended by striking out "the fiscal year ending June 30, 1969," and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1971,".

AGE QUOTAS IN YOUTH WORK AND TRAINING PROGRAMS

SEC. 503. Section 124 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

"(f) In the case of a program under section 123(a)(1), the Director shall not limit the number or percentage of the participants in the program who are fourteen or fifteen years of age."

ELIGIBILITY FOR STUDENT ASSISTANCE

SEC. 504. (a) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after the date of enactment of this Act and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institution from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c). If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(b) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after the date of enactment of this Act, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(c) The programs referred to in subsections (a) and (b) are as follows:

(1) The student loan program under title II of the National Defense Education Act of 1958.

(2) The educational opportunity grant program under part A of title IV of the Higher Education Act of 1965.

(3) The student loan insurance program under part B of title IV of the Higher Education Act of 1965.

(4) The college work-study program under part C of title IV of the Higher Education Act of 1965.

(5) Any fellowship program carried on under title II, III, or V of the Higher Education Act of 1965 or title IV or VI of the National Defense Education Act of 1958.

(d)(1) Nothing in this Act, or any Act amended by this Act, shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under any such Act to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice, and law.

(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.

RULEMAKING REQUIREMENTS

SEC. 505. No standard, rule, regulation, or requirement of general applicability prescribed for the administration of this Act or any Act amended by this Act may take effect until 30 days after it is published in the Federal Register.

DUPLICATION OF BENEFITS

SEC. 506. No grant, award, or loan of assistance to any student under any Act amended by this Act shall be considered a duplication of benefits for the purposes of section 1781 of title 38, United States Code.

FINANCIAL AID TO STUDENTS NOT TO BE TREATED AS INCOME OR RESOURCES UNDER CERTAIN PROGRAMS

SEC. 507. For the purpose of any program assisted under title I, IV, X, XIV, XVI, or XIX of the Social Security Act, no grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education shall be considered to be income or resources.

PRESIDENTIAL RECOMMENDATION WITH RESPECT TO POST-SECONDARY EDUCATION FOR ALL

SEC. 508. On or before December 31, 1969, the President shall submit to the Congress proposals relative to the feasibility of making available a post-secondary education to all young Americans who qualify and seek it.

And the House agree to the same.

CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMAS,
SAM M. GIBBONS,
HUGH L. CAREY,
WILLIAM D. HATHAWAY,
PHILLIP BURTON,
WILLIAM AYRES,
ALBERT H QUIE,
OGDEN REID,
JOHN N. ERLENBORN,
MARVIN L. ESCH,
Managers on the Part of the House.

WAYNE MORSE,
RALPH W. YARBOROUGH,
JOSEPH S. CLARK,
JENNINGS RANDOLPH,
HARRISON WILLIAMS,
GAYLORD NELSON,
WINSTON L. PROUTY,
JACOB K. JAVITS,
PETER DOMINICK,
GEORGE MURPHY,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3769) to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck all of the Senate bill after the enacting clause and inserted a new text which is a substitute for both the Senate bill and the House amendment. Except for minor, technical, and clarifying changes, this statement explains the action taken by the committee of conference with respect to the differences between the House amendment and the conference substitute.

DURATION OF PROGRAMS

Except as otherwise noted in the text of this statement, the Senate bill authorized appropriations to carry programs established or extended by the bill through fiscal year 1972; the House amendment extended the programs through fiscal year 1973 but provided an authorization of appropriations for the programs only for fiscal years 1969 and 1970; and the conference report authorizes appropriations to carry out the programs established or extended by the bill through fiscal year 1971, except that appropriations to carry out the new program of assistance for educationally deprived children (pt. B of title III of NDEA) and the new provisions for dissemination of information (sec. 1206 of Higher Education Act of 1965) and for program planning and evaluation (sec. 1207 of that act) are provided only through fiscal year 1970.

AUTHORIZATION OF APPROPRIATIONS

HIGHER EDUCATION ACT OF 1965

TITLE I—COMMUNITY SERVICES AND CONTINUING EDUCATION PROGRAM

[In millions]

Fiscal year	Previously authorized	Senate	House	Conference report
1969		$50.0	$10	$10
1970		50.0	50	50
1971		60.0	----------	60
1972		60.0	----------	----------

TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

Pt. A—College library resources:				
1969		$50.0	$25	$25
1970		75.0	35	75
1971		90.0	----------	90
1972		90.0	----------	----------
Pt. B—Library training and research:				
1969		15.0	11.8	11.8
1970		28.0	28	28
1971		38.0	----------	38
1972		38.0	----------	----------
Pt. C—Cataloging:				
1969		10.0	5.5	6
1970		11.1	11.1	11.1
1971		11.1	----------	11.1
1972		11.1	----------	----------

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

1969		$55.0	$35	$35
1970		70.0	55	70
1971		91.0	----------	91
1972		96.5	----------	----------

TITLE IV—STUDENT ASSISTANCE

Work-study:				
1969		$200.0	$225	$225
1970		255.0	275	255
1971		285.0	----------	285
1972		285.0	----------	----------
Economic opportunity grants:				
1969		70.0	70	70
1970		100.0	70	100
1971		140.0	----------	140
1972		140.0	----------	----------

AUTHORIZATION OF APPROPRIATIONS—Continued

HIGHER EDUCATION ACT OF 1965—Continued

TITLE IV—STUDENT ASSISTANCE—Continued

Fiscal year	Previously authorized	Senate	House	Conference report
Insured loan program (advances):				
1969		12.5	10	12.5
1970				
1971				
1972				
Direct loan program for vocational students:				
1969		$1	----------	$1
1970		1	----------	1
1971		1	----------	1
1972		1	----------	----------
Disadvantaged students, consolidated program; Talent Search, Upward Bound, and special services for disadvantaged students:				
1969		8.5	$41.68	10
1970		29.0	56.68	56.68
1971		96.0	----------	96
1972		96.0	----------	----------

TITLE V—EDUCATION PROFESSIONS DEVELOPMENT ACT

Pt. A—Attracting qualified persons to the field of education:				
1969	[1] $2.5	----------	----------	----------
1970	[1] 5.0	----------	----------	----------
1971		$5.0	----------	$5
1972		5.0	----------	----------
Pt. B—Attracting and qualifying teachers:				
Subpt. 1—Teacher Corps:				
1969	[1] 46.0	----------	----------	----------
1970	[1] 56.0	----------	----------	----------
1971		56.0	----------	56
1972		56.0	----------	----------
Subpt. 2—Attracting and qualifying teachers to meet critical teacher shortages:				
1969	[1] 50.0	----------	----------	----------
1970	[1] 65.0	----------	----------	----------
1971		65.0	----------	65
1972		65.0	----------	----------
Pt. C—Fellowships for teachers and related education personnel:				
1969	[1] 205.0	----------	----------	----------
1970	[1] 250.0	----------	----------	----------
1971		250.0	----------	250.0
1972		250.0	----------	----------
Pt. D—Improving training opportunities for personnel serving in programs other than higher education:				
1969		----------	[1] 70	----------
1970		----------	[1] 90	----------
1971		90.0	----------	90
1972		90.0	----------	----------
Pt. E—Training programs for higher education personnel:				
1969	21.5	----------	----------	----------
1970	36.0	----------	----------	----------
1971		36.0	----------	36
1972		36.0	----------	----------

TITLE VI-A—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

	Equipment (regular)		
1969	$60.0	[1] 14.5	$13
1970	60.0	[1] 14.8	60
1971	60.0	----------	60
1972	60.0	----------	----------
	Television		
1969	$10.0	----------	$1.5
1970	10.0	----------	10
1971	10.0	----------	10
1972	10.0	----------	----------

[1] For both regular equipment and television.

NATIONAL DEFENSE EDUCATION ACT OF 1958

TITLE II—STUDENT LOANS

[In millions]

Fiscal year	Previously authorized	Senate	House	Conference report
1969		$250.0	$210	$210
1970		275.0	275	275
1971		300.0		300
1972		300.0		

TITLE III—EQUIPMENT GRANTS AND LOANS

1969	$110.0	$110	$110
1970	120.0	110	120
1971	130.0		130
1972	130.0		

STATE SUPERVISORY SERVICES AND ADMINISTRATION

1969	$10.0		$10
1970	10.0		10
1971	10.0		10
1972	10.0		

TITLE V-A—GUIDANCE, COUNSELING, AND TESTING

1969	$30.0	$25	$25
1970	40.0	30	40
1971	54.0		54
1972	54.0		

TITLE VI—LANGUAGE DEVELOPMENT

1969	$19.0	$16.05	$16.05
1970	30.0	25	30
1971	38.5		38.5
1972	38.5		

TITLE VII—EDUCATIONAL MEDIA RESEARCH

1969	$5.0
1970	5.0
1971	5.0
1972	5.0

HIGHER EDUCATION FACILITIES ACT OF 1963

TITLE I—UNDERGRADUATE ACADEMIC FACILITIES GRANTS

[In millions]

Fiscal year	Previously authorized	Senate	House	Conference report
1969	$936			
1970		$936	$936	$936
1971		936		936
1972		936		

TITLE I—STATE ADMINISTRATION AND PLANNING

1969	$7		
1970		$7	$7
1971		7	7
1972		7	

TITLE II—GRADUATE ACADEMIC FACILITIES CONSTRUCTION GRANTS

1969	$120		
1970		$120	$120
1971		120	120
1972		120	

TITLE III—LOANS FOR ACADEMIC FACILITIES

1969	$400		
1970		$400	$400
1971		400	400
1972		400	

OTHER PROGRAMS

NDEA III—PT. B: EQUIPMENT GRANTS FOR SPECIAL PROGRAMS SERVING DISADVANTAGED

[In millions]

Fiscal year	Previously authorized	Senate	House	Conference report
1969			$84.373	$84.373
1970			160	160
1971				
1972				

COOPERATIVE EDUCATION

Planning and operation:			
1969		$0.5	$0.34
1970	$8	10	8
1971	10		10
1972	10		
Training and research:			
1969	$0.5	$0.75	$0.75
1970	.75	.75	.75
1971	.75		.75
1972	.75		

HEFA IV—GRANTS TO REDUCE BORROWING COSTS ON LOANS FOR FACILITIES CONSTRUCTION

1969		$10	$5
1970	$6.75	10	6.75
1971	13.5	10	13.5
1972			

NETWORKS FOR KNOWLEDGE

1969		$0.5	$0.34
1970	$4	10	4
1971	15		15
1972	15		

EDUCATION FOR THE PUBLIC SERVICE

1969		$0.5	$0.34
1970	$5	15	5
1971	13		13
1972	13		

DISSEMINATION OF INFORMATION (HEA)

Fiscal year	Previously authorized	Senate	House	Conference report
1969				
1970			$2	$2
1971				
1972				

PROGRAM PLANNING AND EVALUATION (HEA)

1969		$1.117	$1.117
1970		1.9	1.9
1971			
1972			

PLANNING FOR PROGRAMS BEGINNING IN FISCAL YEAR 1970

1969	$1.7
1970	
1971	
1972	

IMPROVEMENT OF GRADUATE PROGRAMS

1969	(1)		$0.34
1970	$5		5
1971	10		10
1972	10		

HEFA IV—GRANTS TO REDUCE BORROWING COSTS ON LOANS FOR FACILITIES CONSTRUCTION—Continued

LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

Fiscal year	Previously authorized	Senate	House	Conference report
1969		(1)		$0.34
1970		$7.5		7.5
1971		7.5		7.5
1972		7.5		

INTERNATIONAL EDUCATION ACT

1969	$90		
1970		$90	$90
1971		90	90
1972		90	

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES (SEC. 12)

1969	$0.5	$0.5	$0.5
1970	.5	.5	.5
1971	.5		.5
1972	.5		

[1] Senate bill authorized $1,700,000 for fiscal year 1969 planning of programs beginning in fiscal year 1970.

TITLE I—STUDENT ASSISTANCE

Part A—Amendments to educational opportunity grant program

Extension of program.—The Senate bill extended the educational opportunity grant program for 4 years. The House bill extended the program for 2 years. The conference substitute extends the program for 3 years.

Amount of educational opportunity grants.—The House amendment eliminated from the educational opportunity grant program the $200 bonus payment for students who, during the preceding academic year, placed in the upper half of their class, and also raised the maximum amount of a grant from $800 to $1,000. The House amendment specifically permitted college work-study assistance to be considered as matching in determining the maximum amount of an educational opportunity grant furnished a student. No comparable provisions were in the Senate bill. The Senate recedes on each of these provisions.

Allocation of funds to institutions.—Effective beginning in fiscal year 1970, the Senate bill provided that upon the request of a Governor of a State not to exceed 15 percent of the State's allotment of grant funds for any fiscal year, instead of being distributed to institutions by the Commissioner, could be paid to the State for a State program of educational opportunity grants to students. States were required to meet certain conditions in order to qualify for assistance for State educational grant programs. The conference substitute does not retain this provision.

Authority for institutions to transfer funds to work-study program.—The House amendment authorized an institution to transfer any portion of its educational opportunity grant payments for fiscal year 1969 and fiscal year 1970 to its work-study program. The work-study matching requirements would apply to any amount so transferred. This provision is not included in the conference report.

Consolidation and revision of Talent Search and Upward Bound programs; special services to disadvantaged students in institutions of higher education.—The House amendment consolidated, in one overall program, the talent search program being carried on under section 408 of the Higher Education Act of 1965, the Upward Bound

program now being carried on under title II of the Economic Opportunity Act, and a new program under which colleges and universities would be assisted in providing remedial and other special services to disadvantaged college students. The Senate bill consolidated only the Upward Bound and special services programs, but continued Talent Search as a separate program. The conference substitute adopts the consolidation pattern of the House amendment. Subsection (b)(1) of the new section 408 of the Higher Education Act of 1965 authorizes the Talent Search program. Subsections (b)(2) and (b)(3) respectively authorize the Upward Bound and special services programs.

Both the Senate bill and the House amendment proposed changes in these programs which are not directly incidental to their consolidation.

In the case of Talent Search, the authority for such programs differed in the following days:

(*a*) In contrast with the House provision, under which the Commissioner would only be authorized to make grants to or enter into contracts with institutions of higher education, the Senate bill permitted grants to or contracts with State or local education agencies and other public or nonprofit private agencies, institutions or organizations, or contracts with public or private agencies including profitmaking agencies. The conference agreement permits Talent Search programs to be carried out as provided in the Senate bill. The House has receded to the Senate on the basis that in the past, not only institutions of higher education, but also certain other public agencies such as local educational agencies have carried on successful Talent Search programs. The provision for more flexible authority than provided in the House bill is not without qualification, however. The conference committee intends that this authority only be used with respect to the types of agencies which have previously participated in the Talent Search program. It is not the intention of the conference committee that the authority be utilized to support programs of newly established agencies.

(*b*) Under the Senate provision, a contract or grant for a Talent Search program could not exceed $100,000. Existing law has a similar limitation. There was no limitation in the House bill. The conference substitute retains this provision.

(*c*) Under the Senate bill, grants or contracts were authorized for programs to identify qualified youths of "financial or cultural need" with "an exceptional potential for postsecondary educational training," rather than for youths of "exceptional financial need" as authorized in the House bill. The House recedes.

(*d*) The House amendment did not specify, as did the Senate bill, that funds may be used for the development and carrying out of demonstration programs under which students in institutions of higher education would plan and implement programs to (1) locate other students who are completing their secondary education and have capability to do college-level work but are not planning to continue their education, and (2) encourage such other students to continue their education and provide such assistance to them as may be possible to locate institutions of higher education for them to attend and to locate such financial assistance as may be available. The Senate recedes and concurs with the House view that under existing law the type of program envisioned in the Senate bill could be carried on by an eligible grantee.

In the case of Upward Bound and Special Services programs, the following are the principal differences between the Senate and House versions, and the resolution of them by the committee of conference:

(*a*) The House amendment authorized grants or contracts only with institutions of higher education where as the Senate bill also authorized grants and contracts with public and private nonprofit agencies and organizations when such a grant or contract would make an especially significant contribution to attaining the objectives of the programs. The conference agreement permits grants to, and contracts with, institutions of higher education, and combinations thereof. In exceptional cases, the Commissioner may make grants to or contracts with secondary schools and postsecondary schools accredited by a State for Upward Bound programs.

(*b*) The Senate bill described special and remedial service programs as programs for "secondary school students"—"who, by reason of deprived, educational, cultural, or economic background, or physical handicap, are in need of such services to assist them to initiate, continue, or resume their postsecondary education." The House amendment described the special and remedial services programs as programs for students "accepted for enrollment"—"who, by reason of deprived educational, cultural, or economic background are in need of such services to assist them to initiate, continue, or resume their higher education." The conference agreement retains the Senate language referring to the "physically handicapped" and to "postsecondary education," and the House language referring to students "accepted for enrollment".

(*c*) The House amendment did not specify as eligible activity, as did the Senate bill, guidance and other personnel services to encourage students' *entrance* into higher education programs. The Senate recedes.

(*d*) With respect to the Upward Bound authority, the House amendment limited stipends to a maximum of $30 per month and the cost of enrollee participation per month to $150, prohibited the carrying out of programs in foreign countries, and required programs to include necessary health services. There were no comparable provisions in the Senate bill. The Senate recedes.

(*e*) The House amendment limited the Federal share of the cost for Upward Bound type programs to a maximum of 80 percent and authorized full funding of other types of programs. The Senate bill authorized funds to pay part of program costs upon such terms and conditions as the Commissioner determines. The Senate recedes.

Amendments providing for transfer of Upward Bound.—The Senate bill provided that the Director of the Office of Economic Opportunity shall not carry out Upward Bound or similar programs after June 30, 1970. Under the House amendment, the Director of OEO was permitted to carry out in fiscal year 1969 only those contracts for Upward Bound programs entered into prior to the date of enactment. After date of enactment, the Director of OEO was precluded from entering into any new contracts. The House amendment further provided for the transfer to the Office of Education of any unobligated funds which had been appropriated to the OEO prior to enactment of the bill for the purpose of carrying out Upward Bound programs. The compromise reached in conference provides that Upward Bound programs would be transferred to the jurisdiction of the U.S. Office of Education effective July 1, 1969. In connection with the adoption of this provision, the conference committee intends that the U.S. Office of Education be the only agency which obligates funds from fiscal year 1970 appropriations for Upward Bound programs. The committee further wishes to clarify that in terminating the Office of Economic Opportunity jurisdiction over the Upward Bound program, the committee does not intend to terminate that agency's jurisdiction over programs related to migrant children, such as the program known as "High School Equivalency."

Part B—Amendments to insured student loan program

The Senate bill and the House amendment both provided for extensive changes in the insured student loan programs under the Higher Education Act of 1965 and the National Vocational Student Loan Insurance Act of 1965. Public Law 90–460, enacted as an interim measure while the bill was in conference, incorporated certain of these changes and also extended temporarily the Commissioner's authority to insure and to pay an interest subsidy on student loans. The conference report retains or modifies certain of the changes made by Public Law 90–460 in the insured loan programs, and makes a number of further changes which were provided in the Senate bill or House amendment.

Extension of program.—The Senate bill extended for 4 fiscal years the Commissioner's authority under the Higher Education Act of 1965 to insure and to pay an interest subsidy on student loans. The House bill extended this authority for 2 years. Public Law 90–460 extended this authority temporarily but provided that the Commissioner could not insure or subsidize a loan made after October 31, 1968. The conference substitute extends this authority for 3 fiscal years from the expiration dates provided in the law prior to its amendment by Public Law 90–460.

National Vocational Student Loan Insurance Act of 1965.—The National Vocational Student Loan Insurance Act of 1965 provides for an insured student loan program for students in vocational schools which is generally similar to the program established under the Higher Education Act of 1965 for students in institutions of higher education. The Senate bill extended the National Vocational Student Loan Insurance Act, including the direct Federal loan authority under that act, for 4 years. The House amendment repealed the National Vocational Student Loan Insurance Act, eliminated the direct Federal loan authority under that act, and expanded the coverage of the student loan insurance program under the Higher Education Act of 1965 so as to include students in vocational schools covered by the former act. Public Law 90–460 extended the Commissioner's insurance and interest subsidy authority under the National Vocational Student Loan Insurance Act but provided that he could not insure or subsidize a loan made after October 31, 1968. The conference substitute adopts the provisions of the House amendment with a modification to continue, under the Higher Education Act, the Commissioner's authority to make direct loans to vocational students. The merger of the vocational loan program with the Higher Education Act program will simplify and make more effective program administration at all levels. In this connection the committee wishes to express its strong disapproval of any practice of requiring students to pay points in order to obtain a loan or of discounting student loans. Such practices are clearly in conflict with the statutory provisions of the program.

Federal advances to reserve funds of non-Federal student loan insurance programs.—(*a*) The House amendment authorized an appropriation of $10 million for making advances to reserve funds of non-Federal student loan insurance programs during fiscal year 1969 and fiscal year 1970. The Senate bill authorized $12.5 million for this purpose to remain available until expended. The House recedes.

(*b*) The Senate bill reserved 15 percent of these appropriations for advances to nonprofit private loan insurance programs (1) which insure student loans without regard to the domicile or residence of the student, and (2) in which lenders located in more than one State participate. The House amendment contains no comparable reservation. The Senate recedes.

(*c*) The Senate bill and House amendment required that advances made in fiscal year

1969 and thereafter to reserve funds of non-Federal student loan programs be matched by an equal amount from non-Federal sources. The equal amount may include the unencumbered non-Federal portion of a reserve fund, computed as follows:

Under Senate bill, the amount of the reserve fund less the sum of—

(*a*) amount of prior Federal advances to the fund plus

(*b*) any amount required to be held as a reserve against outstanding insured loans.

Under House amendment, the amount of the reserve fund less the greater of—

(*a*) the sum of (1) Federal advances made to the fund prior to fiscal year 1969, plus (2) twice the amount of Federal advances made in fiscal year 1969 and thereafter, or

(*b*) any amount required to be held as a reserve against outstanding insured loans.

The conference report adopts the House provision.

Access to Federal loan insurance program.—Under section 423 of the Higher Education Act of 1965, the Federal loan insurance program does not operate in any State in which every eligible institution has reasonable access to a non-Federal loan insurance program. The House amendment modified section 423 to permit the Commissioner to insure student loans made by a lender in a State (1) in cases where the borrower, by reason of his residence, does not have access to the State's student loan insurance program (or to a private nonprofit insurance program operating in lieu of the State's program); or (2) in cases where the lender, by reason of the residence of the borrowers he deals with, does not have access to any single non-Federal loan insurance program. The Senate bill contains no comparable provision. The Senate recedes.

The conferees feel strongly that, where a student desires to finance a portion of the cost of his education with borrowed funds, every effort should be made to make sure that these funds are available. Under existing law the Federal loan program may be instituted on one condition only. However, the law does not require, nor did the Congress intend, that when the condition exists, a State must also give assent to the implementation of the Federal program. In liberalizing the conditions under which the Federal program may be instituted the committee of conference wishes to insure that guaranteed loans are readily available to students in every State. The implementation of the Federal program under the modifications proposed in the conference report is not to be conditioned on the assent of a State.

Coordination between provisions of Federal and non-Federal loan insurance programs.—The Senate bill modified the provisions of the Federal loan insurance programs and the requirements for non-Federal loan insurance programs so that the provisions relating to the maximum amounts of loans to any student ($1,500 per year and $7,500 overall outstanding principal balance), the minimum annual repayment ($360 per year), and the length of the repayment period (5 to 10 years) are substantially identical. The House bill contains no comparable provisions. The conference substitute adopts the Senate provisions.

Deferment of loan repayment on account of VISTA service.—Existing law provides for deferent of repayment of principal of loans insured by the Federal loan insurance program during VISTA service. The House amendment eliminated this deferment provision. The Senate bill retained it, and in addition, authorized a deferment for VISTA service under the non-Federal loan insurance programs. The conference substitute adopts the provisions of the Senate bill.

Interest subsidy during repayment period of loan.—Under existing law, prior to the beginning of the repayment period of a student loan which qualifies for the interest subsidy, the Commissioner pays all of the interest accruing on the loan. After the repayment period begins, he pays a subsidy not in excess of 3 percent on the outstanding principal balance of the loan. The House amendment eliminated the interest subsidy during the repayment period. The Senate bill (in connection with the increase of the maximum permissible interest rate under the insured loan programs) raised the interest subsidy during the repayment period to not in excess of 4 percent. The Senate recedes.

Administrative cost allowance; preemption.—The Senate bill and the House amendment both increased the generally applicable maximum permissible interest rate on insured loans from 6 to 7 percent. The Senate bill provided that if State law does not permit an interest rate of 7 percent, and if the Commissioner determines that the State law will impede carrying out the purposes of the insured loan program, he may pay (without regard to the adjusted family income of the borrower) an administrative cost allowance to the lender in an amount not exceeding 1 percent per annum over the term of the loan. The administrative cost allowance would be paid only on loans made prior to the adjournment of the State's first regular legislative session which adjourns after January 1, 1969. The allowance would be treated like a payment of the interest subsidy insofar as the contractual rights of the lender are concerned. The allowance would be included with the interest subsidy for purposes of the 4-percent limitation on the interest subsidy during the repayment period. The House amendment contains no provision for an administrative cost allowance, but provides that State usury laws will not apply to insured student loans. Public Law 90–460 enacted the administrative cost allowance provision of the Senate bill with a modification limiting the Commissioner's authority to pay an administrative cost allowance to loans made prior to November 1, 1968.

The committee of conference retained this provision of Public Law 90–460 with three further modifications: First, the cutoff date on the authority to pay the allowance was extended to the original date of the Senate bill (i.e., to loans made prior to the 120th day after the adjournment of the State's first regular legislative session which adjourns after Jan. 1, 1969). Second, the House provision providing for preemption of State usury laws was incorporated. Third, the administrative cost allowance was made inapplicable in any case in which the preemption provision applied.

The Senate bill specified that the increase of the maximum permissible interest rate on insured loans from 6 to 7 percent would not apply to outstanding loans or to consolidations or conversions of outstanding loans. The House amendment, and the section of Public Law 90–460 which provided for an interest rate increase, did not contain such an effective date provision. The conference report contains a modification of the Senate effective date provision, which provides that the increase in the interest rate under Public Law 90–460 will not apply to loans made or contracted for prior to the enactment of Public Law 90–460 or to consolidations or conversions after the enactment of the bill of loans made or contracted for prior to the date of enactment of that public law.

Federal share of repayments on defaulted nonfederally insured loans.—Both the Senate bill, the House amendment, and Public Law 90–460 authorize the Commissioner to guarantee ("reinsure") 80 per centum of the outstanding principal of nonfederally insured loans. However, under the House amendment's "reinsurance" authority, the Commissioner was entitled to 80 per centum of any payment made by a borrower on principal of a defaulted loan on which the Commissioner has made payment pursuant to the "reinsurance" agreement. Under the Senate bill and Public Law 90–460, the Commissioner is entitled to an "equitable share" (determined in accordance with regulations) of any such payment made by a borrower, and the lender is required to credit any such payment first to the reduction of principal and then to interest. The conference report does not make any change in Public Law 90–460 in this respect. However, the conferees understand that the "equitable share" to which the Commissioner is entitled will be computed as follows: After a payment has been made by the Commissioner pursuant to the agreement, the agency shall pay over to the Commissioner 80 percent of any payment made in discharge of the obligation incurred by the borrower. Such payments by the agency shall be computed prior to any deduction for attorney's fees or other collection costs and shall be computed on the total amount of the payment made in discharge whether attributable to principal or interest.

Obligation to "reinsure" outstanding insured loans.—The Senate bill required the Commissioner to "reinsure" outstanding loans which were insured by an insurer who had entered into a "reinsurance" agreement prior to September 1, 1969. The House bill merely authorized him to do so. Public Law 90–460 contained the House provision in this respect but made it applicable only to "reinsurance" agreements entered into prior to November 1, 1968. The conference report retains this provision of Public Law 90–460 but restores the September 1, 1969, date.

Payments of insurer's losses arising out of death or disability.—The House amendment permitted the Commissioner, under the "reinsurance" agreement, to pay 80 percent of an insurer's losses arising out of the death or total and permanent disability of a student borrower. The Senate bill permitted the Commissioner to pay the entire amount owed on a loan by a student borrower who dies or is disabled whether or not the insurer has signed a "reinsurance" agreement. The conference report adopts the Senate provision. The House provision was enacted into law by Public Law 90–460 as a part of the reinsurance provision. The conferees, however, adopted the Senate provision relating to death or disability and have, therefore, made an appropriate conforming change in the reinsurance provision.

Accrual of Federal interest payment.—The Senate bill permitted the lender to elect to receive the interest subsidy on a student loan in a lump sum (with interest) at the time the last payment on the loan is received from the borrower. The House amendment contained no comparable provision. The Senate recedes.

Increase of Federal loan insurance premium.—The Senate bill increased the maximum insurance premium for the Federal student loan insurance program from one-fourth of 1 per centum to one-half of 1 per centum. The House amendment contained no comparable provision. The Senate recedes. It is not the intention of this Congress that premiums, or earnings thereon, paid by students in Federal insured States be used to pay for losses in non-Federal insured States where there is no premium paid into the Federal fund by students or agencies. It is the intention of this Congress that losses under the reinsurance provisions of this legislation be paid only from the appropriated funds which are a part of the insurance fund as established in section 431 of the Higher Education Act of 1965. Losses under the Federal insured student loan program shall be paid from premiums, earnings thereon, and collections on default accounts which have been deposited to the fund.

Delegation authority.—The Senate bill authorized the Commissioner to delegate to any public or nonprofit private agency or institution, incident to his utilization of its services, certain of his functions related to the issuance of insurance certificates, determinations, and actions required upon the default, death, or disability of a student under the Federal loan insurance program, and the exercise of

various legal powers and responsibilities (exclusive of the issuance of regulations and the bringing of suit in the name of the United States). The House amendment contained no comparable provision. This provision is not retained in the conference report.

Part C—College work study

Amendments to transfer text of program.—The House amendment transferred the text of the college work-study program from part C of title I of the Economic Opportunity Act to part C of title IV of the Higher Education Act. There was no comparable provision in the Senate bill. The Senate recedes.

Amendment providing for a set-aside for residents of American Samoa and the Trust Territory of the Pacific Islands.—The House amendment provided for a special reservation of funds beginning in fiscal year 1969 to provide work-study assistance to students who reside in, but attend eligible institutions outside of, American Samoa or the Trust Territory of the Pacific Islands. No comparable Senate provision. The Senate recedes.

Amendments providing for eligibility of area vocational schools.—The House amendment provided that area vocational schools are eligible institutions, but students in such schools could participate only if they have graduated from secondary schools and are pursuing a program of at least 6 months' duration and designed to prepare them for employment. No comparable Senate provision. The Senate recedes.

Amendments providing for eligibility of proprietary institutions of higher education.—The Senate bill, beginning in fiscal year 1970, made eligible for the work-study program proprietary schools which otherwise qualify as "institutions of higher education." The House amendment made such schools eligible beginning in fiscal year 1970; however, they would also be required to meet the following additional requirements: (1) provide not less than a 6-month program; (2) be accredited by a nationally recognized accrediting agency; and (3) have been in existence for at least 5 years. The conference report adopts, in substance, the provisions of the House amendment, except that the 5-year requirement is reduced to a 2-year requirement.

Amendment to exempt from average hours of employment limitation the employment of students enrolled on a part-time basis during non-regular-enrollment periods.—The House amendment permitted students who are participating in a work-study program during periods of vacation or non-regular enrollment to work in excess of an average 15 hours per week under terms and conditions to be prescribed by the Commissioner. No comparable Senate provision. The Senate recedes.

Amendments providing for matching.—The Senate bill provided that the Federal share of compensation of students enrolled in work-study programs may not exceed 90 percent. The House amendment fixed the Federal share of work-study assistance at 80 percent, except that the Federal share may exceed 80 percent if the Commissioner determines pursuant to regulation that to do so is required to further the purposes of the program. The Senate recedes. The committee wishes to emphasize that it is its intention and that it fully expects the Commissioner of Education to utilize the authority to provide a Federal share in excess of 80 percent when circumstances warrant such action. There have been situations in which needy students have been denied participation in the work-study program because of the inability of either the college or public or private nonprofit organization to provide required matching funds. Frequently stringent institutional budgets prohibit, especially where large numbers of disadvantaged students are enrolled, more than token matching of Federal money. The size of the work-study program is determined, not by number of needy college students requesting participation in the program, but by ability of the institutions to provide matching funds. Also, offcampus agencies, while in a position to provide useful work opportunities, have frequently limited amounts available for matching purposes. In determining that a Federal share may exceed 80 percent, it is the conference committee's view that the Commissioner of Education should consider among other factors exceptionally high enrollment increases among students from low-income families as a criterion for increasing the Federal share. Similarly, examination of exceptionally tight budget situations in offcampus agencies might also allow an adjustment for such institutions. However, it would be necessary to ascertain that local efforts have been exhausted before an increase in the Federal share, and consequent decrease in the institutional share, could be approved.

Part D—Cooperative education programs

Maintenance of effort.—The Senate bill contained a maintenance-of-effort provision requiring applicant institutions to maintain a level of expenditure in cooperative education of at least the level maintained during the fiscal year preceding the year of application. No comparable provision was in the House amendment. The House recedes.

Duration of support.—The House amendment prohibited an institution from receiving grants under the program for more than 3 fiscal years. No comparable Senate provision. The Senate recedes.

Consultation with advisory committee.—The House amendment required the Commissioner to consult with the Advisory Council on Financial Aid to Students in the development of criteria for the approval of applications. No comparable Senate provision. The Senate recedes.

Part E—General provisions relating to student assistance programs

Amendments relating to the Trust Territory of the Pacific Islands.—The House amendment provided that the Trust Territory of the Pacific Islands be included in the term "State" for the purposes of title IV (student assistance). A related provision in the House amendment provided that the Trust Territory be included in the term "State" for the purposes of title II of the NDEA (student loans). The House amendment also required that residents of the trust territory be eligible for assistance under title II of the NDEA and under title IV of the Higher Education Act of 1965 to the same extent that citizens of the United States are eligible for such assistance. There were no comparable Senate provisions. The conference report retains both of these provisions.

Amendment establishing Advisory Council on Financial Aid to Students.—The House amendment, effective upon enactment of the bill, established an Advisory Council on Financial Aid to Students, to advise the Commissioner on matters of general policy arising in the administration of programs relating to financial aid to students and on evaluation of effectiveness of these programs. The House amendment also repealed section 433 of title IV of the Higher Education Act of 1965 which authorizes the establishment of an Advisory Council on Insured Loans to Students. No comparable Senate provision. The Senate recedes on both these provisions.

Amendments providing for allotment of funds.—The House amendment eliminated, beginning in fiscal year 1970, the State-by-State allotment formulas governing the distribution of funds for the NDEA title II student loan program, the college work-study program, and the educational opportunity grant program. A new section proposed for the Higher Education Act would have governed the distribution of college work-study funds and educational opportunity grant funds. Under the new section, such funds would be allocated among institutions of higher education according to institutional requests and in accordance with equitable criteria established by the Commissioner. An identical provision to be inserted in title II of the NDEA would have governed the distribution of student loan funds. No comparable Senate provisions. The substitute agreed to in conference does not include these provisions.

Amendments relating to maintenance of effort.—The House amendment repealed existing maintenance-of-effort provisions in the college work-study program and the educational opportunity grant program beginning in fiscal year 1970, and substituted in lieu thereof a common provision which required an institution to provide assurance that it will continue to spend in its scholarship and student assistance programs not less than the average annual expenditure for such purposes during the most recent 3-year period prior to the effective date of the agreement. The provision is the same as that currently applicable to the educational opportunity grant program. No comparable Senate provisions. The Senate recedes.

Amendings regarding reimbursement for administrative expenses.—The House amendment provided, beginning in fiscal year 1970, that 3 percent of an institution's annual expenditures under its college work-study and educational opportunity grant programs may be used for reimbursement of administrative expenses. The total amount provided any institution in such payments plus the amount of the payment which could be withdrawn from the student loan fund for administrative expenses could not exceed $125,000 per annum. No comparable Senate provision. The Senate recedes.

Part F—Amendments to national defense student loan program (title II of the National Defense Education Act of 1958)

Amendment relating to reimbursement of administrative expenses.—The House amendment, effective beginning in fiscal year 1970, changed the administrative expenses provision of present law to provide that institutions may be paid an amount equal to 3 percent of the loans made by an institution during a fiscal year rather than the existing provision under which institutions receive the lesser of 1 percent of the aggregate of the outstanding loans made as of the close of a year or one-half of such routine expenses as estimated by the Commissioner. No comparable provision in the Senate bill. The Senate recedes.

Amendments providing for the inclusion of proprietary institutions of higher education.—The Senate bill made eligible for the student loan program, beginning with fiscal year 1970, proprietary institutions of higher education schools on such conditions as the Commissioner determines are necessary to insure there will be no increase in tuition or other fees charged students resulting from participation in this program. The House amendment provided for participation of such schools to the extent that appropriations for title II are in excess of $190 million and under the same conditions as prescribed by the House bill for participation in college work-study. The House provision is retained in the conference substitute, except that the Senate recedes to a modification of the House provision under which the schools must be in existence for two, rather than five, in order to qualify.

Amendments to eliminate requirement of special consideration for students of superior academic background.—The House amendment deleted the provision requiring that special consideration be given to students of superior academic background. No comparable provision in the Senate bill. This provision is retained in the substitute agreed to in conference

Amendment relating to oath of allegiance.—The House amendment exempted

residents of the Trust Territory of the Pacific Islands from the requirement that loan recipients take an oath of allegiance to the United States. No comparable provision in the Senate bill. The Senate recedes.

Amendments relating to loan forgiveness.—(a) The Senate bill amended the NDEA student loan program to provide for forgiveness to student borrowers for service in the Armed Forces at the rate of 25 percent for each complete year of consecutive service and for service in schools serving high concentrations of low-income children at the rate of 20 percent per year rather than 15 percent per year as is already authorized. The House amendment revised the loan forgiveness provisions to provide that up to 100 percent of a loan may be cancelled for service as a full-time teacher of handicapped children or in a school in which the enrollment of children described in title I of ESEA (using the low-income factor of $3,000) exceeds 50 percent of the total enrollment of the school. The rate of cancellation would have been 10 percent per annum for the first 2 years of service and 15 percent per annum thereafter. Loans already made would not have been affected by the House amendment.

(b) The Senate bill further amended the Public Health Service Act to provide forgiveness of loans under that act for service in the Armed Forces at the rate of 25 percent for each year of service.

(c) The Senate bill amended the insured loan program to provide for cancellation (that is, for payments by the Commissioner on loans) the equivalent of forgiveness of borrowers on account of service in the Armed Forces or as a teacher in school serving high concentrations of children from low-income families. The same rate of payment, 20 per centum per annum for full-time teachers and 25 per centum for consecutive years of service in the Armed Forces and the same conditions which would be applicable for loan cancellation under title II would be applicable on guaranteed loans. The Senate bill also provides for payment by the Commissioner, on behalf of the borrower, of the total amount owed by a borrower under Federal and non-Federal loan insurance programs in the case of his death, or in the case of his permanent and total disability (as determined in accordance with regulations of the Commissioner). The House amendment contained no comparable provision.

The conference report contains a provision which would leave existing law unaffected, except in two respects. First, the forgiveness feature of the National Defense Student Loan program would be extended for only 2 years even though the loan program is being extended for 3 years. Secondly, the provision which prohibits the Commissioner from designating more than 25 percent of the schools in the State as schools where the teachers become eligible for the specially beneficial forgiveness is modified. As modified more than 25 percent of the schools in the State may be designated if all of the schools so designated are schools in which more than half the children enrolled are countable for purposes of Title I of the Elementary and Secondary Education Act.

TITLE II—AMENDMENTS TO OTHER PROVISIONS OF THE HIGHER EDUCATION ACT OF 1965

Part A—Amendments to community service program provisions (title I)

State plans.—The House amendment provided an exception to the title I requirement that a State carry on a comprehensive, coordinated and statewide system of community service programs. Under the amendment a State plan could set forth one or more proposals whenever such a system could not be effectively carried out by reason of insufficient funds. No comparable provision in the Senate bill. The Senate recedes.

Matching.—With respect to title I grants awarded after the date of enactment, the Senate bill authorized a Federal share for title I program costs of 75 per centum through fiscal year 1969 and fiscal year 1970 and a Federal share of 65 per centum for fiscal year 1971 and 60 per centum for fiscal year 1972. The House amendment continues the Federal share at 50 per centum through fiscal year 1973. The conference substitute provides that the Federal share shall be 66⅔ percent of program costs through the 3 years of the program.

Part B—College library assistance and library training and research

Supplemental grants and special grants—branch institutions.—Under both bills, branches of institutions of higher education which are located in communities different from their parent institutions were made eligible for supplemental grants and special purpose grants. The Senate bill further provided that the determination of what constitutes a branch and where such branch is located are to be made in accordance with regulations of the Commissioner. The House recedes.

Grants for training in librarianship.—The Senate bill authorized grants beginning in fiscal year 1970 for the planning or development of programs for the opening of library or information science schools or of programs intended to lead to the acceditation of such existing schools. Upon enactment, the House amendment authorized grants for establishing, developing, or expanding programs of library and information science. The conference substitute adopts the version contained in the House amendment.

Part C—Amendment to developing institutions programs (title III)

Providing for reservation of funds for junior colleges.—Effective beginning in fiscal year 1969, the Senate bill increased the share for junior colleges in title III from 22 to 24 percent. No comparable provision was in the House amendment. The conference substitute increases the share for junior colleges to 23 percent.

Professors emeritus.—The Senate bill added a new section in title III, effective beginning in fiscal year 1970, to authorize grants to retired professors from institutions of higher education that do not qualify as developing institutions, to encourage and enable such professors to teach and conduct research at developing institutions. No comparable provision was in the House amendment. The House recedes.

Part D—Amendments to education professions development program (title V)

Amendments placing emphasis on poverty area.—The Senate bill amended the statement of purpose for the Education Professions Development Act by inserting language which would give emphasis to urban areas having high concentrations of poverty and rural areas having high proportions of poverty. The House amendment contained no comparable provisions. The Senate recedes.

Amendments providing for teaching assistants in the Teacher Corps.—

(a) The Senate bill, unlike the House amendment, added a new category of personnel for whom programs may be supported under the Teacher Corps program. The Senate amendment amended the statement of purpose accordingly and authorized the Commissioner of Education to make available to local education agencies teaching assistants as part of a Teacher Corps team and required that teaching interns and teaching assistants be afforded opportunity for school-related community work. The Senate recedes.

(b) The Senate bill provided that teacher interns and teaching assistants be compensated at a rate agreed upon by the local education agency and the Commissioner, but that the Federal share may not exceed 90 percent of the lowest rate paid by such agency for teaching full time in the school system and grade to which the intern is assigned or $75 per week plus $15 per week for each dependent, whichever is less. No comparable House provision. The Senate recedes.

Amendments authorizing State education agencies to administer programs for attracting and qualifying teachers.—The House amendment permitted a State education agency to administer directly programs of attracting and qualifying teachers under subpart 2 of title V–B of the Higher Education Act of 1965. The Senate bill contained no comparable provision. The House provision is retained in the conference substitute.

Amendment providing for a minimum allotment to each State for programs to attract and qualify teachers.—The Senate bill amended the program of attracting and qualifying teachers to provide an annual minimum allotment of $100,000 to each State. The House amendment contained no comparable provision. The House recedes.

Amendments clarifying the authority to award fellowships for school administrators.—The House amendment expanded the definition of "career in elementary and secondary education or postsecondary vocational education" to include school administration, thus clarifying the authority to award fellowships for persons pursuing or planning to pursue a career in school administration. The Senate bill contained no comparable provision. The Senate recedes.

Amendments affecting allocation of fellowships.—The Senate bill established criteria to be considered in the allocation of teacher fellowships among the States, modified the role of the National Advisory Council on Education Professions Development in determining areas of urgent need, and limited the number of fellowships in preferred programs meeting such national need to 50 percent of the total fellowships for any fiscal year. The House bill contained no such comparable provisions. The conference report is like the Senate bill except that the number of children aged 3 to 17 from low-income families is deleted as a factor to be considered in allocating teacher fellowships. The committee wishes to emphasize, however, that in modifying the role of the National Advisory Council on the Education Professions Development Act in determining areas of urgent need, the committee has not altered existing law with respect to the ultimate authority for awarding fellowships. Under existing law, and under section 523, as modified by the conference report, final authority to award fellowship programs is vested in the Commissioner of Education.

Amendments regarding cost of education allowances.—Both versions of the bill authorized the Commissioner to pay a cost-of-education allowance in an amount consistent with prevailing practices under comparable federally supported fellowship programs. The Senate amendment did not contain the House limitation, setting a maximum ceiling of $3,500 per academic year on such allowances. The House limitation is retained in the conference substitute.

Amendments affecting teacher training institutes program.—

(a) Senate bill amended the institute program to specify that training in elementary and secondary schools in urban areas having a high concentration of poverty and rural areas having a high proportion of poverty are eligible for support. The House amendment contained no comparable provision. The Senate recedes. The conference committee did not agree to the Senate provision on the basis that it is the committee's view that there is ample authority in part D of the Education Professions Development Act for support of inservice internship training.

(b) The Senate bill amended the institute program to require the Commissioner to seek to achieve an equitable geographical distribution of training opportunities throughout the Nation, taking into account such factors as the relative number of children age 13–17, and the relative numbers of low-income families. The conference report

adopts this provision of the Senate bill, except that the requirement that relative numbers of low-income families be taken into account is not included.

The Senate bill provided that except in a fiscal year for which appropriations for grants under title V–B of the National Defense Education Act (counseling and guidance training institutes) and title XI of that Act (teacher institutes) exceed such appropriations for the fiscal 1968, the Commissioner shall award grants and contracts under part D of title V of the Higher Education Act only in subject-matter areas that are eligible under such titles V–B and XI of the National Defense Education Act to the extent that the appropriations for such fiscal year for grants and contracts under such part D do not exceed the appropriations pursuant to such titles V–B and XI of the National Defense Education Act for the fiscal year 1968. The House amendment contained no comparable provision. The Senate recedes.

In the 1967 House committee report on the Education Professions Development Act it was observed that part D was being proposed in lieu of the continuation of separate institute authorities contained in the National Defense Education Act. The House report further stated that the noncategorical approach of part D, which supports advanced training and retraining institutes, was not without qualification. It expressed concern for the inadequacy of support for training persons in vocational education programs, restated its support for programs to train teacher aides, and stated that it was intended there should be no reduction of support of institutes for those categories of education personnel specifically mentioned in titles XI and V–B of the National Defense Education Act. The House committee report on this legislation in 1967 is similar to the present view of the Senate committee as it applies to titles V–B and XI of the National Defense Education Act programs, but it further stated "the committee has not earmarked funds only because of its desire to establish a flexible program."

The conference committee has agreed with the House position that titles V–B and XI of the National Defense Education Act and part B of title VI of the Higher Education Act need not be extended and that activities previously supported under these titles should now be funded under the Education Professions Development Act at their present levels of support. In so doing the conference committee reaffirms the position expressed in the 1967 House report as well as the Senate report on this bill with respect to the Education Professions Development Act.

Part E—Equipment and materials for higher education

Amendments to eliminate separate categories of equipment.—The House amendment eliminated the present separate authorization, priority, and allotment provision for (1) instructional television equipment and (2) other instructional equipment. Under the House provision, grants for the acquisition of television equipment would not be treated differently from other grants as is presently the case. The Senate bill has no comparable provision. The House recedes.

Additional amendments to title VI.—

(*a*) The House amendment removed the word "objective" as a description of the standards and methods to be used by State commissions in fixing priorities and share of costs. No comparable Senate provision. The House recedes.

(*b*) The House amendment also made eligible instructional computers as equipment to be obtained under the program. No comparable provision in the Senate. The House recedes.

There is no existing statutory prohibition against the use of title VI funds for the acquisition of instructional computers. The Senate committee report on the Higher Education Act of 1965 stated, however, "the committee does not intend that funds be used for the acquisition of computers." Pursuant to the Senate report, the Office of Education has, in the administration of title VI, ruled that computers are not eligible for title VI support. The House bill specifically proposed that instructional computers be eligible for support under title VI. The Senate bill contained no comparable provision. The conference report does not contain the House provision. However, the conference committee has agreed that instructional computers should be eligible equipment in title VI. The conference committee wishes to provide institutions of higher education with discretionary authority to choose the type of equipment which they are in greatest need of acquiring. The conference committee did not wish to give priority or emphasis to the acquisition of computers, however, and therefore decided not to mention specifically their eligibility in the authorizing statute. Also, the conference committee is aware that, because of the level of funding for title VI, the inclusion of computers might result in an inordinate proportion of limited title VI funds expended for this purpose. This the conference committee does not intend. There are two checks which will preclude this from happening. The prices of large full-scale computers effectively prohibits their participation under the title VI program during periods of reduced funding. In four States, the maximum Federal share, according to the approved State plan, is $50,000 per institution. In the remaining States, the average maximum Federal share is about $25,000. In addition, the title VI program is administered at the State level by State higher education commissions. It is the State commissions which assign priorities within the State and approve institutional applications. It is the conference committee's intention that State commissions use great care in the implementation of this new authority. The committee would not expect, nor does it intend, that the more flexible authority be utilized in a way which will substantially alter the effective participation or level of support for all eligible institutions. In a related amendment, the conference report contains a House proposal to make eligible for title VI grants "combinations of institutions." The committee has refrained from specifically prohibiting the acquisition of large-scale instructional computers only because it does not wish to preclude a combination of institutions from securing such a computer which might be shared by participating institutions.

(*c*) The House amendment authorizes grants to "combinations of institutions." No comparable Senate provision. The Senate recedes.

(*d*) The Senate bill would add a new section to title VI to provide that in order to promote coordination of Federal programs for assistance in the purchase of special equipment for education in the natural or physical sciences, the Commissioner shall consult with the National Science Foundation and other agencies in developing general policy in respect of such equipment under this title. The House recedes.

Part F—Networks for knowledge

Recipient of grants.—The House amendment authorized contracts with private profit funding agencies and organizations when the Commissioner determined it will more effectively promote the purposes of the program. The Senate has no comparable provision. The Senate recedes.

Eligible projects.—The Senate bill specified the following as eligible projects:

(1) The collection and sharing of modern curricular materials and of information on promising developments in curriculum;

(2) the development of effective systems of processing and maintaining financial and student records; and

(3) the expansion of faculty on a part-time or full-time basis and other arrangements for strengthening the academic programs of participating institutions.

The House amendment contained no comparable provisions. The Senate recedes.

The Senate bill cited instructional television fixed services as a type of joint operation of closed circuit television which would qualify for support. The House recedes.

Reduced rate communications interconnection service.—The Senate bill provided that no provision of law shall be construed to prevent U.S. communications common carriers from rendering free or reduced rate communications interconnection services for interconnection systems within the purview of "Networks for Knowledge", whether or not such is included in a project for which grants are made under the program. The conference report contains this provision.

Part G—Education for the public service

Administration of the program and citation.—The Senate bill amended the Higher Education Act of 1965 by adding as a new title IX a program to be known as Education for the Public Service, to be administered by the Commissioner of Education. The House amendment authorized the program as a part of the 1968 amendments and vested administration in the Secretary of Health, Education, and Welfare. The conference report provides a new title to the Higher Education Act of 1965 and vests administration of the program in the Secretary.

Statement of purpose.—The House amendment provided in the statement of purpose that the program would be to improve educational opportunities for persons in preparation for careers in public service at the Federal, State and local levels. The statement of purpose in the Senate bill referred only to service in State or local governments. The Senate recedes.

Federal share for project grants and contracts.—The Senate bill provided a Federal share of not in excess of 90 percent for the costs of programs or projects. The House amendment authorized payments of all or part of such costs. The Senate recedes.

Eligible projects.—The House amendment provided that grants or contracts may include payment of the costs of programs or projects for five specified types of activities. The Senate bill provided that funds may be used to pay part of the costs of programs or projects such as the five specified activities in the House bill and (1) the establishment, expansion, or operation of centers of study at the graduate or professional level but not including payment for the construction or acquisition of buildings; and (2) carrying out innovative and experimental programs of cooperative education involving alternate periods of full-time or part-time academic study at the institution and periods of full-time and part-time job service. The conference report contains the Senate provision.

Recipients of grants.—The House amendment authorized grants and contracts with public or private nonprofit agencies and organizations, including professional and scholarly associations, and contracts with profitmaking organizations when such grants or contracts will make an especially significant contribution to attaining the objectives of the programs. The Senate bill contained no comparable provision. The House recedes.

Allocation of grants, contracts, and fellowships.—The House amendment authorized the Secretary to give preference to programs designed to meet an urgent national need. The Senate bill contained no comparable provision. The House recedes.

Advisory committee.—The Senate bill authorized the establishment of a committee to advise the Commissioner on matters of general policy arising in the administration of the program. The House amendment contained no comparable provision. The Senate recedes.

Part H—Improvement of graduate programs

Program authorized.—The Senate bill authorized, beginning in fiscal year 1970, a new program to strengthen and improve the quality of graduate programs and to increase the number of quality graduate programs. Pursuant to the program the Commissioner of Education would be authorized to make grants to institutions of higher education for experimental, innovative, and interdisciplinary projects and activities. For the purpose of developing general policy under this program the Commissioner would be required to consult with the National Science Foundation, the National Foundation on the Arts and the Humanities, and the Federal Judicial Center. Payments under the program may not exceed 90 percent of the cost of a project or activity except that such payments may not exceed 50 percent of the cost of books or equipment. Funds may not be used for sectarian instruction. In allocating funds, the Commissioner would be required to give consideration to the objective of having an adequate number of graduate and professional (other than medical) schools of good quality within each appropriate region of the country. The House amendment contained no comparable provisions. The conference report contains the Senate provisions on the improvement of graduate programs except that the Federal share of the cost of a project or activity is limited to not to exceed 66⅔ percent of such cost, and retains the Federal share at not to exceed 50 percent for the cost of books or equipment.

Part I—Law school clinical experience program

Program authorized.—The Senate bill, effective in fiscal year 1970, authorized a new program to assist in the establishment or expansion of programs to provide clinical experience to students in the practice of law. Grants may not exceed 90 percent of the cost of establishing or expanding such a program and no law school may receive more than $75,000 in any fiscal year. Participating institutions must be accredited law schools. The Commissioner is required to allocate funds in a manner that will provide an equitable distribution throughout the United States among the law schools which show promise of being able to use funds effectively. The House amendment contained no comparable provision. The conference report contains the provisions of the Senate bill.

Part J—General provisions applicable to the Higher Education Act of 1965

Advisory Council on Graduate Education.—The House amendment required that the Chairman of the Advisory Council be the Commissioner of Education, and that at least one member of the advisory council be a graduate student. The Senate bill contained no comparable provision. The Senate recedes.

Dissemination of information.—The House amendment provided an authorization of funds for the dissemination of information concerning programs administered by the Commissioner in the field of higher education. The Senate bill had no comparable provision. The Senate recedes.

Adequate leadtime and funds for planning and evaluation of higher education programs.—The House amendment amended the Higher Education Act to authorize funds for planning and evaluation of programs carried on under the Higher Education Act, the Higher Education Facilities Act, and the National Defense Education Act. The House amendment further provided advance funding authority, and required an evaluation report for such programs. The House amendment further provided for the availability of appropriations on an academic or school year basis. The Senate bill contained no comparable provisions. The Senate recedes.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

Part A—Equipment and materials for elementary and secondary education

Payment of State administrative expenses.—The House amendment eliminated effective in fiscal year 1969 the separate authorization of appropriations and allotments for the administration of State plans and for supervisory services, and substituted in lieu thereof authority to use project funds to cover State administrative expenses. Federal payments with respect to expenditures for administration could not exceed 3 per centum of the total payments made to the States under part A of title III, or $50,000, if greater. Funds to cover administrative expenses would be on the same matching basis as expenditures for equipment. The Senate bill provided for the continuation of the separate authorization of appropriations for administration of State plans and for supervisory services. The House recedes.

Equalization within a State.—The House amendment required that State plans under part A of title III of the National Defense Education Act of 1958 set forth any requirements imposed under the State plan on applicants for financial participation in projects assisted under part A, including any requirements to take into account the relative resources available to such applicants. The Senate bill contained no comparable provision. The Senate recedes. However, the conference committee wishes to emphasize that this provision is not intended to confer upon the State educational agency any new or additional authority.

Loans to private schools.—The House amendment eliminated the allotment formula with respect to loans to nonprofit private schools presently in the law and provided that any amount not needed for loans to such private schools shall be available for reallotment among the States for carrying out title III State plans. The House amendment further provided that the interest rate on loans under title III be based on the current available market yield on comparable outstanding marketable obligations of the United States. The Senate bill contained neither provision. The Senate recedes.

Authorizing grants to assist in the acquisition of equipment to be used in programs for educationally deprived children. The House amendment authorized a new part B of title III providing for grants to local educational agencies for the acquisition of equipment and materials of the kinds now within the scope of title III, but to be used in programs and projects designed to meet the special educational needs of educationally deprived children. Funds would be allotted among local educational agencies in proportion to the respective amounts received by them from funds appropriated for the preceding fiscal year for grants under title I of the Elementary and Secondary Education Act of 1965. Under the program local educational agencies were not required to match the Federal allotment. Funds could only be used for the acquisition of equipment and materials to be used in programs and projects designed to meet the special educational needs of educationally deprived children in school attendance areas having a high concentration of children from low-income families. To the extent consistent with the number of educationally deprived children who are enrolled in private elementary and secondary schools in the school district, the local educational agencies must make provisions for including special educational services and arrangements which would afford such children the benefits of equipment and materials acquired under the new program. The Senate bill contained no comparable provisions. The Senate recedes.

Part B—Amendments to national defense fellowship program

Duration of fellowships.—The House amendment increased the maximum length of a fellowship from 3 to 4 academic years in special circumstances. The Senate bill had no comparable provision. The Senate recedes.

Provision to encourage teaching.—The House amendment required reasonable continuing efforts by participating institutions to encourage recipients of fellowships to enter or to continue college teaching. The Senate bill had no comparable provision. The Senate recedes.

Distribution of fellowships.—The Senate bill directed the Commissioner to seek to achieve an equitable geographical distribution of graduate programs supported under title IV based on such factors as students' enrollment in institutions of higher education, population, and the number of faculty members who have not attained the degree of doctor of philosophy or its equivalent as compared with the number of members who have such a degree. The House amendment has no comparable provision.

The conference report provides that the Commissioner achieve an equitable geographic distribution of such graduate programs based upon such factors as the enrollment of students in institutions of higher education and population. In connection with this amendment, the conference committee wishes to emphasize its great concern and distress with respect to the distribution of fellowship programs in the past. The conference committee fully expects the Office of Education to take immediate steps to provide for a more equitable geographic distribution of the graduate program supported under title IV. The amendment requires the Commissioner of Education to take into account such factors as relative student enrollments and population. The committee further suggests that the Commissioner consider additional factors such as the relative number of faculty members who have not attained the degree of doctor of philosophy as compared with the number who have such degrees. The committee cannot overemphasize the importance it attaches to this amendment.

Stipends.—The House amendment eliminated the statutory dollar amounts for stipends and authorized stipends in the fellowship program to be set at an amount consistent with those awarded under comparable fellowship programs. Stipends for fellowships already awarded may not be decreased. The Senate bill has no comparable provision. Senate recedes. However, the conference committee wishes to clarify its intention that the amendment not be interpreted so as to authorize any reductions in future years in the stipend level previously specified for title IV fellowships.

Cost of education allowance.—The House amendment provided for a maximum not exceeding $3,500 per year for a cost-of-education allowance fixed at an amount comparable to federally supported programs. The Senate bill contained no such maximum. The Senate recedes.

Part C—Guidance, counseling, and testing

Authorizing funds for short-term training sessions.—The Senate bill provided that funds under title V of the National Defense Education Act of 1958 may be used to support short-term training sessions by persons engaged in counseling in elementary and secondary schools, junior colleges, and technical institutions. The House amendment has no comparable provisions. The House recedes. However, the conference committee wishes to clarify that this authority should be used to support training activities which are similar to the types of institutes supported under the Education Professions Development Act. The committee does not intend that funds be

utilized for seminars, symposia, workshops, or conferences unless these are a part of a continuing program of training.

The Senate bill repealed part A of title VII, providing support for research and experimentation in more effective utilizatiton of educational media and the provisions in title VII relating to an Advisory Committee on Educational Media. The House amendment did not extend title VII. The conference report does not extend title VII. The Senate bill added to the requirements of part B of title VII that the Commissioner make studies and surveys to determine the need for improved utilization of "systems of instruction" by State or local educational agencies. The House amendment contained no comparable provision. The Senate recedes. The Senate bill amended a provision of part C to authorize the Commissioner to secure the assistance of experts in the utilization and adaptation of "new media and technology" for educational purposes. The House amendment contained no comparable provision. The House recedes.

Part F—Miscellaneous provisions, National Defense Education Act of 1958

Providing funds for schools serving Indian children and overseas dependents schools of the Department of Defense.—The House amendment provided for a reservation of up to 1 percent of title III and title V appropriations for elementary and secondary schools operated for Indian children by the Department of the Interior and the Secretary of Defense for overseas dependents schools. No comparable provision is in the Senate bill. The Senate recedes.

TITLE IV—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Eligibility requirements for grants under title I.—The Senate bill provided that the precondition of an expanded student enrollment capacity shall be considered met if the Commissioner finds that but for construction of the proposed facility such capacity would decrease. The House amendment in addition to a conforming change in the statement of purpose substitutes a new section 106 to render eligible projects which are needed and will be efficiently utilized by the institution (1) to provide for increased student enrollment; (2) to provide a needed expansion of extension, continuing education, or community service programs; (3) to remedy existing or developing deficiencies in instructional extension, research student counseling, or student health programs; (4) to provide administrative, maintenance, storage, or utility service necessary for continued operation or expansion; or (5) for a combination of such purposes. The Senate amendment was effective with respect to fiscal year 1970; the House revision was effective with respect to the first fiscal year for which the full title I authorization is appropriated. The House recedes.

Revision of definition of "academic facilities.—Effective for fiscal year 1969 and years thereafter, the House amendment expanded the definition of "academic facilities" (for purposes of titles I and III) to include health care facilities for personnel and students of the institution, and requires the Commissioner to give special consideration to the need for such facilities in establishing basic criteria for determining priorities and the Federal share of costs. The amendment permitted the Commissioner to approve a title I grant or title III loan for an infirmary or other facility providing primarily for outpatient care only where he has determined that no financial assistance will be provided for the project under title IV of the Housing Act of 1950. The Senate bill has no comparable provisions. The Senate recedes except that the Commissioner will give consideration, rather than special consideration, to such need.

Grants to reduce the cost of loans.—Both the Senate bill and House amendment thereto amended title III, to authorize contracts for payment of annual interest grants to reduce the cost of securing loans from non-Federal sources for the construction of academic facilities. The House amendment, unlike the Senate bill, required that not less than one-fourth of the development cost will be financed from non-Federal sources. The Senate bill, unlike the House amendment, provides that no more than 12½ percent of the funds provided for such grants may be made within any one State. The House amendment is effective in fiscal year 1969. The Senate amendment is effective beginning in fiscal year 1970. Under the Senate version, the Commissioner would be required to make a grant in an amount equal to the differential between the average annual debt service on the loan and the average annual debt service which the institution would have been required to pay for a title III loan. The House amendment provides that the Commissioner shall pay an amount not greater than the differential. The conference report provides that not less than 10 percent of the development cost will be financed from non-Federal sources; that no more than 12½ percent of the funds provided for such grants will be made within any one State, and that the Commissioner shall pay an amount not greater than such differential. The conference report further provides the amendment is effective in fiscal year 1969.

Increasing Federal share.—The House amendment increased the maximum Federal share from 40 percent in the case of public community colleges and technical institutes, and 33⅓ percent in the case of other institutions of higher education, to 50 percent in both titles I and II of the Higher Education Facilities Act of 1963. The Senate bill had no comparable provision. The Senate recedes.

Minimum allotments.—Effective beginning in fiscal year 1969, the House amendment provided for a minimum annual allotment of $50,000 to each State under section 103 (junior colleges) and an annual minimum allotment of $50,000 to each State under section 104 (other institutions). The Senate bill contained no comparable provision. The Senate recedes.

TITLE V—MISCELLANEOUS PROVISIONS

International Education Act of 1966.—The Senate bill extended the International Education Act of 1966 through fiscal year 1972. The House amendment contained no comparable provision. The conference report continues the program through fiscal year 1971.

Neighborhood Youth Corps.—The House amendment provided that the Director of the Office of Economic Opportunity may not limit the number or percentage of participants in any in-school Neighborhood Youth Corps program who are 14 or 15 years of age. The Senate bill contained no comparable provision. The Senate recedes. The conference committee wishes to emphasize that in adopting this provision, the prohibition is directed solely at national guidelines limiting the percentage of 14- or 15-year-old youths in the in-school Neighborhood Youth Corps program. The provision does not apply to nor is it intended to influence local procedures for the selection of participants in the program.

Program consolidation.—The Senate bill contained amendments prohibiting the consolidation of authority under section 303(a)(5) (State administration and supervisory services), section 1009 (State statistical services) of the National Defense Education Act, and title V of the Elementary and Secondary Education Act of 1965. The Senate receded on this amendment and concurred with the House's position in not extending section 1009 of the National Defense Education Act. In a related amendment discussed previously, the House concurred with the Senate bill to continue a separate authorization under section 303(a)(5) for State administration and supervisory services. The conference committee action with regard to section 1009 is based on the consideration that State statistical services may be funded under title V of the Elementary and Secondary Education Act. The committee emphasizes, however, that it still assigns a high priority to programs at the State level to improve statistical services and expects no substantial change in the emphasis given to the improvement of such services because of the expiration of section 1009.

Student unrest.—The Senate bill provided that nothing in the 1968 amendments or in any act amended by the 1968 amendments should be construed to prohibit any institution from refusing to award, continue, or extend any financial assistance under such acts to an individual because of misconduct which, in the institution's judgment, bears adversely on the student's fitness or such assistance. The House amendment provided that institutions deny payments to or for the benefit of any student under a number of enumerated student assistance programs if the institution determines, after notice and opportunity for hearing, that the student has willfully refused to obey a lawful regulation or order of the institution, and that such refusal was of a serious nature and contributed to the disruption of the administration of such institution. A student could only be disqualified for aid for an act committed after enactment of the 1968 amendments. The House amendment further provided that no loan, guarantee of a loan or grant under a program authorized or extended by the 1968 amendments should be awarded to any applicant within 3 years after he has been convicted by any court of record for any crime which was committed after the date of enactment of the 1968 amendments, and which involved the use of (or assistance to others in the use of) force, trespass, or the seizure of property under control of an institution of higher education to prevent officials or students at such an institution from engaging in their duties or pursuing their studies, by an institution or person having knowledge of such conviction.

The conference report provides that—

If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after the date of enactment of this act and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institution from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of 2 years any further payment to, or for the direct benefit of such individual under any of a number of specified programs; that if an institution denies an individual assistance under the authority of the preceding clause then any institution which such individual subsequently attends shall deny for the remainder of the two-year period any further payment to, or for the direct benefit of, such individual under any of the specified programs; and

That, if an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after the date of enactemnt of this act, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of 2 years, any further payment to, or for the direct benefit of, such individual under any of the

specified programs. The programs specified in the conference report are as follows:

(1) The student loan program under title II of the National Defense Education Act of 1958.

(2) The educational opportunity grant program under part A of title IV of the Higher Education Act of 1965.

(3) The student loan insurance program under part B of title IV of the Higher Education Act of 1965.

(4) The college work-study program under part C of title IV of the Higher Education Act of 1965.

(5) Any fellowship program carried on under title II, III, or V of the Higher Education Act of 1965 or title IV or VI of the National Defense Education Act of 1958. The conference report further provides that nothing in the bill or any act amended by the bill, shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under any such act to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance; that nothing in the student unrest section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice, and law; and that nothing in the student unrest section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.

Enforcement of compulsory attendance laws.—The Senate bill, effective for fiscal years beginning after the enactment of the bill, provided that no local educational agency may receive financial assistance under the 1968 amendments or any act amended by the 1968 amendments unless such agency has certified that it is taking all appropriate steps to enforce laws relating to compulsory school attendance in the district of such agency. The Senate bill further required the Secretary of Health, Education, and Welfare to make an investigation of State laws relating to compulsory school attendance for the purpose of determining what Federal action, if any, should be taken, to promote minimum attendance requirements throughout the Nation. The Secretary would be required to report the results of his investigation not later than July 1, 1969. The House amendment contained no comparable provision. The Senate recedes.

College of Guam.—The Senate bill provided that the College of Guam should be deemed a land-grant college, and that Guam should be deemed a "State" in the administration of the Second Morrill Act. The Senate amendment further authorized an appropriation of $890,995 for the territory of Guam in lieu of extending to the territory certain provisions of the First Morrill Act. The Senate provision would take effect with respect to appropriations beginning with fiscal year 1970. The House amendment contained no comparable provision. The Senate recedes.

Rules, regulations, and guidelines.—The House amendment requires that standards, rules, regulations, or requirements of general applicability prescribed for the administration of the 1968 amendments or any act amended by the 1968 amendments not take effect (1) until 30 days after such standards, rules, regulations, or requirements are published in the Federal Register, and (2) unless interested persons are given an opportunity to participate in the formulation of such standards, rules, and so forth, through the submission of views or arguments. The Senate bill contained no comparable provision. The conference report requires that standards, rules, regulations, or requirements of general applicability prescribed for the administration of the amendments or any act amended by the 1968 amendments shall not take effect until 30 days after such standards, rules, regulations, or requirements are published in the Federal Register.

Development of new means of testing secondary school students for capability for postsecondary education.—The Senate bill authorized the Commissioner of Education to provide by grant or contract with institutions of higher education or other public or private organizations for the development of improved testing and other procedures to determine the capabilities of students with varying social and economic backgrounds for postsecondary education. The House amendment contained no such provision. The Senate provision is not included in the conference substitute because the conference committee did not feel it was necessary to create a special program as any research needed to accomplish this could be supported under title IV of the Cooperative Research Act, and because information brought to the conferees' attention indicated that experimentation in this area was already being undertaken by colleges and universities. In lieu of the establishment of a special program, it is the intention of the conference committee that the Office of Education collect available information regarding colleges and universities studies on admission policies and specifically, the criteria utilized in selection standards. If, after this information is compiled, there appears to be a need for further and more comprehensive research, the conferees agree that consideration should be given to funding this type of activity under the Cooperative Research Act.

Treatment of certain financial aid to students.—The Senate bill provided that no grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education shall be considered as income or resources under those programs authorized by the Social Security Act in which participation is on the basis of annual income. The House amendment contained no comparable provision. The House recedes.

Duplication of benefits.—Under the cold war GI bill veterans are precluded from receiving veterans' benefits if they are receiving grant assistance under other Federal education programs. The Senate bill exempted all student assistance programs authorized or amended by the bill from the nonduplication provisions of the Veterans Act. The House amendment contained no comparable provision. The House recedes.

Presidential recommendation with respect to postsecondary education.—The Senate bill proposed the establishment of an 11-member commission to be known as the Universal Educational Opportunity Commission which would conduct a study of the availability of higher education; financing higher education and alternative plans for providing financial assistance to institutions of higher education and to students. The Commission would be directed to report to Congress within 18 months after the effective date of the act, the results of its study and a plan or alternative plans for providing universal educational opportunity at the postsecondary level. The House amendment contained no comparable provision.

The conference report provides in lieu of the Senate provision that on or before December 31, 1969, the President shall submit to the Congress proposals relative to the feasibility of making available a postsecondary education to all young Americans who qualify and seek it.

CARL D. PERKINS,
EDITH GREEN,
JOHN BRADEMAS,
SAM M. GIBBONS,
HUGH L. CAREY,
WILLIAM D. HATHAWAY,
PHILLIP BURTON,
WILLIAM AYRES,
ALBERT H. QUIE,
OGDEN REID,
JOHN N. ERLENBORN,
MARVIN L. ESCH,
Managers on the Part of the House.

Mr. YARBOROUGH. Mr. President, I have a statement of Senator MORSE on the higher education conference report. He presided at this conference with great ability. I have never seen a more skilled negotiator and conciliator in my life. He brought together the two Houses in almost 100 points of difference. They were in agreement to the point that every one of the managers of both Houses signed the report.

As Senators know, Senator MORSE was called away because of the untimely death of his administrative assistant, who had served him so long and so well. He attended the funeral services in Oregon and could not be here.

On behalf of Senator MORSE, I ask unanimous consent that the statement he had prepared in advance last week, waiting for the day when the conference report would be up for consideration, explaining what the bill does, be printed in full at this point in the RECORD.

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

STATEMENT OF SENATOR MORSE ON HIGHER EDUCATION CONFERENCE REPORT

Mr. President, I am happy to bring before this body the Conference Report on S. 3769, the Higher Education Amendments of 1968. This report represents many long hours of discussion with our colleagues from the House and contains, for the most part, the better portions of the two higher education bills that were before the Conference Committee. I wish to express my gratitude to my Senate colleagues who served with me as conferees, for their long and dedicated service in the cause of better education for all Americans. And I wish to assure the Senate that I am quite proud of the bill I bring before you today, a bill which ranks high among the landmark education measures which have been passed by this Congress in recent years.

I realize that the bill before you is long and often complex. I would therefore like to discuss the provisions of the Congress Report with the Senate in some detail, to explain the changes these amendments will make in our programs of Federal assistance to education at all levels.

In general, the amendments extend from existing pieces of legislation—the National Defense Education Act of 1958, the Higher Education Facilities Act of 1963, the Higher Education Act of 1965, and the International Education Act of 1966. All authorizations in the bill extend through fiscal year 1971. In addition, the amendments authorize seven new programs in the field of education, and also transfer the existing Upward Bound program from the Office of Economic Opportunity to the Office of Education. However, the committee was aware of the current budget restraints. Therefore, almost uniformly, new programs were authorized to begin operation in fiscal year 1970. Only planning funds were authorized for the current fiscal year, to allow the Office of Education and the educational community to prepare for the implementation of the new programs.

TITLE I—STUDENT ASSISTANCE

Title I amends and extends all the student financial assistance programs administered by the Office of Education: the NDEA student loan program, the Guaranteed Loan Program, the Educational Opportunity Grant Program, the College Work-Study Program, and the National Vocational Student Loan Insurance Program.

The *Educational Opportunity Grant Program* is authorized at the rate of $70 million for fiscal year 1969, $100 million for fiscal

year 1970, and $140 million for fiscal year 1971. This program, which provides grants to our neediest college students—approximately 220,000 this past year—is amended to increase the maximum grant from $800 to $1,000.

The *Talent Search Program,* which seeks out the talented high school students from low-income families and advises them about opportunities for higher education, is merged with the *Upward Bound* Program now administered by the Office of Economic Opportunity and with a new program of *Special Services for Disadvantaged Students.* Programs under this new authority would be able to start at the high school level with the identification of talent, continue with preparation of students from low-income backgrounds for the skills they will need to succeed in college, and conclude with an on-going program of services—tutoring, remedial instruction, special counseling—to enable them to succeed after they have finally enrolled in college. Only the Talent Search portion of this new program could be contracted out to agencies other than educational institutions; in exceptional cases, the Commissioner of Education would be allowed to make Upward Bound contracts with secondary schools and postsecondary institutions other than colleges. Enrollees in Upward Bound can receive stipends of up to $30 per month, but the cost of the program cannot exceed $150 per enrollee per month. For fiscal year 1969, $10 million is authorized, of which no more than $500,000 may be spent for planning the Upward Bound program. Effective in fiscal year 1970, administration of the program is transferred to the Office of Education from the Office of Economic Opportunity. The authorization for fiscal year 1970 for all three programs is $56.68 million, and the authorization for fiscal year 1971 is $96 million.

The *Insured Student Loan Program* was amended in several significant ways by the conferees. Although the Commissioner's authority to make payments to reduce interest costs to the student during his college career was extended, the post-graduation subsidy which had been paid for all students whose families had an adjusted gross income of less than $15,000 was eliminated by the Conference Committee. This amendment is applicable only to insured loans made 60 days after the enactment of this Act, so it will not affect the repayment liabilities of any student who now holds a guaranteed student loan. In case of the death or permanent and total disability of a borrower, the Commissioner is authorized to repay the amount owed.

The bill reported by the conference authorizes the appropriation of $12.5 million in seed money, to serve as advances to the reserve funds of State and nonprofit private student loan insurance programs. In all cases, Federal funds must be matched dollar-for-dollar from non-Federal sources.

I am sure that nearly all the Members of this body have received letters from students complaining that they have been unable to secure insured student loans in their communities. One of the problems has been that the allowable interest rate—6 percent—has been too low, in view of the present money market. Therefore, the conferees agreed to raise the maximum permissible interest rate on these loans to 7 percent. This continues the higher rate already made possible by PL. 90-460, the Act extending our insured loan programs through October 31, 1968. The conferees were aware that some States have not yet raised their statutory ceilings on nonusurious interest charges. Therefore, the Commissioner of Education was authorized to pay an administrative cost allowance of no more than one percent to the lender to cover the disparity. Such cost allowance will be paid on loans made during the period ending 120 days after the adjournment of the State's legislature; this grace period will offer the State ample time to amend its usury laws. In special cases, the provisions of the Federal law will supersede State law, in the limited area of interest chargeable on student loans.

Several other reasonably technical amendments were also made to our insured student loan program. The program authorized by the National Vocational Student Loan Insurance Act of 1965 was merged with that authorized by the Higher Education Act, thus simplifying the paperwork and bookkeeping required of lending agencies. To make the State program consistent with the Federal one, the Commissioner is authorized to encourage the inclusion in State programs of provisions deferring repayment of loans during military, VISTA, or Peace Corps service. In another attempt to coordinate the Federal and non-Federal programs, the conferees agreed to standardize the maximum amounts of loans insured, issuance of installment obligations, and minimum amounts of repayment installments permitted.

Two amendments contribute to the broadening of a student's access to an insured loan. First, pension funds and Federal savings and loan associations were made eligible to make student loans for both college and vocational study. Second, the Commissioner of Education is authorized to insure loans to student borrowers who, because they are not State residents, do not have access to the regular insured loan program within the State. The conferees hope that the latter amendment will do much to overcome the inequities which have occurred because of restrictive residence requirements which have been imposed on some State-insured programs.

The *College Work-Study Program* was transferred by these amendments from the Economic Opportunity Act to part C of title IV of the Higher Education Act. This is consistent with the fact that the program has been operated by the Office of Education since its inception. The program was authorized at the level of $225 million for fiscal year 1969, $255 million for fiscal year 1970, and $285 million for fiscal year 1971. For the first time, area vocational schools were made eligible to participate. The Federal-non-Federal matching requirement was set at 80–20 for the duration of the bill, and students were allowed to work more than the usually prescribed number of hours during vacation and other non-enrollment periods. Students in proprietary institutions may participate in the Work-Study program, although they may not work for the proprietary institution.

The Conference Committee also agreed on a new program of student financial assistance—*Cooperative Education.* This program would allow the Commissioner to make grants to institutions of higher education for the planning, establishment, expansion, or carrying out of programs of cooperative education, which is defined as alternate periods of full-time study and full-time employment. No institution may receive more than $75,000 per year, and no institution may receive grants for more than 3 years. For fiscal year 1969, $340,000 is authorized, to be available for planning and other related activities; $8 million is authorized for fiscal year 1970, and $10 million for fiscal year 1971. In addition, the Commissioner is authorized to make grants and contracts for the training of persons to administer cooperative education programs and for research in the field. For these purposes, $750,000 is authorized for each of the three fiscal years.

Several general amendments apply to all student assistance programs. Residents of the Trust Territory of the Pacific Islands are made eligible to participate. An Advisory Council on Financial Aid to Students is established to advise the Commissioner on matters of general policy arising in the administration of student financial aid programs.

Effective in fiscal year 1970, institutions participating in the Educational Opportunity Grant and College Work-Study programs will receive an administrative expense allotment of 3 percent, in lieu of reimbursement; this sum, plus the amount withdrawn by the institution from its National Defense Student Loan fund to cover expenses, shall not exceed $125,000. In addition, the maintenance of effort requirements for the EOG and Work-Study programs were also standardized. The Conferees felt that these two changes will do much to ease the paperwork burden being felt by college financial aid officers across the country.

The *National Defense Student Loan Program* was also extended through fiscal year 1971, with authorizations of $210 million for fiscal year 1969, $275 million for fiscal year 1970, and $300 million for fiscal year 1971. The provisions for general teacher cancellation of 50 percent of the loan principal and interest were extended for 2 years, through fiscal year 1970. Expanded forgiveness of 15 percent per year up to 100 percent of the loan amount was extended to teachers in all schools with an enrollment of more than 50 percent of the children from families with incomes of less than $3,000. At present, such forgiveness is limited to teachers in only ¼ of the schools in any State. This limitation discriminates against our Nation's poorest States and thereby undermines the purpose of the forgiveness—to attract teachers to our least wealthy schools. The amendment adopted by the conferees will go a long way towards achieving such a worthy purpose.

The conferees also agreed to allow proprietary institutions to participate in the NDEA loan program. However, to avoid cutting back on the amounts of loan funds available to students in higher education in our current fiscal situation, the amendments provide that students in proprietary institutions may borrow only when appropriations for the loan program exceed $190 million.

Two other amendments remove the requirement of special consideration for the applications of students of superior academic backgrounds and exempt permanent residents of the Trust Terriory of the Pacific Islands for the required oath of allegiance.

TITLE II—AMENDMENTS TO OTHER PROVISIONS OF HIGHER EDUCATION ACT OF 1965

The *Community Services Program,* title I of the Higher Education Act, was authorized at the level of $10 million for fiscal year 1969, $50 million for fiscal year 1970, and $60 million for fiscal year 1971. The Senate conferees accepted the provision of the original House bill that the requirement of a comprehensive, coordinated, Statewide system of programs could be modified in cases where funds were insufficient. Since many States were experiencing difficulty in matching title I funds on an equal basis, the conferees agreed that the matching ratio for this title would be 66⅔ percent Federal funds and 33⅓ percent State and local funds.

Title II–A, *College Library Assistance,* is authorized by the conference committee at the level of $25 million for fiscal year 1969, $75 million for fiscal year 1970, and $90 million for fiscal year 1971. Branch institutions of higher education which are located in communities different from their parent institution are made eligible to receive supplemental and special purpose grants. This clarifies the status of such branches, which had been a problem in past administration of this part. Maintenance of effort requirements for special purpose grants were also revised, to make their application more equitable.

Title II–B, *Library Training and Research,* is authorized at the level off $11.8 million for fiscal year 1969, $28 million for fiscal year 1970, and $38 million for fiscal year 1971. The Senate conferees acceded to the House in accepting their provision for grants for the establishment, development, and expansion of programs of library and information science.

The *Library of Congress program,* title II–C of the Higher Education Act, received an authorization of $6 million for fiscal year

1969 and an authorization of $11.1 million for each of the two succeeding fiscal years. Since there has been some confusion concerning the proper authority of the Librarian of Congress under this part, statutory language was included to clarify his authority to purchase copies of materials and to act as an acquisitions agent for hard-to-obtain foreign materials.

Title III, *Developing Institutions*, was authorized by the conferees at the level of $35 million for fiscal year 1969, $70 million for fiscal year 1970, and $91 million for fiscal year 1971. Since junior colleges are playing an increasingly important role in American higher education, the share of title III funds allotted to junior colleges was increased to 23 percent by the conferees.

The House also accepted an amendment to title III offered originally by the gentleman from Texas [Mr. YARBOROUGH]. This provision, entitled "Professors Emeritus," would authorize the Commissioner to make grants to professors who have retired from service in colleges and universities. These grants would be designed to encourage such professors to teach and conduct research at developing institutions. I think that this amendment will be of major importance in forwarding the objectives of the developing institutions program. Institutions such as the Hastings Law School in San Francisco have more than proven that faculty members over the formal age for retirement have much to give new generations of students.

Although the *Education Professions Development Act*, title V of the Higher Education Act, does not expire at this time, the conferees agreed to extend its provisions through fiscal year 1971, with an authorization of $492 million, so that its expiration date would be consistent with those of other higher education programs. Provision was made for the Commissioner to provide medical insurance for those Teacher Corps members not otherwise covered with insurance in the school systems in which they teach. State educational agencies were authorized to administer directly programs of teacher recruitment under title V–B, subpart 2. In addition, a minimum allotment of $100,000 per State was set for this part, to assure each State sufficient funds to undertake a meaningful teacher recruitment program.

Since there was concern on the part of the conferees that fellowships under title V–C and training opportunities under title V–D were not being allocated equitably among the States, the Commissioner was directed to allocate such fellowships and training programs on the basis of certain statutory factors.

I would like to report to the Senate that with respect to the practices of the Office of Education in the administration of the Education Professions Development Act programs, that the conferees were dissatisfied with the practices now enforced and that it is expected that certain changes will take place in the near future. It is our expectation that the programs authorized by Part C and Part D of Title V of the Higher Education Act will no longer be administered together as a single program and that the Title V–C program will be administered as a fellowship program as it was originally intended by Congress.

It was my hope and that of the conferees that such a mandate would alleviate any inequities in the distribution of these funds that currently exist. Finally, in order to make cost-of-education allowances under the fellowship program consistent with those of other Federal fellowship programs, the conferees agreed to give the Commissioner discretion to set the amounts consistent with prevailing practices. Since Commissioner Howe had indicated to the Senate Education Subcommittee that he intended ultimately to increase such allowances to $3,500, the Senate conferees acceded to their House colleagues and set that figure as a statutory ceiling.

The Senate bill contained an amendment to the Education Professions Development Act which placed emphasis on teacher training to serve the needs of children living in areas of high concentrations of low-income families.

The conferees did not accept this statutory language since it was felt that statutory language was unnecessary. The conferees recognized that one of the major concerns of educators throughout the country is that our teachers are inadequately prepared to serve disadvantaged children. The Senate receded on this point only because it would appear, if the amendment were adopted, that statutory language was necessary in order to encourage the Office of Education to emphasize the needs of children from low-income families.

Therefore, the deletion of that language should be construed to mean that the conferees expect a continued interest in the teaching of the disadvantaged and that statutory direction is not necessary.

The program of *Equipment and Materials for Higher Education* was extended, like the rest of the Higher Education Act, for 3 years. For fiscal year 1969, $13 million was authorized for the purchase of television equipment; for fiscal year 1970 and for fiscal year 1971, $60 million was authorized for each year. For other equipment, $1.5 million was authorized for fiscal year 1969 and $10 million each year for fiscal years 1970 and 1971. Although no language was included to authorize the purchase of instructional computers, the Statement of Managers makes it clear that the conference committee agreed that instructional computers should be eligible equipment under title VI.

The Senate conferees agreed to include this language in the Statement of Managers only upon the understanding that the instructional computers eligible under title VI of the Higher Education Act are inexpensive computers of the desk top type variety. We would expect that the cost of any computer of this type would not exceed $1,000.

In other amendments to the title, it was made clear that combinations of institutions could apply for an equipment grant. In addition, to promote the coordination of Federal programs for the purchase of equipment for higher education, the Commissioner is directed to consult with the National Science Foundation and other agencies in developing general policy.

The Higher Education Amendments of 1968, as reported by the conference committee, also add four new titles to the Higher Education Act of 1965. The first, *Networks for Knowledge*, authorizes the Commissioner to make contracts and grants to encourage colleges and universities to share, through cooperative arrangements, their technical and other educational and administrative facilities and resources. In these days of the "knowledge explosion," it has become almost impossible for any single institution of higher education to maintain the facilities, closed-circuit television, computer systems, and library collections necessary to provide our Nation's students with the best possible education. This new program would encourage inter-institutional sharing of strengths. It was the hope of the conferees that the result of such cooperative arrangements would be education of higher quality in all participating institutions. In an effort to keep the immediate costs of this program as low as possible, the conferees agreed on an authorization of $340,000 for fiscal year 1969, to be used for planning and related activities. When the program finally becomes operational in fiscal year 1970, it will be authorized at the level of $4 million, with an authorization of $15 million for fiscal year 1971.

In receding to the House language on the point that profit making organizations would be eligible for contracts under the Networks for Knowledge program, the Senate only receded with the understanding that the Commissioner would make contracts with profit making organizations only under very unusual circumstances where it is impossible to carry out a very important part of the program with non-profit making organizations.

A second new title, *Education for the Public Service*, is designed to attract and prepare students for careers of service in State, local, and Federal governments. This is proposed to be done in two ways: the Secretary of HEW is authorized to make grants and contracts with institutions of higher education to assist them in developing and carrying out programs of graduate-level public service education and in conducting research. He is also authorized to award fellowships for graduate or professional study to persons planning to pursue a career in public service. Again, the conferees agreed that this program should not become operational until fiscal year 1970. For fiscal year 1969, $340,000 was authorized for planning and related activities; for fiscal year 1970, $5 million was authorized, increasing to $13 million in fiscal year 1971.

Although the language of the title vests primary administrative responsibility with the Secretary of Health, Education, and Welfare, this should not be construed as an intent on the part of the conferees that any other agency than the Office of Education should administer that program. The only reason the Senate receded on this point was that it was generally felt that in the interagency negotiations concerning the administration of the program the Secretary would be in a better position to speak to other Cabinet members than the Commissioner of Education.

A third new title to the Higher Education Act, *Improvement of Graduate Programs*, was contained in the Senate-passed bill but omitted by the House. The conferees agreed to accept the version passed by this body, with the limitation that Federal funds could pay no more than 66⅔ percent of the cost of any project. This program, which is designed to improve the quality and quantity of doctoral programs in this country, is also not scheduled to become operational until fiscal year 1970. It received from the conference committee an authorization of $340,000 in planning money for fiscal year 1969, $5 million for fiscal year 1970, and $10 million for fiscal year 1971.

The House conferees also accepted another new program which originated in the Senate, the *Law School Clinical Experience Program*. This program authorizes the Commissioner to contract with accredited laws schools to pay up to 90 percent of the costs of establishing clinical experience programs for their students. The emphasis in these programs is to be given to the preparation and trial of cases, in the hope that the supply of trial lawyers in this country may be increased. Again, only a planning authorization of $340,000 was allowed for fiscal year 1969. For each of the next two fiscal years the conferees allowed $7.5 million.

Several technical amendments were also made to the Higher Education Act. The advisory council now charged with approving grants under title II of the Higher Education Facilities Act was repealed, and a new Advisory Council on Graduate Education, designed to advise the Commissioner on policy matters relating to graduate education, was created. The Commissioner was authorized to disseminate information and provide technical assistance in the field of higher education, and $2 million was authorized to be appropriated for fiscal year 1970 for this activity. The Secretary was given the authority to plan and evaluate programs, with an authorization of $1.117 for fiscal year 1969 and $1.9 for fiscal year 1970. In addition, since the Federal fiscal year is not the same as

the academic year—and much uncertainty over funding results in the academic community—advance funding for the programs under this act was authorized.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

Title III, *Equipment and Materials for Elementary and Secondary Education*, was extended for three years, with authorizations of $110 million for fiscal year 1969, $120 million for fiscal year 1970, and $130 million for fiscal year 1971. The Senate conferees agreed to accept the House language providing for the State plan to set forth any requirements for within-State equalization of matching. However, we wish to emphasize that we do not consider this any grant of additional power to the State educational agency; it merely clarifies existing law. Since private schools do not occur with equal incidence across the country, the separate allotment formula for loans to private schools was repealed. Any funds not utilized by private schools may be reallotted by the Commissioner for use under State plans.

The Senate conferees also accepted a new part B to title III, *Grants for Acquisition of Equipment for Programs for Educationally Deprived Children*, which had been contained in the House bill. This program provides grants to local educational agencies with high concentrations of low-income children, similar to title I of the Elementary and Secondary Education Act. Nonpublic school children must receive an equitable share of the benefits of the equipment purchased under this program. No matching is required. This program is consistent with the philosophy of the Senate that every attempt should be made to equalize educational opportunities around the country, and that compensatory attention should be paid to those school districts which have the greatest numbers of educationally deprived children. For this reason, your conferees agreed to the addition of this new part. It carries a 2-year authorization of $84.373 million for fiscal year 1969 and $160 million for fiscal year 1970.

With respect to the new program of grants for equipment for education of deprived children, as chairman of the Senate conferees and for the purpose of legislative history I would like to say that the availability of equipment under the Title III–B program to nonpublic school children is on exactly the same terms as such equipment is available to such children under Title I of the Elementary and Secondary Education Act. I would further point out that in making equipment available under this program we in no way limit the availability of equipment under Title I of the Elementary and Secondary Education Act.

The *National Defense Fellowship Program* was continued at the same level—7,500 new fellowships per year. The maximum length of fellowships was increased from three years to four years, if special circumstances warrant. Like the fellowships under the Higher Education Act, NDEA fellowships also carry an institutional cost-of-education allowance. This was increased by the conferees to an amount consistent with the allowance of other higher education fellowships across the Federal government, not to exceed $3,500.

The Senator from Virginia [Mr. SPONG] convincingly pointed out to the Education Subcommittee the inequities which currently exist in the distribution of NDEA fellowships. The bill we took to conference contained language to solve this problem. The bill before you requires the Commissioner to achieve such equitable distribution, based on such factors as student enrollments in higher education institutions and population. The original bill also included another factor—shortage of faculty members with a PhD. This was dropped in conference after testimony that such data were not available. However, I would like to make legislative history at this point that the committee considers it of the highest importance that such distribution be achieved and that it recommends that the Commissioner secure the data to allow the consideration of faculty members with less than the doctorate in his distribution of fellowships.

The program of *Guidance, Counseling, and Testing* was authorized at the level of $25 million for fiscal year 1969, $40 million for fiscal year 1970, and $54 million for fiscal year 1971. Although the institute program originally authorized by part B of title V was not extended by the conferees, provision was made for the use of short-term training sessions in guidance and counseling under part A of the title. However, the conferees want to make clear that such sessions are intended to be consistent with the type of training conducted under the Education Professions Development Act; they are not to be workshops, symposia, or conferences.

Title VI, *Language Development*, was extended without change. The conferees authorized $16.05 million for fiscal year 1969, $30 million for fiscal year 1970, and $38.5 million for fiscal year 1971.

The conferees did not extend title VII, *Educational Media*. However, the House did agree to a provision contained in the Senate bill authorizing the Commissioner to secure the assistance of experts in the utilization and adaptation of "new media and technology" for educational purposes.

In a technical amendment, the Senate conferees agreed to accept House language reserving up to one percent of title III and title V appropriations for Department of the Interior Indian schools and Department of Defense overseas dependents schools.

TITLE IV—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

Although the authorizations for the Higher Education Facilities Act have not expired, the conferees extended them through fiscal year 1971 to be consistent with the length of authorizations of other higher education programs. Title I, *Grants for Undergraduate Facilities*, was authorized at the level of $936 million per year for fiscal years 1970 and 1971. Title II, *Grants for Undergraduate Facilities*, received an authorization of $120 million for each fiscal year. Title III, *Loans for Construction of Facilities*, was authorized at the level of $400 million for each of the two fiscal years. The provisions for disaster assistance were also extended through fiscal year 1971.

The conferees agreed to expand the eligibility for construction grants, heretofore limited to schools with expanding enrollments, to those whose enrollments would decrease if construction were not permitted. In addition, student health facilities were made eligible subjects for construction. The Federal share of construction costs was increased to 50 percent; and, effective in fiscal year 1969, a minimum allotment of $50,000 of title I funds will be made to each State and territory.

A new provision adopted by the conferees authorizes the Commissioner to make contracts to reduce the cost of securing loans from non-Federal sources, through the payment of annual interest grants. The Senate conferees compromised with the House in agreeing that at least 10 percent of the construction costs of a building must be paid from non-Federal sources. In turn, the House accepted the Senate provision limiting grants made to any one State to 12½ percent of the funds. The amendment becomes effective in fiscal year 1969, with an authorization of $5 million for fiscal year 1969. This amount will be increased by $6.75 million in fiscal year 1970 and by $13.5 million in fiscal year 1971.

TITLE V—MISCELLANEOUS

Two additional pieces of existing legislation are also extended by the Higher Education Amendments of 1968. The first, *section 12 of the National Foundation on the Arts and Humanities Act*, which provides equipment for use in the study of the humanities and the arts, was authorized at the rate of $500,000 for each of the three fiscal years. The second, the *International Education Act of 1966*, was extended to keep its expiration date consistent with those of other higher education acts. It was authorized at its current level, $90 million, for each of the two fiscal years 1970 and 1971.

The Economic Opportunity Act was amended to prohibit the Director from limiting the number of participants in the in-school Neighborhood Youth Corps who are 14 or 15 years of age. Provision was made that benefits under this act should not be deducted from benefits under certain titles of the Social Security Act, and that they were exempt from the "duplication of benefits" section of the cold war GI Bill.

The conferees, after much discussion, compromised on an amendment designed to deal with the problems of student unrest. The provision requires an institution to deny certain financial aid to an individual if it finds, after notice and opportunity for hearing, that (1) he has been convicted by a court of record of a crime involving the use of force, disruption, or seizure of institutional property, designed to prevent the ordinary operation of the institution, and (2) the crime was of a serious nature and contributed to a substantial disruption of the institution. If these findings are made, the individual must be cut off from further Federal financial assistance for a period of 2 years. Once one institution makes such a finding, a subsequent institution may not grant the individual Federal financial aid within the two-year period.

A second provision holds that, if an institution of higher education, after notice and opportunity for hearing, finds that an individual has wilfully refused to obey a lawful regulation, and such refusal was of a serious nature and contributed to a substantial disruption of the institution, the institution shall deny Federal financial assistance to such individual for a period of two years.

The amendment makes clear that nothing in this bill shall be construed in such a way to prohibit any institution from refusing financial assistance to a student because of any misconduct which in its judgment bears adversely on his fitness for such assistance. In addition, the provision makes clear that nothing in the bill shall be construed to limit the freedom of any student to verbal expression of individual opinions or views.

I can truthfully say to this body that I feel that we have an excellent conference report before us. Both sides yielded on certain points, and both sides stood firm on the issues they felt the most crucial to the future of education. I urge my colleagues to support the bill I consider one of the most important in the history of Federal aid to education—the Higher Education Amendments of 1968.

Mr. YARBOROUGH. Mr. President, the bill now before the Senate, S. 3769, the Higher Education Amendments of 1968, is a landmark piece of legislation. As a result of the conference between the House and Senate, the bill now before us is in many respects stronger and better than either the Senate-passed or the House-passed bills. S. 3769 as approved by the conference committee has already been passed by the House of Representatives. After the approval of this body today it will be sent to the President for his signature into law.

These amendments, in addition to expanding our existing programs for financial assistance to students and our loans and grants to institutions for construction of facilities, establish some broad, new programs in higher educa-

tion. The bill includes a new title for clinical assistance to law schools across the country, provides special programs for disadvantaged students who are admitted to college but who otherwise would have a difficult time graduating, and sets up a new "networks for knowledge" title which encourages colleges and universities to group together in common efforts and ventures.

There are three provisions in this bill in particular that I wish to call to the attention of my colleagues because they are provisions which I either authored or amended during executive sessions of the Senate Subcommittee on Education.

The first of these provisions is the amendment to title III of the Higher Education Act which provides for professors emeritus programs. This addition will make possible a union of interests between developing educational institutions which need competent faculty, and professors who, merely because of age, face compulsory retirement from a developed institution. The amendment makes available to developing institutions the talent and experience of qualified faculty who have reached compulsory retirement age at a development institution, but who are not eager to retire and would welcome the opportunity to teach and pursue research at a developing institution.

It is 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.

The professors emeritus section of the bill was not contained in the House version. The House conferees, however, agreed to adopt it.

Another program of major import which the Senate version of these amendments contained, but which the House version did not, is the new title X—"Improvement of Graduate Programs." As the Senate made clear in its report accompanying this title:

> The Committee cannot emphasize too strongly that the heart of this proposal lies in the word "quality." It was for that reason that the listing of projects exampled in the legislation as being among the types that would qualify for funding is preceded by the words, "experimental, innovative, or interdisciplinary."

As originally introduced, the legislation did not contain this language and therefore, in the words of one witness, seemed "based on the dubious faith that quality is a function of quantity." As I have amended title X, nothing could be further from the truth; we are interested in quality, not quantity alone, not business as usual. These funds should be used as a lever for change, for reform, for experiment, for innovation, for the development of superior graduate schools in all the major areas of the country.

In particular, by way of legislative history, I wish to make it clear to the administration that the remarks of Dr. William Arrowsmith of the University of Texas which were incorporated in the Senate report accompanying S. 3769, are to be interpreted as though written by the committee, having the full force and effect of the committee's interpretation of the thrust of title X.

Finally, I call attention to the directive that the incoming President report back to the Congress no later than December 31, 1969, with proposals designed to increase educational opportunity at the postsecondary level for all Americans. I started working on this proposal over a year ago, and although it takes only a few lines in this huge bill, it may well be the most important part of it. I have long been a proponent of free universal educational opportunity and it is my hope that the President, whoever he may be, will address himself to this highly urgent national issue in education. What I hope to achieve is universal higher education, free of tuition, for all who desire it and are competent to assimilate it, much as we do with secondary education today.

Mr. President, I move that the conference report be agreed to.

The motion was agreed to.

VOCATIONAL EDUCATION AMENDMENTS OF 1968—CONFERENCE REPORT

Mr. YARBOROUGH. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 18366) to amend the Vocational Education Act of 1963, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The assistant legislative clerk read the report, as follows:

CONFERENCE REPORT (H. REPT. No. 1938)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 18366) to amend the Vocational Education Act of 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Vocational Education Amendments of 1968".

TITLE I—AMENDMENTS TO THE VOCATIONAL EDUCATION ACT OF 1963

ACT AMENDMENTS

SEC. 101. (a) The Act of December 18, 1963, Public Law 88-210 (77 Stat. 403 et seq.), is amended—

(1) by redesignating parts B and C thereof as titles II and III and redesignating sections 21 through 28 and 31 through 33 and all references thereto, as sections 201 through 208 and 301 through 303, respectively;

(2) redesignating part A thereof as title I; and

(3) adding after the enacting clause, the following: "That title I of this Act may be cited as the 'Vocational Education Act of 1963'.".

(b) Title I of such Act (as redesignated by subsection (a)) is amended to read as follows:

"TITLE I—VOCATIONAL EDUCATION

"PART A—GENERAL PROVISIONS

"DECLARATION OF PURPOSE

"SEC. 101. It is the purpose of this title to authorize Federal grants to States to assist them to maintain, extend, and improve existing programs of vocational education, to develop new programs of vocational education, and to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis, so that persons of all ages in all communities of the State—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, those with special educational handicaps, and those in postsecondary schools—will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of actual or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 102. (a) There are authorized to be appropriated $355,000,000 for the fiscal year ending June 30, 1969, $565,000,000 for the fiscal year ending June 30, 1970, $675,000,000 for the fiscal year ending June 30, 1971, $675,000,000 for the fiscal year ending June 30, 1972, and $565,000,000 for the fiscal year ending June 30, 1973, and each succeeding fiscal year for the purposes of parts B and C of this title. From the amount appropriated pursuant to the preceding sentence and allotted to each State under section 103, 90 per centum shall be available for the purposes of part B and 10 per centum shall be available for the purposes of part C.

"(b) There are also authorized to be appropriated $40,000,000 each for the fiscal years and ending June 30, 1969, and June 30, 1970, for the purposes of section 122(a)(4)(A). Nothing in this subsection shall be construed to affect the availability for such purposes, of appropriations made pursuant to subsection (a) of this section.

"(c) There are further authorized to be appropriated for each fiscal year such sums as may be necessary to pay the cost of the administration and development of State plans, the activities of advisory councils created under this title, and the evaluation and dissemination activities required pursuant to this title.

"ALLOTMENTS AMONG STATES

"SEC. 103. (a)(1) From the sums appropriated pursuant to section 102(a) the Commissioner shall first reserve an amount, not to exceed $5,000,000 in any fiscal year, for transfer to the Secretary of Labor to finance (upon terms and conditions mutually satisfactory to the Commissioner and the Secretary of Labor) national, regional, State, and local studies and projections of manpower needs for the use and guidance of Federal, State, and local officials, and of advisory councils charged with responsibilities under this title.

"(2) The remainder of the sums appropriated pursuant to section 102(a) and all of the sums appropriated pursuant to section 102(b) shall be allotted among the States on the basis of the number of persons in the various age groups needing vocational education and the per capita income in the respective States as follows: The Commis-

sioner shall allot to each State for each fiscal year—

"(A) An amount which bears the same ratio to 50 per centum of the sums being allotted, as the product of the population aged fifteen to nineteen, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

"(B) An amount which bears the same ratio to 20 per centum of the sums being allotted, as the product of the population aged twenty to twenty-four, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

"(C) An amount which bears the same ratio to 15 per centum of the sums being allotted, as the product of the population aged twenty-five to sixty-five, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

"(D) An amount which bears the same ratio to 5 per centum of the sums being allotted, as the sum of the amounts allotted to the State under subparagraphs (A), (B), and (C) for such years bears to the sum of the amounts allotted to all the States under paragraphs (A), (B), and (C) for such year.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year which is less than $10,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under such subsection, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than that amount.

"(c) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the program for which such amount has been allotted shall be available, from time to time, for reallotment, on such dates during such year as the Commissioner shall fix, on the basis of criteria established by regulation, first among programs authorized by other parts of this title within that State and then among other States, except that funds appropriated under section 102(b) may only be reallotted for the uses set forth in section 122(a)(4)(A). Any amount reallotted to a State under this subsection for any fiscal year shall remain available for obligation during the next succeeding fiscal year and shall be deemed to be part of its allotment for the year in which it is obligated.

"(d)(1) The 'allotment ratio' for any State shall be 1.00 less the product of—

"(A) 0.50, and

"(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), except that (i) the allotment ratio in no case shall be more than 0.60 or less than 0.40, and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be 0.60.

"(2) The allotment ratios shall be promulgated by the Commissioner for each fiscal year between July 1 and September 30 of the preceding fiscal year. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the three most recent consecutive fiscal years for which satisfactory data are available.

"(3) The term 'per capita income' means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

"(4) For the purposes of this section population shall be determined by the Commissioner on the basis of the latest estimates available to him.

"NATIONAL AND STATE ADVISORY COUNCILS

"SEC. 104. (a)(1) There is hereby created a National Advisory Council on Vocational Education (hereinafter referred to as the 'National Council') consisting of twenty-one members appointed by the President, without regard to the civil service laws, for terms of three years, except that (i) in the case of the initial members, seven shall be appointed for terms of one year each and seven shall be appointed for terms of two years each, and (ii) appointments to fill vacancies shall be only for such terms as remain unexpired. The Council shall include persons—

"(A) representative of labor and management, including persons who have knowledge of the semiskilled, skilled, and technical employment in such occupational fields as agriculture, home economics, distribution and marketing, health, trades, manufacturing, office and service industries, and persons representative of new and emerging occupational fields,

"(B) familiar with manpower problems and administration of manpower programs,

"(C) knowledgeable about the administration of State and local vocational education programs, including members of local school boards.

"(D) experienced in the education and training of handicapped persons,

"(E) familiar with the special problems and needs of individuals disadvantaged by their socioeconomic backgrounds.

"(F) having special knowledge of postsecondary and adult vocational education programs, and

"(G) representative of the general public who are not Federal employees, including parents and students, except that they may not be representative of categories (A) through (F), and who shall constitute no less than one-third of the total membership. The National Council shall meet at the call of the Chairman, who shall be selected by the President, but not less than four times a year.

"(2) The National Council shall—

"(A) advise the Commissioner concerning the administration of, preparation of general regulations for, and operation of, vocational education programs supported with assistance under this title;

"(B) review the administration and operation of vocational education programs under this title, including the effectiveness of such programs in meeting the purposes for which they are established and operated, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this title) to the Secretary for transmittal to the Congress; and

"(C) conduct independent evaluations of programs carried out under this title and publish and distribute the results thereof.

"(3) Members of the National Council who are not regular full-time employees of the United States shall, while serving on business of the National Council, be entitled to receive compensation at rates fixed by the President, but not in excess of $100 per day, including traveltime; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in Government service employed intermittently.

"(4) The Council is authorized, without regard to the civil service laws, to engage such technical assistance as may be required to carry out its functions, and to this end there are hereby authorized to be appropriated for the fiscal year ending June 30, 1969, $100,000, and for the fiscal year ending June 30, 1970, and each of the two succeeding fiscal years, $150,000.

"(5) The National Council shall review the possible duplication of vocational education programs at the postsecondary and adult levels within geographic areas, and shall make annual reports of the extent to which such duplication exists, together with its findings and recommendations, to the Secretary. In making these reports, the Council shall seek the opinions of persons familiar with postsecondary and adult vocational education in each State from schools, junior colleges, technical institutes, and other institutions of higher education, as well as from State boards of education, State junior college boards, and State boards of higher education, and persons familiar with area schools, labor, business and industry, accrediting commissions, proprietary institutions, and manpower programs.

"(b)(1) Any State which desires to receive a grant under this title for any fiscal year shall establish a State advisory council, which shall be appointed by the Governor or, in the case of States in which the members of the State board are elected, by such board, and which shall—

"(A) include as members a person or persons—

"(i) familiar with the vocational needs and the problems of management and labor in the State, and a person or persons representing State industrial and economic development agencies,

"(ii) representative of community and junior colleges and other institutions of higher education, area vocational schools, technical institutes, and postsecondary or adult education agencies or institutions, which may provide programs of vocational or technical education and training,

"(iii) familiar with the administration of State and local vocational education programs, and a person or persons having special knowledge, experience, or qualifications with respect to vocational education and who are not involved in the administration of State or local vocational education programs.

"(iv) familiar with programs of technical and vocational education, including programs in comprehensive secondary schools,

"(v) representative of local educational agencies, and a person or persons who are representative of school boards,

"(vi) representative of manpower and vocational education agencies in the State, including a person or persons from the Comprehensive Area Manpower Planning System of the State.

"(vii) representing school systems with large concentrations of academically, socially, economically, and culturally disadvantaged students,

"(viii) having special knowledge, experience, or qualifications, with respect to the special educational needs of physically or mentally handicapped persons, and

"(ix) representative of the general public, including a person or persons representative of and knowledgeable about the poor and disadvantaged, who are not qualified for membership under any of the preceding clauses of this paragraph;

"(B) advise the State board on the development of and policy matters arising in the administration of the State plan submitted pursuant to part B of this title, including the preparation of long-range and annual program plans pursuant to paragraphs (4) and (5) of section 123(a);

"(C) evaluate vocational education programs, services, and activities assisted under

this title, and publish and distribute the results thereof; and

"(D) prepare and submit through the State board to the Commissioner and to the National Council an annual evaluation report, accompanied by such additional comments of the State board as the State board deems appropriate, which (i) evaluates the effectiveness of vocational education programs, services, and activities carried out in the year under review in meeting the program objectives set forth in the long-range program plan and the annual program plan provided for in paragraphs (4) and (5) of section 123(a), and (ii) recommends such changes in such programs, services, and activities as may be warranted by the evaluations.

"(2) Not less than ninety days prior to the beginning of any fiscal year ending after June 30, 1969, in which a State desires to receive a grant under this title, that State shall certify the establishment of, and membership of, its State Advisory Council to the Commissioner.

"(3) Each State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner and select from among its membership a chairman. The time, place, and manner of meeting shall be as provided by the rules of the State Advisory Council, except that such rules must provide for not less than one public meeting each year at which the public is given opportunity to express views concerning vocational education.

"(4) State Advisory Councils are authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this title and to contract for such services as may be necessary to enable them to carry out their evaluation functions.

"(c) From the sums appropriated pursuant to section 102(c) for any fiscal year, the Commissioner is authorized (in accordance with regulations) to pay to each State Advisory Council an amount equal to the reasonable amounts expended by it in carrying out its functions under this title in such fiscal year, except that the amount available for such purpose shall be equal to 1 per centum of the State's allotment under section 103, but such amount shall not exceed $150,000 and shall not be less than $50,000.

"FEDERAL ADMINISTRATION

"SEC. 105. Nothing contained in this title shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum program of instruction, administration, or personnel of any educational institution or school system.

"LABOR STANDARDS

"SEC. 106. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this title shall be paid wages at rates not less than those prevailing as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"LIMITATION ON PAYMENTS UNDER THIS TITLE

"SEC. 107. (a) Nothing contained in this title shall be construed to authorize the making of any payment under this title for religious worship or instruction, or for the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

"(b) Funds appropriated pursuant to this title may be used for residential vocational education schools only to the extent that the operation of such schools is consistent with general regulations of the Commissioner concerning the operation of such schools, but in no case may juveniles be assigned to such schools as the result of their delinquent conduct, and such facilities may not be used in such a manner as to result in racial segregation.

"DEFINITIONS

"SEC. 108. For the purposes of this title—

"(1) The term 'vocational education' means vocational or technical training or retraining which is given in schools or classes (including field or laboratory work and remedial or related academic and technical instruction incident thereto) under public supervision and control or under contract with a State board or local educational agency and is conducted as part of a program designed to prepare individuals for gainful employment as semiskilled or skilled workers or technicians or subprofessionals in recognized occupations and in new and emerging occupations or to prepare individuals for enrollment in advanced technical education programs, but excluding any program to prepare individuals for employment in occupations which the Commissioner determines, and specifies by regulation, to be generally considered professional or which requires a baccalaureate or higher degree; and such term includes vocational guidance and counseling (individually or through group instruction) in connection with such training or for the purpose of facilitating occupational choices; instruction related to the occupation or occupations for which the students are in training or instruction necessary for students to benefit from such training; job placement; the training of persons engaged as, or preparing to become, teachers in a vocational education program or preparing such teachers to meet special education needs of handicapped students; teachers, supervisors, or directors of such teachers while in such a training program; travel of students and vocational education personnel while engaged in a training program; and the acquisition, maintenance, and repair of instructional supplies, teaching aids, and equipment, but such term does not include the construction, acquisition, or initial equipment of buildings or the acquisition or rental of land.

"(2) The term 'area vocational education school' means—

"(A) a specialized high school used exclusively or principally for the provision of vocational education to persons who are available for study in preparation for entering the labor market, or

"(B) the department of a high school exclusively or principally used for providing vocational education in no less than five different occupational fields to persons who are available for study in preparation for entering the labor market, or

"(C) a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for study in preparation for entering the labor market, or

"(D) the department or division of a junior college or community college or university which provides vocational education is in no less than five different occupational fields, under the supervision of the State Board, leading to immediate employment but not necessarily leading to a baccalaureate degree,

if it is available to all residents of the State or an area of the State designated and approved by the State Board, and if, in the case of a school, department, or division described in (C) or (D), it admits as regular students both persons who have completed high school and person who have left high school.

"(3) The term 'school facilities' means classrooms and related facilities (including initial equipment) and interests in lands on which such facilities are constructed. Such term shall not include any facility intended primarily for events for which admission is to be charged to the general public.

"(4) The term 'construction' includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and includes site grading and improvement and architect fees.

"(5) The term 'Commissioner' means the Commissioner of Education, and the term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(6) The term 'handicapped', when applied to persons, means persons who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled or other health impaired persons who by reason thereof require special education and related services.

"(7) The term 'State' includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(8) The term 'State board' means a State board designated or created by State law as the sole State agency responsible for the administration of vocational education, or for supervision of the administration thereof by local educational agencies, in the State.

"(9) The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a vocational education program.

"(10) The term 'high school' does not include any grade beyond grade 12.

"(11) The term 'private vocational training institution' means a business or trade school, or technical institution or other technical or vocational school, in any State, which (A) admits as regular students only persons who have completed or left elementary or secondary school and who have the ability to benefit from the training offered by such institution; (B) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations; (C) has been in existence for two years or has been specially accredited by the Commissioner as an institution meeting the other requirements of this subsection; and (D) is accredited (i) by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this clause, or (ii) if the Commissioner determines that there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a State agency listed by the Commissioner pursuant to this clause, or (iii) if the Commissioner determines that there is no nationally recognized or State agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by him and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope, and quality which must be met by those schools and shall also determine whether particular schools meet those standards. For the purpose of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations and State agencies which he determines to be reliable authority as to the quality of education or training afforded.

"(12) The term 'Vocational Education Act of 1946' means titles I, II, and III of the Act of June 9, 1936, as amended (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, 15aaa–15ggg).

"(13) The term 'supplementary vocational education Acts' means section 1 of the Act of March 3, 1931 (20 U.S.C. 30) (relating to vocational education in Puerto Rico), the Act of March 18, 1950 (20 U.S.C. 31–33) (relating to vocational education in the Virgin Islands), and section 9 to the Act of August 1, 1956 (20 U.S.C. 34) (relating to vocational education in Guam).

"PART B—STATE VOCATIONAL EDUCATION PROGRAMS

"AUTHORIZATION OF GRANTS

"SEC. 121. From the sums made available for grants under this part pursuant to sections 102 and 103, the Commissioner is authorized to make grants to States to assist them in conducting vocational education programs for persons of all ages in all communities of the States, which are designed to insure that education and training programs for career vocations are available to all individuals who desire and need such education and training.

"USES OF FEDERAL FUNDS

"SEC. 122. (a) Grants to States under this part may be used, in accordance with State plans approved pursuant to section 123, for the following purposes:

"(1) vocational education programs for high school students, including such programs which are designed to prepare them for advanced or highly skilled postsecondary vocational and technical education;

"(2) vocational education for persons who have completed or left high school and who are available for study in preparation for entering the labor market;

"(3) vocational education for persons (other than persons who are receiving training allowances under the Manpower Development and Training Act of 1962 (Public Law 87–415), the Area Redevelopment Act (Public Law 87–27), or the Trade Expansion Act of 1962 (Public Law 87–794)) who have already entered the labor market and who need training or retraining to achieve stability or advancement in employment;

"(4)(A) vocational education for persons (other than handicapped persons defined in section 108(6)) who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education program;

"(B) vocational education for handicapped persons who because of their handicapping condition cannot succeed in the regular vocational education program without special educational assistance or who require a modified vocational education program;

"(5) construction of area vocational education school facilities;

"(6) vocational guidance and counseling designed to aid persons enumerated in paragraphs (1) through (4) of this subsection in the selection of, and preparation for, employment in all vocational areas;

"(7) provision of vocational training through arrangements with private vocational training institutions where such private institutions can make a significant contribution to attaining the objectives of the State plan, and can provide substantially equivalent training at a lesser cost, or can provide equipment or services not available in public institutions; and

"(8) ancillary services and activities to assure quality in all vocational education programs, such as teacher training and supervision, program evaluation, special demonstration and experimental programs, development of instructional materials, and improved State administration and leadership, including periodic evaluation of State and local vocational education programs and services in light of information regarding current and projected manpower needs and job opportunities.

"(b) In addition to the use of funds specified in subsection (a), funds appropriated pursuant to section 102(c) and paid to a State for the following purpose by the Commissioner may be used for—

"(1) the development of the State plans;

"(2) State administration of the State plan, including obtaining information regarding current and projected manpower needs and job opportunities; and

"(3) the evaluations required under this title and the dissemination of the results thereof.

"(c)(1) At least 25 per centum of that portion of each State's allotment of funds appropriated under section 102(a) for any fiscal year beginning after June 30, 1969, which is in excess of its base allotment shall be used only for the purpose set forth in paragraph (4)(A) of subsection (a): *Provided,* That for any such fiscal year the amount used for such purpose shall not be less than 15 per centum of the total allotment of such funds for each State, except as any requirement under this paragraph may be waived for any State by the Commissioner for any fiscal year upon his finding that the requirement imposes a hardship or is impractical in its application.

"(2) At least 25 per centum of that portion of each State's allotment of funds appropriated under section 102(a) for any fiscal year beginning after June 30, 1969, which is in excess of its base allotment shall be used only for the purpose set forth in paragraph (2) of subsection (a): *Provided,* That for any such fiscal year the amount used for such purpose shall not be less than 15 per centum of the total allotment of such funds for each State, except as any requirement under this paragraph may be waived for any State by the Commissioner for any fiscal year upon his finding that the requirement imposes a hardship or is impractical in its application.

"(3) At least 10 per centum of each State's allotment of funds appropriated under section 102(a) for any fiscal year beginning after June 30, 1969, shall be used only for the purpose set forth in paragraph 4(B) of subsection (a).

"(4) As used in this subsection, the term 'base allotment' means the sum of the allotments to a State for the fiscal year ending June 30, 1969, from (1) sums appropriated under section 102(a) of this Act, (2) the Smith-Hughes Act (that is, the Act approved February 23, 1917 (39 Stat. 929; 20 U.S.C. 11–15, 16–28)), (3) the Vocational Education Act of 1946, and (4) any of the supplementary vocational educational Acts (including, in the case of American Samoa, section 2 of the Act of September 25, 1962, 48 U.S.C. 1667).

"STATE PLANS

"SEC. 123. (a) Any State desiring to receive the amount for which it is eligible for any fiscal year pursuant to this title shall submit a State plan at such time, in such detail, and containing such information as the Commissioner deems necessary, which meets the requirements set forth in this title. The Commissioner shall approve a plan submitted by a State if he determines that the plan submitted for that year—

"(1) has been prepared in consultation with the State advisory council for that State;

"(2) designates the State board as the sole agency for administration of the State plan, or for supervision of the administration thereof by local educational agencies;

"(3) has been submitted only after the State board (A) has given reasonable notice, and afforded a reasonable opportunity for a public hearing, and (B) has implemented policies and procedures to insure that copies of the State plan and all statements of general policies, rules, regulations, and procedures issued by the State board concerning the administration of such plan will be made reasonably available to the public;

"(4) sets forth a long-range program plan (or, as is appropriate, a supplement to, or revision of, a previously submitted long-range plan) for vocational education in the State, which program plan (A) has been prepared in consultation with the State advisory council, (B) extends over such period of time (but not more than five years or less than three years), beginning with the fiscal year for which the State plan is submitted, as the Commissioner deems necessary and appropriate for the purposes of this title, (C) describes the present and projected vocational education needs of the State in terms of the purposes of this title, and (D) sets forth a program of vocational education objectives which affords satisfactory assurance of substantial progress toward meeting the vocational education needs of the potential students in the State;

"(5) sets forth an annual program plan, which (A) has been prepared in consultation with the State advisory council, (B) describes the content of, and allocation of Federal and State vocational education funds to programs, services, and activities to be carried out under the State plan during the year for which Federal funds are sought (whether or not supported with Federal funds under this title), (C) indicates how and to what extent, such programs, services, and activities will carry out the program objectives set forth in the long-range program plan provided for in paragraph (4), and (D) indicates how, and to what extent, allocations of Federal funds alloted to the State will take into consideration the criteria set forth in the State plan pursuant to paragraph (6), and (E) indicates the extent to which consideration was given to the findings and recommendations of the State advisory council in its most recent evaluation report submitted pursuant to section 104;

"(6) sets forth in detail the policies and procedures to be followed by the State in the distribution of funds to local educational agencies in the State and for the uses of such funds, specified in paragraphs (1) through (8) of section 122(a), for the programs, services, and activities set forth in the program plans submitted pursuant to paragraphs (4) and (5), which policies and procedures assure that—

"(A) due consideration will be given to the results of periodic evaluations of State and local vocational education programs, services, and activities in the light of information regarding current and projected manpower needs and job opportunities, particularly new and emerging needs and opportunities on the local, State, and national levels,

"(B) due consideration will be given to the relative vocational education needs of all population groups in all geographic areas and communities in the State, particularly persons with academic, socioeconomic, mental, and physical handicaps that prevent them from succeeding in regular vocational educational programs,

"(C) due consideration will be given to the relative ability of particular local educational agencies within the State, particularly those in economically depressed areas and those with high rates of unemployment, to provide the resources necessary to meet the vocational education needs in the areas or communities served by such agencies,

"(D) due consideration will be given to the cost of the programs, services, and activities provided by local educational agencies which is in excess of the cost which may be normally attributed to the cost of education in such local educational agencies,

"(E) funds made available under this title will not be allocated to local educational

agencies in a manner, such as the matching of local expenditures at a percentage ratio uniform throughout the State, which fails to take into consideration the criteria set forth in paragraphs (A), (B), (C), and (D),

"(F) applications from local educational agencies for funds—

"(i) have been developed in consultation with representatives of the educational and training resources available to the area to be served by the applicant,

"(ii) are designed to provide the persons to be served with education programs which will make substantial progress toward preparing such persons for a career,

"(iii) include assurances of adequate planning to meet the vocational education needs of potential students in the area or community served by such agency, and,

"(iv) include a plan, related to the appropriate comprehensive area manpower plan (if any), for meeting the vocational education needs in the area or community served by such agency; and

"(v) indicate how, and to what extent the vocational education programs, services, and activities proposed in the application will meet the needs set forth pursuant to clause (iii); and

"(G) no local educational agency which is making a reasonable tax effort, as defined by regulations, will be denied funds for the establishment of new vocational education programs solely because the local educational agency is unable to pay the non-Federal share of the cost of such new programs;

"(7) provides minimum qualifications for teachers, teacher-trainees, supervisors, directors, and other personnel having responsibilities for vocational education in the State and the policies and procedures developed to improve the qualifications of such personnel and to insure that such qualifications continue to reflect a direct relationship with the need for personnel in vocational education programs carried out under the State plan;

"(8) provides for entering into cooperative arrangements with the system of public employment offices in the State approved by the State board and by the State head of such system, looking toward such offices making available to the State board and local educational agencies occupational information regarding reasonable prospects of employment in the community and elsewhere, and toward consideration of such information by such board and agencies in providing vocational guidance and counseling to students and prospective students and in determining the occupations for which persons are to be trained; and looking toward guidance and counseling personnel of the State board and local educational agencies making available to public employment offices information regarding the occupational qualifications of persons leaving or completing vocational education courses or schools, and toward consideration of such information by such offices in the occupational guidance and placement of such persons;

"(9) provides that in the development of vocational education programs, services and activities under this title, there may be, in addition to the cooperative arrangements provided for in paragraph (8), cooperative arrangements with other agencies, organizations, and institutions concerned with manpower needs and job opportunities, such as institutions of higher education, and model city, business, labor, and community action organizations;

"(10) provides that effective use will be made of the results and experience of programs and projects assisted under other parts of this title;

"(11) provides assurance that Federal funds made available under this part will be so used as to supplement, and to the extent practical, increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses set forth in section 122(a), so that all persons in all communities of the State will as soon as possible have ready access to vocational training suited to their needs, interests, and ability to benefit therefrom, and in no case supplant such State or local funds;

"(12) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this title;

"(13) provides that any local educational agency dissatisfied with final action with respect to any application for funds under this title shall be given reasonable notice and opportunity for a hearing;

"(14) provides assurance that the requirements of section 106 will be complied with on all construction projects in the State assisted under this title;

"(15) provides for compliance with the requirements with respect to the use of funds set forth in section 122(c);

"(16) provides that grants made from sums appropriated under section 102(b) shall (A) be allocated within the State to areas of high concentration of youth unemployment and school dropouts, and (B) be made only if (i) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students, and (ii) effective policies and procedures will be adopted which assure that Federal funds made available under this section to accommodate students in nonprofit private schools will not be commingled with State or local funds;

"(17) provides for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports; and

"(18) includes provisions which shall assure that funds authorized by this title will not be used for any program of vocational education (except homemaking programs under part F) which cannot be demonstrated to (A) prepare students for employment or (B) be necessary to prepare individuals for successful completion of such a program, or (C) be of significant assistance to individuals enrolled in making an informed and meaningful occupational choice.

"(b) The Commissioner shall not approve a State plan under this section until he has made specific findings as to the compliance of such plan with the requirements of this part and he is satisfied that adequate procedures are set forth to insure that the assurances and provisions of such plan will be carried out.

"(c)(1) The Commissioner shall not finally disapprove any plan submitted under subsection (a), or any modification thereof, without first affording the State board submitting the plan reasonable notice and opportunity for a hearing.

"(2) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State board administering a State plan approved under subsection (a), finds that—

"(A) the State plan has been so changed that it no longer complies with the provisions of subsection (a), or

"(B) in the administration of the plan there is a failure to comply substantially with any such provision.

the Commissioner shall notify such State board that no further payments will be made to the State under this title (or, in his discretion, further payments to the State will be limited to programs under or portions of the State plan not affected by such failure) until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall limit payments to programs under or portions of the State plan not affected by such failure).

"(3) A State board which is dissatisfied with a final action of the Commissioner under this subsection or subsection (b) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record the Commissioner may modify or set aside his action. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

"(d)(1) If any local educational agency is dissatisfied with the final action of the State board with respect to approval of an application by such local agency for a grant pursuant to this title, such local agency may, within sixty days after such final action or notice thereof, whichever is later, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the State board. The State board thereupon shall file in the court the record of the proceedings on which the State board based its action as provided in section 2112 of title 28, United States Code.

"(2) The findings of fact by the State board, if supported by substantial evidence shall be conclusive; but the court, for good cause shown, may remand the case to the State board to take further evidence, and the State board may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings.

"(3) The court shall have jurisdiction to affirm the action of the State board or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"PAYMENT TO STATES

"SEC. 124. (a) The Commissioner shall pay, from the amount available to the State for grants under this part, to each State an amount equal to 50 per centum of the State and local expenditures in carrying out its State plan as approved pursuant to section 123, except that—

"(1) allotments of States under section 103 from sums appropriated under section

102(b) may be used, at the discretion of the Commissioner, for paying all or part of the expenditures of the States from such allotments; and

"(2) in the case of the Trust Territory of the Pacific Islands and American Samoa, such amount shall be equal to 100 per centum of such expenditures.

"(b) Payments under this title may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"(c) No payments shall be made in any fiscal year under this title to any local educational agency or to any State unless the Commissioner finds, in the case of a local educational agency, that the combined fiscal effort of that agency and the State with respect to the provision of vocational education by that agency for the preceding fiscal year was not less than such combined fiscal effort for that purpose for the second preceding fiscal year or, in the case of a State, that the fiscal effort of that State for vocational education in that State for the preceding fiscal year was not less than such fiscal effort for vocational education for the second preceding fiscal year.

"PART C—RESEARCH AND TRAINING IN VOCATIONAL EDUCATION

"AUTHORIZATION OF GRANTS AND CONTRACTS

"SEC. 131. (a) From 50 per centum of the sums available to each State for the purposes of this part the Commissioner is authorized to make grants to and contracts with institutions of higher education, public and private agencies and institutions, State boards, and, with the approval of the appropriate State board, to local educational agencies in that State for the purposes set forth in section 132, except that no grant may be made other than to a nonprofit agency or institution.

"(b) The remaining 50 per centum of the sums available to each State for the purposes of this part shall be used by its State board, in accordance with its State plan, (1) for paying up to 75 per centum of the costs of the State research coordination unit, and (2) for grants to colleges and universities, and other public or nonprofit private agencies and institutions, and local educational agencies and contracts with private agencies, organizations, and institutions to pay 90 per centum of the costs of programs and projects for (i) research and training programs, (ii) experimental, developmental, or pilot programs developed by such institutions and agencies and designed to meet the special vocational needs of youths, particularly youths in economically depressed communities who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education programs, and (iii) the dissemination of information derived from the foregoing programs or from research and demonstrations in the field of vocational education, which programs and projects have been recommended by the State research coordination unit or by the State advisory council.

"USES OF FEDERAL FUNDS

"SEC. 132. The funds available for grants and contracts under section 131(a) may be used for—

"(1) research in vocational education;

"(2) training programs designed to familiarize persons involved in vocational education with research findings and successful pilot and demonstration projects in vocational education;

"(3) experimental, developmental, and pilot programs and projects designed to test the effectiveness of research findings;

"(4) demonstration and dissemination projects;

"(5) the development of new vocational education curricula; and

"(6) projects in the development of new careers and occupations, such as—

"(A) research and experimental projects designed to identify new careers in such fields as mental and physical health, crime prevention and correction, welfare, education, municipal services, child care, and recreation requiring less training than professional positions and to delineate within such careers roles with the potential for advancement from one level to another;

"(B) training and development projects designed to demonstrate improved methods of securing the involvement, cooperation, and commitment of both the public and private sectors toward the end of achieving greater coordination and more effective implementation of programs for the employment of persons in the fields described in subparagraph (A), including programs to prepare professionals (including administrators) to work effectively with aides; and

"(C) projects to evaluate the operation of programs for the training, development, and utilization of public service aides, particularly their effectiveness in providing satisfactory work experiences and in meeting public needs.

"APPLICATIONS

"SEC. 133. (a) A grant or contract under section 131(a) may be made upon application to the Commissioner at such time or times, in such manner, and containing, or accompanied by, such information as the Commissioner deems necessary. Such application shall contain—

"(1) a description of the nature, duration, purpose, and plan of the project;

"(2) the qualifications of the principal staff who will be responsible for the project;

"(3) a justification of the amount of grant funds requested;

"(4) the portion of the cost to be borne by the applicant; and

"(5) such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant.

"(b) The Commissioner may not approve an application until such application has been reviewed by a panel of experts who are not employees of the Federal Government.

"PAYMENTS

"SEC. 134. From the amount available for grants or contracts under section 131(a), the Commissioner shall pay to each applicant part of the amount expended by such applicant in accordance with the application approved pursuant to section 133.

"PART D—EXEMPLARY PROGRAMS AND PROJECTS

"FINDINGS AND PURPOSE

"SEC. 141. The Congress finds that it is necessary to reduce the continuing seriously high level of youth unemployment by developing means for giving the same kind of attention as is now given to the college preparation needs of those young persons who go on to college, to the job preparation needs of the two out of three young persons who end their education at or before completion of the secondary level, too many of whom face long and bitter months of job hunting or marginal work after leaving school. The purposes of this part, therefore, are to stimulate, through Federal financial support, new ways to create a bridge between school and earning a living for young people, who are still in school, who have left school either by graduation or by dropping out, or who are in postsecondary programs of vocational preparation, and to promote cooperation between public education and manpower agencies.

"AUTHORIZATION OF GRANTS AND CONTRACTS

"SEC. 142. (a) There are hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1969, $57,500,000 for the fiscal year ending June 30, 1970, and $75,000,000 for each of the two succeeding fiscal years to enable the Commissioner to carry out the provisions of this part.

"(b)(1) From the sums appropriated pursuant to this part the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine and shall allot such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territories of the Pacific Islands according to their respective needs for assistance under this part.

"(2) From the remainder of such sums the Commissioner shall allocate $200,000 to each State (except for those provided for in paragraph (1)), and he shall in addition allocate to each such State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all such States.

"(c) From 50 per centum of the sums allotted to each State for the purposes of this part, the Commissioner is authorized to make grants to or contracts with State boards or local educational agencies for the purpose of stimulating and assisting in the development, establishment, and operation of programs or projects designed to carry out the purposes of this part. The Commissioner also may make, in such State from such sums, grants to other public or nonprofit private agencies, organizations, or institutions, or contracts with public or private agencies, organizations, or institutions, when such grants or contracts will make an especially significant contribution to attaining the objectives of this part.

"(d) The State board may use the remaining 50 per centum of such sums for making grants to local educational agencies or other public or nonprofit private agencies, organizations, or institutions, or contracts with public or private agencies, organizations, or institutions including business and industrial concerns, upon such terms and conditions consistent with the provisions of this part and with its State plan approved pursuant to section 123, as it determines will most effectively carry out the development, establishment, and operation of exemplary and innovative occupational education programs or projects designed to serve as models for use in vocational education programs.

"USES OF FUNDS

"SEC. 143. (a) Grants or contracts pursuant to this part may be made, upon terms and conditions consistent with the provisions of this part, to pay all or part of the cost of—

"(1) planning and developing exemplary programs or projects such as those described in paragraph (2), or

"(2) establishing, operating, or evaluating exemplary programs or projects designed to carry out the purposes set forth in section 141, and to broaden occupational aspirations and opportunities for youths, with special emphasis given to youths who have academic, socioeconomic, or other handicaps, which programs or projects may, among others, include—

"(A) those designed to familiarize elementary and secondary school students with the broad range of occupations for which special skills are required and the requisites for careers in such occupations;

"(B) programs or projects for students providing educational experiences through work during the school year or in the summer;

"(C) programs or projects for intensive occupational guidance and counseling during the last years of school and for initial job placement;

"(D) programs or projects designed to broaden or improve vocational education curriculums;

"(E) exchanges of personnel between schools and other agencies, institutions, or organizations participating in activities to

achieve the purposes of this part, including manpower agencies and industry;

"(F) programs or projects for young workers released from their jobs on a part-time basis for the purpose of increasing their educational attainment; and

"(G) programs or projects at the secondary level to motivate and provide preprofessional preparation for potential teachers for vocational education.

"(b)(1) A grant or contract pursuant to this part may be made only if the Commissioner is in the case of grants or contracts made by him, or the State board, in the case of grants or contracts made by it, determines—

"(A) that effective procedures will be adopted by grantees and contractors to coordinate the development and operation of other programs and projects carried out under grants or contracts pursuant to this part, with the appropriate State plan, and with other public and private programs having the same or similar purposes;

"(B) that to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students; and

"(C) that effective policies and procedures will be adopted which assure that Federal funds made available under this part will not be commingled with State or local funds.

"(2) The amount available to a State pursuant to section 142(d) shall be available for obligation for grants or contracts pursuant to the State plan approved under section 123, for paying all of the cost of programs described in section 142(d) and section 143(a) during that year and the succeeding fiscal year.

"(3) No grant or contract (other than a grant or contract with a State board) shall be made by the Commissioner under section 142(c) with respect to any program or project unless such program or project has been submitted to the State board in the State in which it is to be conducted and has not been disapproved by the State board within sixty days of such submission or within such longer period of time as the Commissioner may determine pursuant to regulations.

"(4) Notwithstanding any other provision of law, unless hereafter enacted expressly in limitation of the provisions of this paragraph, funds available to Commissioner pursuant to section 142(c) shall remain available until expended.

"PAYMENTS

"SEC. 144. From the amount available for grants and contracts, under this part pursuant to section 142(c), in the appropriate State, the Commissioner shall pay to each applicant an amount equal to the amount expended by such applicant in accordance with the approved application. Such payment may be made on such terms as are approved in such application. Payments pursuant to grants under this part may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Commissioner may determine.

"LIMITATION ON DURATION OF ASSISTANCE

"SEC. 145. Financial assistance may not be given under this part to any program or project for a period exceeding three years.

"PART E—RESIDENTIAL VOCATIONAL EDUCATION

"DEMONSTRATION SCHOOLS

"SEC. 151. (a) For the purpose of demonstrating the feasibility and desirability of residential vocational education schools for certain youths of high school age, the Commissioner is authorized to make grants, out of sums appropriated pursuant to subsection (b) to State boards, to colleges and universities, and with the approval of the appropriate State board, to public educational agencies, organizations or institutions for the construction, equipment, and operation of residential schools to provide vocational education (including room, board, and other necessities) for youths, at least fifteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In making such grants, the Commissioner shall give special consideration to the needs of large urban areas having substantial numbers of youths who have dropped out of school or are unemployed and shall seek to attain, as nearly as practicable in the light of the purpose of this section, an equitable geographical distribution of such schools.

"(b) There are authorized to be appropriated for the purpose of this section $25,000,000 for the fiscal year ending June 30, 1969, $30,000,000 for the fiscal year ending June 30, 1970, and $35,000,000 each for the fiscal year ending June 30, 1971, and for the succeeding fiscal year.

"STATE PROGRAMS

"SEC. 152. (a)(1) There are hereby authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1969, and $15,000,000 for the fiscal year ending June 30, 1970, for grants to the States to provide residential vocational education facilities in accordance with the provisions of this section.

"(2) From the sums appropriated under paragraph (1), the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the population of each State bears to the population of all the States.

"(3) For purposes of this section—

"(A) the term 'State' does not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(B) the amount allotted under this subsection to any State for the fiscal year ending June 30, 1969, shall be available for payments to applicants with approved applications in that State during that year and the next fiscal year; and

"(C) the amount of any State's allotment under subsection (a)(2) for any fiscal year, which the Commissioner determines will not be required for such fiscal year for carrying out the State's plan approved under subsection (b), shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which as determined by the Commissioner are able to use without delay any amounts so reallotted for the purposes set forth in subsection (b).

Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

"(b)(1) Funds allotted to the States under subsection (a) shall be used by the State, or, with the approval of the State boards, by public educational agencies, organizations, or institutions within such State, to pay the Federal share of the cost of planning, constructing, and operating residential vocational education facilities to provide vocational education (including room, board, and other necessities) for youths, at least age fourteen but who have not attained age twenty-one at the time of admission to the training program, who need full-time study on a residential basis and who can profit from vocational education instruction. In the administration of the program conducted under this section, special consideration shall be given to needs in geographical areas having substantial or disproportionate numbers of youths who have dropped out of school or are unemployed, and to serving persons from such areas.

"(2) For purposes of this section, the Federal share of the cost of planning, constructing, and operating residential vocational education facilities shall not exceed 90 per centum of the costs incurred in any fiscal year.

"(c) For purposes of this section the State plan approved under section 123 shall set forth the policies and procedures to be used by the State in determining the size and location of such residential vocational facilities, taking into account the use of existing vocational education facilities. Such policies and procedures must give assurance that—

"(1) adequate provision will be made for the appropriate selection without regard to sex, race, color, religion, national origin or place of residence within the State of students needing education and training at such school;

"(2) the residential school facility will be operated and maintained for the purpose of conducting a residential vocational education school program;

"(3) vocational course offerings at such school will include fields for which available labor market analyses indicate a present or continuing need for trained manpower, and that the courses offered will be appropriately designed to prepare enrollees for entry into employment or advancement in such fields; and

"(4) no fees, tuition, or other charges will be required of students who occupy the residential vocational education facility.

"(d) For purposes of this section—

"(1) the term 'residential school facility' means a school facility (as defined in section 108(3)), used for residential vocational education purposes. Such term also includes dormitory, cafeteria, and recreational facilities, and such other facilities as the Commissioner determines are appropriate for a residential vocational education school.

"(2) the term 'operation' means maintenance and operation, and includes the cost of salaries, equipment, supplies, and materials, and may include but is not limited to other reasonable costs of services and supplies needed by residential students, such as clothing and transportation.

"GRANTS TO REDUCE BORROWING COSTS FOR SCHOOLS AND DORMITORIES

"SEC. 153. (a) The Commissioner is authorized to make annual grants to State boards, to colleges and universities, and with the approval of the appropriate State board, to public educational agencies, organizations, or institutions to reduce the cost of borrowing funds for the construction of residential schools and dormitories to provide vocational education for youths, at least fourteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In making contracts for such grants, the Commissioner shall give special consideration to the needs of urban and rural areas having substantial numbers of youths who have dropped out of school or are unemployed and shall seek to attain an equitable geographical distribution of such schools.

"(b) Annual grants with respect to the construction of any such residential school shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount equal to the difference between (1) the average annual debt service required to be paid, during the life of the loan, on the amount borrowed for the construction of such facilities, and (2) the average annual debt service which the institution would be required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were 3 per centum per annum.

"(c) The Commissioner shall not enter into a contract for grants under this section unless he determines that the amount borrowed does not exceed the total cost of con-

struction of the facilities, and that such construction will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

"(d)(1) There are hereby authorized to be appropriated such sums as may be necessary for the payment of annual grants in accordance with this section.

"(2) Contracts for annual grants under this section shall not be entered into for an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual grants which may be paid in any year pursuant to contracts entered into under this section shall not exceed $5,000,000, which amount shall be increased by $5,000,000 on July 1, 1969.

"PART F—CONSUMER AND HOMEMAKING EDUCATION

"AUTHORIZATION

"SEC. 161. (a)(1) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1970, $25,000,000, for the fiscal year ending June 30, 1971, $35,000,000, and for the fiscal year ending June 30, 1972, $50,000,000, for the purposes of this part. From the sums appropriated pursuant to this paragraph for each fiscal year, the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103 except that, for the purposes of this section, there shall be no reservation of 10 per centum of such sums for research and training programs and 100 per centum of the amount appropriated pursuant to this section shall be allotted among the States.

"(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved under subsection (b) shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which, as determined by the Commissioner, are able to use without delay any amounts so reallotted for the purposes set forth in subsection (b). Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

"(b) For purposes of this part the State plan approved under section 123 shall set forth a program under which Federal funds paid to a State from its allotment under subsection (a) will be expended solely for (1) educational programs which (A) encourage home economics to give greater consideration to social and cultural conditions and needs, especially in economically depressed areas, (B) encourage preparation for professional leadership, (C) are designed to prepare youths and adults for the role of homemaker, or to contribute to the employability of such youths and adults in the dual role of homemaker and wage earner, (D) include consumer education programs, and (E) are designed for persons who have entered, or are preparing to enter, the work of the home, and (2) ancillary services, activities and other means of assuring quality in all homemaking education programs, such as teacher training and supervision, curriculum development research, program evaluation, special demonstration and experimental programs, development of instructional materials, provision of equipment, and State administration and leadership.

"(c) From a State's allotment under this section for the fiscal year ending June 30, 1970, and for each fiscal year thereafter, the Commissioner shall pay to such State an amount equal to 50 per centum of the amount expended for the purposes set forth in subsection (b), except that, for the fiscal year ending June 30, 1970, and the two succeeding fiscal years, the Commissioner shall pay an amount equal to 90 per centum of the amount used in areas described in subsection (d). No State shall receive payments under this section for any fiscal year in excess of its allotment under subsection (a) for such fiscal year.

"(d) At least one-third of the Federal funds made available under this section shall be used in economically depressed areas or areas with high rates of unemployment for programs designed to assist consumers and to help improve home environments and the quality of family life.

"PART G—COOPERATIVE VOCATIONAL EDUCATION PROGRAMS

"FINDINGS AND PURPOSE

"SEC. 171. The Congress finds that cooperative work-study programs offer many advantages in preparing young people for employment. Through such programs, a meaningful work experience is combined with formal education enabling students to acquire knowledge, skills, and appropriate attitudes. Such programs remove the artificial barriers which separate work and education and, by involving educators with employers, create interaction whereby the needs and problems of both are made known. Such interaction makes it possible for occupational curricula to be revised to reflect current needs in various occupations. It is the purpose of this part to assist the State to expand cooperative work-study programs by providing financial assistance for personnel to coordinate such programs, and to provide instruction related to the work experience; to reimburse employers when necessary for certain added costs incurred in providing on-the-job training through work experience; and to pay costs for certain services, such as transportation of students or other unusual costs that the individual students may not reasonably be expected to assume while pursuing a cooperative work-study program.

"AUTHORIZATIONS AND ALLOTMENTS

"SEC. 172. (a) There is authorized to be appropriated for the fiscal year ending June 30, 1969, $20,000,000, for the fiscal year ending June 30, 1970, $35,000,000, for the fiscal year ending June 30, 1971, $50,000,000, and for the fiscal year ending June 30, 1972, $75,000,000, for making grants to the States for programs of vocational education designed to prepare students for employment through cooperative work-study arrangements.

"(b)(1) From the sums appropriated pursuant to this section for each fiscal year, the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine, and shall apportion such amount among Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, according to their respective needs for assistance under this section. From the remainder of such sums the Commissioner shall allocate $200,000 to each State, and he shall in addition allocate to each State an amount which bears the same ratio to any residue of such remainder as the population aged fifteen to nineteen, both inclusive, in the State bears to the population of such ages in all the States. For purposes of the preceding sentence, the term 'State' does not include the areas referred to in the first sentence of this paragraph.

"(2) The amount of any State's allotment under this section for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved under section 173 shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, and on the basis of such factors as he determines to be equitable and reasonable, to other States which as determined by the Commissioner are able to use without delay any amounts so reallotted for the purposes set forth in section 173. Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

"(3) The population of particular age groups of a State or of all the States shall be determined by the Commissioner on the basis of the latest available estimates furnished by the Department of Commerce.

"PLAN REQUIREMENT

"SEC. 173. (a) A State, in order to participate in the program authorized by this part, shall submit, as part of its State plan, to the Commissioner, through its State board, a plan which shall set forth policies and procedures to be used by the State board in establishing cooperative work-study programs through local educational agencies with participation of public and private employers. Such policies and procedures must give assurance that—

"(1) funds will be used only for developing and operating cooperative work-study programs as defined in section 175 which provide training opportunities that may not otherwise be available and which are designed to serve persons who can benefit from such programs;

"(2) necessary procedures are established for cooperation with employment agencies, labor groups, employers, and other community agencies in identifying suitable jobs for persons who enroll in cooperative work-study programs;

"(3) provision is made for reimbursement of added costs to employers for on-the-job training of students enrolled in cooperative programs, provided such on-the-job training is related to existing carrier opportunities susceptible of promotion and advancement and does not displace other workers who perform such work;

"(4) ancillary services and activities to assure quality in cooperative work-study programs are provided for, such as pre-service and inservice training for teacher coordinators, supervision, curriculum materials, and evaluation;

"(5) priority for funding cooperative work-study programs through local educational agencies, is given to areas that have high rates of school dropouts and youth unemployment;

"(6) to the extent consistent with the number of students enrolled in nonprofit private schools in the area to be served, whose educational needs are of the type which the program or project involved is to meet, provision has been made for the participation of such students;

"(7) Federal funds made available under this part will not be commingled with State or local funds; and

"(8) such accounting, evaluation, and follow-up procedures as the Commissioner deems necessary will be provided.

"(b) The Commissioner shall approve such part of its State plan which fulfills the conditions specified above, and the provisions of part B (relating to the disapproval of State plans) shall apply to this section.

"USE OF FUNDS

"SEC. 174. Funds allocated under this part for cooperative work-study programs shall be available for paying all or part of the State's expenditures under its State plan for this part for any fiscal year, but not in excess of its allotment under section 172.

"DEFINITION

"SEC. 175. For purposes of this part, the term 'cooperative work-study program' means a program of vocational education for persons who, through a cooperative arrangement between the school and employers, receive instruction, including required academic courses and related vocational instruction by alternation of study in school with a job in any occupational field, but these two experiences must be planned and supervised by the school and employers so that each contributes to the student's education and to his employability. Work periods and school at-

tendance may be on alternate half-days, full-days, weeks, or other periods of time in fulfilling the cooperative work-study program.

"PART H—WORK-STUDY PROGRAMS FOR VOCATIONAL EDUCATION STUDENTS

"AUTHORIZATION OF APPROPRIATIONS AND ALLOTMENT

"SEC. 181. (a) There are hereby authorized to be appropriated $35,000,000 for each of the fiscal years ending June 30, 1969 and June 30, 1970 for the purposes of this part.

"(b)(1) From the sums appropriated pursuant to this section for each fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as the population aged fifteen to twenty, inclusive, of the State, in the preceding fiscal year bears to the population aged fifteen to twenty, inclusive, of all the States in such preceding year.

"(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the part of the State's plan approved pursuant to section 182 shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under paragraph (1) for such year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year and the total of such reductions shall be similarly reallotted among the States not suffering such a reduction. Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

"PLAN REQUIREMENT

"SEC. 182. (a) To be eligible to participate in the program authorized by this part, a State shall submit as a part of its State plan through its State board to the Commissioner a plan, in such detail as the Commissioner determines necessary, which—

"(1) designates the State board as the sole agency for administration of the plan, or for supervision of the administration thereof by local educational agencies;

"(2) sets forth the policies and procedures to be followed by the State in approving work-study programs, under which policies and procedures funds paid to the State from its allotment under section 181 will be expended solely for the payment of compensation of students employed pursuant to work-study programs which meet the requirements of subsection (b), except that not to exceed 1 per centum of any such allotment, or $10,000, whichever is the greater, may be used to pay the cost of developing the plan required by this section and the cost of administering such plan after its approval under this section;

"(3) sets forth principles for determining the priority to be accorded applications from local educational agencies for work-study programs, which principles shall give preference to applications submitted by local educational agencies serving communities having substantial numbers of youths who have dropped out of school or who are unemployed, and provides for undertaking such programs, insofar as financial resources available therefore make possible in the order determined by the application of such principles;

"(4) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this part; and

"(5) provides for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this part, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) For the purposes of this section, a work-study program shall—

"(1) be administered by the local educational agency and made reasonably available (to the extent of available funds) to all youths in the area served by such agency who are able to meet the requirements of paragraph (2);

"(2) provide that employment under such work-study program shall be furnished only to a student who (A) has been accepted for enrollment as a full-time student in a vocational education program which meets the standards prescribed by the State board and the local educational agency for vocational education programs assisted under this title, or in the case of a student already enrolled in such a program, is in good standing and in full-time attendance, (B) is in need of the earnings from such employment to commence or continue his vocational education program, and (C) is at least fifteen years of age and less than twenty-one years of age at the commencement of his employment, and is capable, in the opinion of the appropriate school authorities, of maintaining good standing in his vocational education program while employed under the work-study program;

"(3) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session, or for compensation which exceeds $45 in any month or $350 in any academic year or its equivalent, unless the student is attending a school which is not within reasonable commuting distance from his home, in which case his compensation may not exceed $60 in any month or $500 in any academic year or its equivalent;

"(4) provide that employment under such work-study program shall be for the local educational agency or for some other public agency or institution; and

"(5) provide that, in each fiscal year during which such program remains in effect, such agency shall expend (from sources other than payments from Federal funds under this section) for the employment of its students (whether or not in employment eligible for assistance under this section) an amount that is not less than its average annual expenditure for work-study programs of a similar character during the three fiscal years preceding the fiscal year in which its work-study program under this section is approved.

"(c) The provisions of part B shall be applicable to the Commissioner's actions with respect to plans submitted under this section.

"PAYMENTS

"SEC. 183. (a) From a State's allotment under this section for the fiscal year ending June 30, 1969, and for the fiscal year ending June 30, 1970, the Commissioner shall pay to such State an amount equal to 80 per centum of (1) the amount expended for compensation of students employed pursuant to work-study programs under the part of the State's plan approved under section 182, plus (2) an amount, not to exceed 1 per centum of such allotment, or $10,000, whichever is the greater, expended for the development of such plan and for the administration of such plan after its approval by the Commissioner. No State shall receive payments under this section for any fiscal year in excess of its allotment under section 181 for such fiscal year.

"(b) Such payments (adjusted on account of overpayments or underpayments previously made) shall be made by the Commissioner in advance on the basis of such estimates, in such installments, and at such times, as may be reasonably required for expenditures by the States of the funds allotted under section 181.

"STATUS OF PARTICIPANTS

"SEC. 184. Students employed in work-study programs under this part shall not by reason of such employment be deemed employees of the United States, or their service Federal service, for any purpose.

"PART I—CURRICULUM DEVELOPMENT IN VOCATIONAL AND TECHNICAL EDUCATION

"AUTHORIZATION

"SEC. 191. (a) The Congress finds that curriculum development in vocational education is complicated by the diversity of occupational objectives; variations due to geography; differences in educational levels and types of programs; and by the wide range of occupations which includes, but is not limited to, agriculture, food processing and preparation, trades and industry, distribution and marketing, technical, public service, health services, business, and office occupations. It is therefore the purpose of this section to enable the Commissioner to provide appropriate assistance to State and local educational agencies in the development of curriculums for new and changing occupations, and to coordinate improvements in, and dissemination of, existing curriculum materials.

"(b) There are authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1969, and $10,000,000 for the fiscal year ending June 30, 1970, for the purposes set forth in this section.

"(c)(1) Sums appropriated pursuant to subsection (b) shall be used by the Commissioner, after consultation with the appropriate State agencies and the National Council, to make grants to or contracts with colleges or universities, State boards, and other public or nonprofit private agencies and institutions, or contracts with public or private agencies, organizations, or institutions—

"(A) to promote the development and dissemination of vocational education curriculum materials for use in teaching occupational subjects, including curriculums for new and changing occupational fields;

"(B) to develop standards for curriculum development in all occupational fields;

"(C) to coordinate efforts of the States in the preparation of curriculum materials and prepare current lists of curriculum materials available in all occupational fields;

"(D) to survey curriculum materials produced by other agencies of Government, including the Department of Defense;

"(E) to evaluate vocational-technical education curriculum materials and their uses; and

"(F) to train personnel in curriculum development.

"(2) For purposes of this subsection, 'curriculum materials' means materials consisting of a series of courses to cover instruction in any occupational field in vocational education which are designed to prepare persons for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field."

EFFECTIVE DATE

SEC. 102. (a) Except as provided in subsection (b), the amendments made by section 101 shall become effective upon enactment.

(b) The amendments made by this Act to the Vocational Education Act of 1963 shall not, during the fiscal year ending June 30, 1969, apply with respect to programs which are continuations of programs (including programs under part H) carried on under any State's plan during the preceding fiscal year.

REPEAL OF EARLIER VOCATIONAL EDUCATION ACTS

SEC. 103. Effective July 1, 1969, the Vocational Education Act of 1946 (the Act of June 8, 1936, as amended, 20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, 15aaa–15ggg), section 1 of the Act of March 3, 1931, relating to vocational education in Puerto Rico (20 U.S.C. 30), the Act of March 18, 1950, relating to vocational education in the Virgin Islands

(20 U.S.C. 31–33), section 9 of the Act of August 1, 1956, relating to vocational education in Guam (20 U.S.C. 34), and section 2 of the Act of September 25, 1962, relating to vocational education in American Samoa (48 U.S.C. 1667) are repealed.

USE OF FUNDS AVAILABLE UNDER THE SMITH-HUGHES ACT

SEC. 104. Funds appropriated by the first section of the Smith-Hughes Act (that is the Act approved February 23, 1917, 39 Stat. 929, as amended (20 U.S.C. 11–15, 16–28)), shall be considered as funds appropriated pursuant to section 102(a) of this Act.

TITLE II—VOCATIONAL EDUCATION LEADERSHIP AND PROFESSIONAL DEVELOPMENT AMENDMENT OF HIGHER EDUCATION ACT OF 1965

SEC. 201. The Higher Education Act of 1965 is amended by inserting the following new part at the end of title V (the Education Professions Development Act):

"PART F—TRAINING AND DEVELOPMENT PROGRAMS FOR VOCATIONAL EDUCATION PERSONNEL

"STATEMENT OF PURPOSE

"SEC. 551. It is the purpose of this part to provide opportunities for experienced vocational educators to spend full-time in advanced study of vocational education for a period not to exceed three years in length; to provide opportunities to up-date the occupational competencies of vocational education teachers through exchanges of personnel between vocational education programs and commercial, industrial, or other public or private employment related to the subject matter of vocational education; and to provide programs of inservice teacher education and short-term institutes for vocational education personnel.

"LEADERSHIP DEVELOPMENT AWARDS

"SEC. 552. (a) In order to meet the needs in all the States for qualified vocational education personnel (such as administrators, supervisors, teacher educators, researchers, and instructors in vocational education programs) the Commissioner shall make available leadership development awards in accordance with the provisions of this part only upon his determination that—

"(A) persons selected for awards have had not less than two years of experience in vocational education or in industrial training or military technical training; or, in the case of researchers, experience in social science research which is applicable to vocational education; or

"(B) persons receiving such awards are currently employed or are reasonably assured of employment in vocational education and have successfully completed, as a minimum, a baccalaureate degree program; or

"(C) persons selected are recommended by their employer, or others, as having leadership potential in the field of vocational education and are eligible for admission as a graduate student to program of higher education approved by the Commissioner under subsection (c).

"(b)(1) The Commissioner shall pay to persons selected for leadership development awards such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(2) The Commissioner shall (in addition to the stipends paid to persons under paragraph (1)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with the prevailing practices under comparable federally supported programs not to exceed the equivalent of $3,500 per academic year, but any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection.

"(c) The Commissioner shall approve the vocational education leadership development program of an institution of higher education by the institution only upon finding that—

"(1) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, guidance and counseling, research, and curriculum development;

"(2) such program is designed to further substantially the objective of improving vocational education through providing opportunities for graduate training of vocational education teachers, supervisors, and administrators, and of university level vocational education teacher educators and researchers;

"(3) such programs are conducted by a school of graduate study in the institution of higher education; and

"(4) such program is also approved by the State board for vocational education in the State where the institution is located.

"(d) In order to meet the needs for qualified vocational education personnel such as teachers, administrators, supervisors, and teacher educators, in vocational education programs in all the States, the Commissioner in carrying out this section shall apportion leadership development awards equitably among the States, taking into account such factors as the State's vocational education enrollments, and the incidence of youth unemployment and school dropouts in the State.

"(e) Persons receiving leadership awards under the provisions of this section shall continue to receive the payments provided in subsection (b) only during such periods as the Commissioner finds that they are maintaining satisfactory proficiency in, and devoting essentially full-time to, study or research in the field of vocational education in an institution of higher education, and are not engaging in gainful employment, other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner.

"EXCHANGE PROGRAMS, INSTITUTES, AND INSERVICE EDUCATION FOR VOCATIONAL-EDUCATION TEACHERS, SUPERVISORS, COORDINATORS, AND ADMINISTRATORS

"SEC. 553. (a) The Commissioner is authorized to make grants to State boards, as defined in the Vocational Education Act of 1963, to pay the cost of carrying out cooperative arrangements for the training or retraining of experienced vocational education personnel such as teachers, teacher educators, administrators, supervisors, and coordinators, and other personnel, in order to strengthen education programs supported by this part and the administration of schools offering vocational education. Such cooperative arrangements may be between schools offering vocational education and private business or industry, commercial enterprises, or with other educational institutions (including those for the handicapped and delinquent).

"(b) Grants under this section may be used for projects and activities such as—

"(1) exchange of vocational education teachers and other staff members with skilled technicians or supervisors in industry (including mutual arrangements for preserving employment and retirement status, and other employment benefits during the period of exchange), and the development and operation of cooperative programs involving periods of teaching in schools providing vocational education and of experience in commercial, industrial, or other public or private employment related to the subject matter taught in such school;

"(2) inservice training programs for vocational education teachers and other staff members to improve the quality of instruction, supervision, and administration of vocational education programs; and

"(3) short-term or regular-session institutes, or other preservice and inservice training programs or projects designed to improve the qualifications of persons entering and reentering the field of vocational education, except that funds may not be used for seminars, symposia, workshops or conferences unless these are part of a continuing program of inservice or preservice training.

"(c) A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

"(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (b), and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

"(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (b), and in no case supplant such funds;

"(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

"(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"FAMILIARIZING TEACHERS WITH NEW CURRICULAR MATERIALS

"SEC. 554. In approving training and development programs for vocational education personnel, the Commissioner shall give special consideration to programs which are designed to familiarize teachers with new curricular materials in vocational education.

"APPROPRIATIONS AUTHORIZED

"SEC. 555. There is authorized to be appropriated to carry out this part, the sum of $25,000,000 for the fiscal year ending June 30, 1969, and the sum of $35,000,000 for the fiscal year ending June 30, 1970."

TITLE III—MISCELLANEOUS PROVISIONS

ADEQUATE LEADTIME, PLANNING, AND EVALUATION

SEC. 301 (a) Section 401 of the Elementary and Secondary Education Amendments of 1967 (Public Law 90–247) is amended to read as follows:

"PROGRAMS SUBJECT TO THIS TITLE

"SEC. 401. The provisions of this title shall apply to any program for which the Commissioner of Education has responsibility for administration, either as provided by statute or by delegation pursuant to statute. Amendments to Acts authorizing such programs shall not affect the applicability of this title unless so specified by such amendments."

(b) Title IV of such Act is amended by inserting after section 405 the following new section:

"AVAILABILITY OF APPROPRIATIONS

"SEC. 406. Notwithstanding any other provision of law, unless expressly in limitation of the provisions of this title, funds appropriated for any fiscal year to carry out any of the programs to which this title is applicable shall remain available for obligation until the end of such fiscal year."

REDUCING AGE LIMIT IN ADULT EDUCATION PROGRAM

SEC. 302. Effective with respect to appropriations for fiscal years beginning after

June 30, 1969, section 303(a) of the Adult Education Act of 1966 (title III of Public Law 89–750, 80 Stat. 1216) is amended by striking out "eighteen" and inserting in lieu thereof "sixteen".

COLLECTION AND DISSEMINATION OF INFORMATION

SEC. 303. (a) For the purpose of carrying out more effectively the provisions of the programs administered by him (including those administered by him by delegation), the Commissioner of Education—

(1) shall prepare and disseminate to all appropriate State and local agencies and institutions and others concerned with education, complete information on programs of Federal assistance;

(2) shall inform the public on federally supported programs for education by providing information to communications media; such dissemination activity shall include the development and issuance of materials which inform teachers, students, the disadvantaged, and dropouts of new and expanding opportunities for education, together with materials specifically directed to institutions or individuals vested with responsibility for one or more programs administered by the Commissioner;

(3) shall develop, on both formal and informal bases, a close liaison for interchange of ideas and information with representatives of American business and with service, labor, or other organizations, both public and private, to advance American education;

(4) shall collect data and information on programs qualifying for assistance under programs administered by him for the purpose of obtaining objective measurements of the effectiveness achieved in carrying out the purposes of such programs;

(5) may upon request provide advice, counsel, technical assistance, and demonstrations to State educational agencies, local educational agencies, or institutions of higher education undertaking to initiate or expand programs in order to increase the quality or depth or broaden the scope of such programs, and shall inform such agencies and institutions of the availability of assistance pursuant to this clause;

(6) shall prepare and disseminate to State educational agencies, local educational agencies, and other appropriate agencies and institutions an annual report setting forth developments in the utilization and adaptation of programs administered by him; and

(7) may enter into contracts with public or private agencies, organizations, groups, or individuals to carry out the provisions of this section.

(b)(1) For such purpose and also for the purpose of carrying out more effectively other provisions of Federal law, the Commissioner, upon request from a State educational agency, shall provide counseling and technical assistance to elementary and secondary schools in rural areas, as defined by the Commissioner, of such State (A) in determining benefits available to such agencies and schools under Federal laws, and (B) in preparing applications and meeting other requirements for such benefits. Assistance pursuant to this subsection may, in accordance with such request, be provided by personnel from the Office of Education or be provided in the form of grants in such amounts as may be necessary for such State educational agency to employ such personnel as may be necessary to provide such assistance.

(2) The Commissioner is further authorized to provide the types of assistance available to elementary and secondary schools under paragraph (1) to institutions of higher education.

(c) The Commissioner shall prepare and make available in such form as he deems appropriate a catalog of all Federal education assistance programs whether or not such programs are administered by him. The catalog shall—

(1) identify each such program, and include the name of the program, the authorizing statute, the specific Federal administering officials and a brief description of such program;

(2) set forth the availability of benefits and eligibility restrictions in each such program;

(3) set forth the budget requests for each such program, past appropriations, obligations incurred, the average assistance provided under each such program, and pertinent financial information indicating (A) the size of each such program for selected fiscal years, and (B) any funds remaining available;

(4) set forth the prerequisites, including the cost to the recipient of receiving assistance under each such program, and any duties required of the recipient after receiving benefits;

(5) identify appropriate officials, in Washington, District of Columbia, as well as in each State and locality (if applicable), to whom application or reference for information for each such program may be made;

(6) set forth the application procedures;

(7) contain a detailed index designed to assist the potential beneficiary to identify all education assistance programs related to a particular need or category of potential beneficiaries;

(8) contain such other program information and data as the Commissioner deems necessary or desirable in order to assist the potential program beneficiary to understand and take advantage of each Federal education assistance program; and

(9) be transmitted to Congress within the first month of each regular session, together with a report setting forth the specific measures taken in the past year to simplify the various application forms and program guidelines a potential beneficiary would use to benefit from each Federal education assistance program, and to coordinate, simplify application forms and program guidelines.

(d) There are authorized to be appropriated for the fiscal year ending June 30, 1970, and each succeeding fiscal year ending prior to July 1, 1972, such sums as may be necessary to carry out the provisions of this section.

(e) Section 806 of the Elementary and Secondary Education Act of 1965 shall become ineffective the first fiscal year for which funds are appropriated to carry out the provisions of this section.

TRAINING TEACHERS OF THE HANDICAPPED

SEC. 304. Section 1 of Public Law 85–926 (grants for teaching in the education of handicapped children) is amended by inserting "and other appropriate non-profit institutions or agencies" after the words "non-profit institutions of higher learning" wherever such words occur.

PREVENTION OF REDUCTION OF STATE AID ON ACCOUNT OF PAYMENTS UNDER PUBLIC LAW 874

SEC. 305. (a) Subsection (d) of section 5 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended (1) by inserting "(1)" after "(d)", and (2) by adding the following new paragraph:

"(2) No payments may be made during any fiscal year to any local educational agency in any State which has taken into consideration payments under this title in determining the eligibility of any local educational agency in that State for State aid (as defined by regulation), or the amount of that aid, with respect to free public education during that year or the preceding fiscal year, or which makes such aid available to local educational agencies in such a manner as to result in less State aid to any local educational agency which is eligible for payments under this title than such local educational agency would receive if it were not so eligible."

(b) The amendments made by subsection (a) shall become effective with respect to each State on the first day of the first fiscal year which begins after the adjournment of the first complete legislative session (at which State aid may be considered) of such State's legislature held after the date of enactment of this Act.

PROGRAM CONSOLIDATION STUDY

SEC. 306. The Commissioner of Education shall make a study of the feasibility of consolidation of education programs in order to provide for more efficient use of Federal funds at the local level and to simplify application procedures for such funds and shall, within one year of the date of enactment of this Act, submit to the Congress a report on the results of the study and any recommendations for legislation which would facilitate consolidation of education programs.

STATE SCHOOLS FOR HANDICAPPED IN TERRITORIES

SEC. 307. Section 103(a)(4) of the Elementary and Secondary Education Act of 1965 (title II of Public Law 874, 81st Congress, as amended) is amended by inserting "except paragraph (5)," after "this subsection,".

JOB CORPS STUDY

SEC. 308. (a) The Commissioner of Education is authorized and directed to make a special study of the means by which the existing Jobs Corps facilities and programs established under the Economic Opportunity Act of 1964 most effectively might, if determined feasible, be transferred to State or joint Federal-State operation in conjunction with the program of Residential Vocational Education authorized by part E of the Vocational Education Act of 1963.

(b) The Commissioner shall consult with other Federal officers, State boards of vocational education, and such other individuals and organizations as he may deem necessary for this study, and shall make a report of his findings and recommendations to the appropriate committees of the Congress not later than March 1, 1969.

HEAD START STUDY

SEC. 309. The President shall make a special study of whether the responsibility for administering the Head Start program established under the Economic Opportunity Act of 1964 should continue to be vested in the Director of the Office of Economic Opportunity, should be transferred to another agency of the Government, or should be delegated to another such agency pursuant to the provisions of section 602(d) of the aforementioned Economic Opportunity Act of 1964, and shall submit the findings of this study to the Congress not later than March 1, 1969.

And the Senate agree to the same.

WAYNE MORSE,
RALPH W. YARBOROUGH,
JOSEPH CLARK,
JENNINGS RANDOLPH,
HARRISON WILLIAMS,
GAYLORD NELSON,
WINSTON PROUTY,
JACOB JAVITS,
PETER DOMINICK,
GEORGE L. MURPHY,
Managers on the Part of the Senate.

CARL D. PERKINS,
EDITH GREEN,
ROMAN PUCINSKI,
JOHN BRADEMAS,
AUGUSTUS F. HAWKINS,
SAM M. GIBBONS,
WILLIAM D. FORD,
JAMES SCHEUER,
LLOYD MEEDS,
CARL ALBERT,
WILLIAM H. AYRES,
ALBERT H. QUIE,
JOHN ASHBROOK,
ALPHONZO BELL,
BILL SCHERLE,
JOHN DELLENBACK,
EDWIN D. ESHLEMAN,
WILLIAM A. STEIGER,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. YARBOROUGH. Mr. President, the conference report on the Vocational Education Amendments of 1968, which was just submitted, represents a reconciliation of more than 115 major points of substantive difference.

Mr. President, I have another statement to present. I want to state, in advance, that I understand the Senator from Delaware [Mr. WILLIAMS] has some objection to the conference report. We are not going to ask that it be agreed to at this time, but I have more statements to put in the RECORD. Before I do so, I wish to state that on this bill the differences between the House and the Senate were more substantive than they were on the higher education bill.

Again Senator MORSE displayed skill and expertise that I have never seen equaled on any legislative matter or on executive boards—and I have sat on executive boards.

These 115 points of difference were ironed out after a conference of some days. We entered into a session last week. We had a morning session and an afternoon session. Then by the agreement of the parties, we met at 7 o'clock one night, both the House and the Senate conferees, the House under the leadership of Representative CARL PERKINS of Kentucky.

The Senate conferees, of both parties, under the leadership of the Senator from Oregon [Mr. MORSE] were in session from 7 at night until 2:15 in the morning. That was not the first day of the conference. We had a morning session, an afternoon session, and a 7¼-hour session at night.

These 115 points of difference were resolved, and there was not a dissenting vote in signing the report on the part of any member of either party in either House.

I am proud to present this report, which represents a forward-looking bill for that segment of our people who had been left out of vocational education largely. I am proud to bring it to the Senate.

Due to the tragic circumstance of the loss of the administrative assistant of Senator MORSE and the fact that Senator MORSE was detained in Oregon to attend the funeral services, I ask unanimous consent that Senator MORSE's statement on the vocational education conference report be printed in the RECORD in full at this point.

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

STATEMENT BY SENATOR MORSE

Mr. President, I shall summarize the primary features of the Conference report and the primary features of the Senate passed bill which are not contained in the Conference report.

There are three major features of the Senate passed bill which are not contained in the conference report—the proposed new vocational education program, special State emphasis programs, the Senate language concerning the program consolidation, and the Senate language which would have transferred Project Headstart to the Office of Education.

With respect to the language concerning program consolidation, the Senate bill contained (1) a prohibition against consolidation of education programs by administrative procedures when such procedures are not authorized by the enabling legislation of those programs and (2) a directive to the Commissioner of Education requiring him to study the feasibility of program consolidation by legislation.

Subsequent to Senate passage of the bill, the Committee on Labor and Public Welfare received word that their actions with respect to consolidation had come to a halt and that the proposed regulation in part 122 of chapter I of Title 45 of the Code of Federal Regulations had been rejected as unjustified and without legal authority. Therefore, the Senate receded with respect to the prohibitory language and insisted on the language requiring the study. The decision of the Conference should not be construed as approval of the conduct of the Office of Education in this matter.

The State Special Emphasis Program was designed to take 10 percent of the funds which would be normally available under the comprehensive State plan program and make it available to the States under a special application at the 90–10 matching ratio rather than the normal 50–50 matching ratio.

The House could not be persuaded to accept this provision.

Among the suggested activities under the State special emphasis programs was a suggestion that local schools and the States may wish to have vocational education programs conducted with bilingual techniques.

It was pointed out during the conference that the inability to use the English language would be considered an academic handicap and that therefore bilingual programs would be eligible for funding under the earmarked funds for the disadvantaged. Therefore, the conferees fully expect the Office of Education and the State to encourage the use of bilingual education techniques in meeting the vocational education needs of non-English speaking students.

Regarding the transfer of Project Headstart, this point of disagreement was the first issue discussed in the conference and was the last to be resolved. Your conferees held firm until it was the only difference unresolved, and it appeared that there would be no conference report. The majority of the House conferees were adamant. It was finally resolved that the report would contain a substitute provision which can be found in section 309. That provision requires the President to make a special study of the administration of the Headstart program with respect to the continued responsibility of the Director of the Office of Economic Opportunity for the administration of the program. The findings of the study are to be submitted to Congress not later than March 1, 1969.

The major part of the bill was a complete revison of the Vocational Education Act of 1963.

In recognition of the importance of vocational and technical education in dealing with the problems facing our country at the present time, the bill the conferees agreed upon increases the funds available for vocational education, sets forth more strict procedures for the implementation of the will of Congress, and redirects vocational education toward the post-secondary level and the special needs of the disadvantaged an the handicapped. Furthermore, the revisions contain provisions for advisory councils which will advise administrators on the implementation of the new program and evaluate the administration of and effectiveness of the new program.

The conference report authorized $542,100,000 in fiscal 1969; $862,650,000 in fiscal 1970; $870,150,000 in fiscal year 1971, and $910,150,000 in fiscal year 1972. In succeeding years $565,000,000 is authorized for the basic program.

The standards for preparing and approving State plans have been strengthened and the States are required to prepare annual and long-range program plans and evaluations. Most significantly, section 123(a)(6)(F) changes the operation of the program from a reimbursement of expenditures mechanism to a project approval mechanism. It expected that this change will result in more careful planning and development at the local level and more careful consideration at the State level.

The research and training authority presently under section 4(c) of the Act is in part C of the revision. The program has been changed to provide that one half of the funds are to be used by the Commissioner under detailed procedures set forth in the law. The eligibility for projects in new careers and occupations is made clear.

The remaining half of the funds is to be used by the State boards for activities eligible under present law and for State research coordinating units.

The facts that all research funds are allotted among the States does not preclude the Commissioner from funding the projects of national importance or from pooling funds from a number of States for a national research project. The allotment of funds among the States was designed to insure equitable geographical distribution of research funds.

Both the Senate and House versions of the bill provided for a new program of exemplary projects in vocational and technical education. The Senate bill vested primary administrative responsibility in the Commissioner while the House bill divided that responsibility by reserving 10 percent of the funds for the Commissioner and vesting the responsibility for the remainder in the State boards. The conference report provides for one half the funds to be administered in the manner provided by the Senate bill while the remainder will be administered by the State boards.

The conference report contains three separate programs provided by the Senate bill: consumer and homemaking education; cooperative vocational education; and demonstration projects for residential vocational education schools.

In addition, the conference report contains the following new programs proposed by the House: grants for State operated residential vocational schools; grants to reduce borrowing costs for the construction of residential school facilities and dormitories; a continuation of the vocational work-study program; teacher training programs for vocational teachers and ancillary personnel; and a curriculum development program.

In recognition of the special areas of concern in vocational education, specific percentages of funds are earmarked for three groups. Increased funds are earmarked for programs for the disadvantaged. First, 15 percent of all regular State plan funds up to the fiscal 1969 appropriations level, and 25 percent of funds appropriated in excess thereof, must be devoted to programs for the disadvantaged. Second, a separate appropriations authorization of $40 million is included in the bill for programs for the disadvantaged. These funds would not be subject to any State and local matching requirements and must be used for projects in areas having high youth unemployment and drop-out rates, with services to accommodate students in nonpublic schools.

On this point, questions were raised with respect to the applicability of the definition of handicapped in section 108 to the disadvantaged. For the purpose of legislative history, it is the intention of the conferees that the definition in section 108 does not apply to academic or socio-economic handicaps; it applies solely to mental and physical handicaps.

Furthermore, post-secondary vocational

education programs are assured 15 percent of all regular State plan funds up to the fiscal 1969 appropriations level, and 25 percent of funds appropriated in excess thereof; and ten percent of all regular State plan funds must be used for vocational education for handicapped persons.

The conference report contains the House provision which amends the Education Professions Development Act to provide a special program for vocational education teachers. The Senate conferees were concerned that if a separate program of vocational education fellowships were authorized that there would be a proliferation of teacher training programs throughout the Office of Education. The Senate conferees receded to the House on this point only with the understanding that the Bureau of Educational Personnel Development would have the primary responsibility for the administration of the new part of the Education Professions Development Act.

The Senate bill contained an amendment to Title IV of the Elementary and Secondary Education Amendments of 1967 which extends the forward funding authority of that title to all education programs. This section was adopted by the conference.

The Senate bill also provided for an automatic extension of authorizations in years in which authorizations expire. That provision was not accepted by the House conferees.

The conference report contains the provisions of the Senate bill which made any education appropriations available for obligation and expenditure until the end of the fiscal year without regard to the limitations of any other law unless such other law expressly limits the provisions of Title IV of the Elementary and Secondary Education Amendments of 1967.

EXPLANATION OF SECTION 406 OF THE ESEA AMENDMENTS OF 1967

Since the amendment to Title IV of the Elementary and Secondary Education Amendments of 1967, which is made by section 301(b) of the conference report, is subject to some question with respect to its meaning and intent, I would like to state here for the purposes of legislative history some of the history of this section and the intent of the Committee on Labor and Public Welfare and the conferees.

The provision, which is now proposed to be section 406 of the Elementary and Secondary Education Amendments of 1967, was first proposed during executive sessions of the Education Subcommittee on the vocational education bill. It was proposed by the chairman of the Subcommittee, the senior Senator from Oregon [Mr. MORSE].

At that time no general legislation affecting the availability of obligational authority from appropriations was on the statute books. The intent of the Committee at that time, which since then has been ratified by the Senate and the House-Senate conferees on the bill, was that no legislation of general applicability which provided statutory authority for the President to refuse to obligate appropriations should affect programs supporting aid to education.

This provision was adopted by the Education Subcommittee, supported by the full Committee on Labor and Public Welfare, and passed the Senate unanimously on July 17. When the House conferees raised questions with respect to this provision, it was explained, and the House receded to the Senate on this difference.

Since the Revenue and Expenditures Control Act was enacted after section 406 was first drafted, the effect of this provision on the Revenue and Expenditures Control Act was not discussed at length. However, during the House-Senate conference on the vocational education bill, the provision was discussed. The intent of the conferees with respect to the meaning of this provision was well understood by all conferees and adopted without objection on either side.

With respect to the effect of the proposed section 406 of the Elementary and Secondary Education Amendments of 1967 on section 203 of the Revenue and Expenditures Control Act, the intention of the conferees, and I state this for the purposes of legislative history, was that the $10 billion reduction in new obligational authority would not run against education programs.

Section 203(b) of the Revenue and Expenditures Control Act requires the President to reserve from new obligational and loan authority such amounts as may be necessary to effectuate the limitations set forth in subsection (a) of that section, which subsection (a) requires a $10 billion reduction in new obligational authority from that which was proposed in the President's budget for fiscal year 1969.

The language of section 406 simply requires that appropriations for any fiscal year for education programs which constitute a new obligational authority shall remain available for obligation until the end of the fiscal year for which they are appropriated. This section would override any statutory authority the President might have to prevent by affirmative act the obligation of fiscal year 1969 appropriations. This section does not challenge whatever authority the President may have constitutionally with respect to his refusal to expend appropriated funds. This section only overrides any statutory authority the President may have if the President were to take an affirmative act to prevent appropriated funds from being obligated. His sole authority for such an act would be that which he may have under the Constitution as being inherent in the office of the President. The Committee expresses no view with respect to the President's constitutional authority.

With respect to section 202 of the Revenue and Expenditure Control Act of 1968 concerning the $6 billion reduction in expenditures for fiscal year 1969, the effect of the proposed section 406 is secondary. Since section 406 runs against an affirmative act preventing obligation of appropriated funds for education, the effect on section 202 of the Revenue and Expenditures Control Act would be that, if a reservation of expenditures would result in failure to obligate from appropriations for education, then the reservation from expenditures would be an affirmative act prohibited under section 406. For instance, since section 406 provides that all appropriations for education shall remain available for obligation until the end of the fiscal year for which they are appropriated, it is only logical that the expectation is that the funds be obligated. If obligation takes place on the last day of the fiscal year, it would be reasonable to expect that expenditures from that obligation would take place in the succeeding fiscal year. In that event the restrictions in section 202 would not be affected.

However, an obligation earlier in the fiscal year which resulted in a fiscal 1969 expenditure would be protected by section 406. To the extent that fiscal 1969 expenditures are necessitated under the obligation or authorizing statute, they are protected by section 406.

Furthermore, if a reservation from expenditures would result in an inability to obligate 1969 appropriations, section 406 would prohibit the reservation.

If in the interest of efficient administration and in the interest of carrying out the intent of Congress with respect to the authorizing legislation, it is necessary to obligate an appropriation prior to the end of the fiscal year, and if the President reserves from expenditures funds which would have the result of reserving from obligational authority, then this section would override section 202 of the Revenue and Expenditures Control Act.

With respect to the limitations in section 201 of the Revenue and Expenditures Control Act, the effect of section 406 is tertiary. The Commissioner of Education has a statutory obligation to administer Federal programs and expend Federal funds in a prudent and efficient manner. In most cases prudent and efficient administration requires adequate personnel staffing and thorough evaluation and study procedures to be adopted. If the limitations in section 201 would result in inefficient administration of education funds and programs, then it is intended that the Director of the Bureau of the Budget exercise his authority under section 201 to insure that the Commissioner has adequate personnel in order to fulfill his obligations under the law.

Furthermore, since the Appropriations Committee has already allowed $42 million for salaries and expenses for the Office of Education, and since it is generally accepted that $42 million is the minimum amount necessary to enable the Commissioner to carry out his functions under the law, that $42 million, together with the number of personnel positions it would support, would be exempt from any limitation under the Revenue and Control Act, and the Director of the Bureau of the Budget would be required to exercise his authority under that Act in order to effectuate the overriding provisions of the conference report.

Moreover, there is no requirement in the Revenue and Expenditures Control Act that any part of the reduction necessitated by that Act be absorbed by the Department of HEW. That legislation only requires a general reduction. It is the intent of the Committee on Labor and Public Welfare and of the House-Senate conferees that any reduction which would be overridden by the provisions of section 406 not be passed on to other agencies in the Department of HEW, and if such reduction were required to be absorbed by other HEW programs, the Committee would have reason to doubt the good faith of the Bureau of the Budget in any statement it may make that it is only carrying out the will of Congress. The Nation's health is a vital national asset, one which stands high on the priorities set by Congress and one which takes precedent over many other aspects of Federal spending.

In terms of actual dollar amounts, the effect can, for fiscal 1969, be pinpointed. The President's budget request for Office of Education programs was $4.9 billion. The amount allowed by the appropriations conference was $4.7 billion. The Committee has been assured by HEW that the Budget Bureau does not intend to cut any education program below the budget request. Since the amount appropriated for education is less than the budget request, this section 406 will not result in an increase in the President's budget. It will protect two items already appropriated—the impacted areas program and Title III of NDEA, the equipment program. Since the Appropriations bill allows $110 million in excess of the President's budget for P.L. 874, the impacted areas program and $62 million in excess for Title III of NDEA, we know for a fact the Budget Bureau intends to impound those funds under the Revenue and Expenditures Control Act. Section 406 will simply protect those funds we have already appropriated for those programs.

Moreover, the amount they would like to take away from P.L. 874 and Title III of NDEA should not be deducted from health programs since the appropriations for health are below the budget request.

Mr. YARBOROUGH. Mr. President, H.R. 18366, the Vocational Education Amendments of 1968, represents a major step forward in this Nation's approach to vocational education. It is sad, but true, that over the decades there has developed in this country the attitude that vocational education is, somehow,

just not fashionable, that it is merely a sop for those youngsters who are not "good enough" to get into college.

For too long vocational education has been looked upon as a stepchild—an orphan of the educational process. For some strange reason everyone from administrators down to teachers has been looking down his nose at the whole vocational education process.

This concept is patent nonsense. There is nothing particularly sacrosanct about a college education. With the skilled training that H.R. 18366 envisions, there is every reason to believe that our new technicians, nonprofessionals, and craftsmen will make a great contribution to our society.

That contribution should come as no surprise to anyone; after all, our society has been built on the dedication and ingenuity of the working man. Orville Wright and Wilbur Wright, Thomas A. Edison, and Henry Ford are examples of self-taught innovators at scientific and management levels, self-taught because the conventional educational system was too much of a straitjacket to give room for their aiblities to develop.

The legislation before us is broad in scope, establishing National and State advisory councils on vocational education, giving more authority to the States to conduct vocational education research, setting up a new section for exemplary programs and projects, providing for curriculum development in the field, and providing training and development programs for vocational education personnel.

There are three provisions in this bill in which I take particular pride and which I wish to call to the attention of my colleagues.

The first is that of consumer and homemaking education. As agreed to by the conference committee, consumer and homemaking education provisions in the legislation now before us represent a high-powered, long-needed approach to this vital subject area. We are not talking about learning to bake a pie; we are talking about learning how to run a home, balance a budget, shop wisely, establish a good credit rating, and avoid being bilked by the sharks that we all know are out on the open market ready to scuttle the unsuspecting uneducated housewife.

Of particular importance, I suggest to my colleagues, is the adoption by the House conferees of the Senate-passed authorization figures—figures which I suggested during our Education Subcommittee executive sessions. The House-passed measure would have allowed expenditure of only $15 million in fiscal 1970; no funds were authorized for either 1971 or 1972. The Senate-passed bill, and the bill now before you, provides $25 million in 1970, $35 million in 1971, and $50 million in 1972 for this vital program in vocational education. I am proud to have been associated with this particular aspect of this educational venture.

Further, I call the attention of my colleagues to the training and research section of the bill which includes the Senate-passed section focusing on new careers, an amendment which I offered in committee. I offer these following remarks by way of making clear the legislative intent behind this section of the bill.

The expanding dimensions and responsibilities of vocational education should encompass research and training in new and emerging careers and occupations in public-service-connected areas.

In February 1966, the National Commission on Technology, Automation, and Economic Progress estimated that there were 5.3 million potential sources of new jobs through public service employment. Statistics such as this, coupled with the fact of a great surplus of manpower who leave school with marginal skills presents a paradox which those responsible for vocational education could go a long way toward solving. Virtually all of the increase in employment from 48 million in 1947 to some 75 million at present has occurred in the service areas of the economy: Hospitals, schools, social work, and many fields of business, while employment in the production of goods has remained relatively stable.

Key to the concept set forth in the legislation is the training of students for jobs which truly are careers—employment opportunities which provide for upward mobility commensurate with training and experience. Implicit in this new careers concept, then, is not only the training of students in public services occupations such as those set forth, but the awakening of understanding on the part of administrators and professionals in making use of the services of nonprofessional personnel. Thus, my amendment provides for training and development projects designed to demonstrate improved methods of securing the involvement, cooperation, and commitment of the public and private sectors toward the end of achieving greater coordination and more effective implementation of programs for the employment of persons in less than professional positions in the public service sector.

There is no doubt that the experience of the vocational education community in working in the area of new and emerging careers and occupations should be one of continual learning, and therefore the amendment provides for the evaluation of the operation of programs for the training, development, and utilization of public service aides, particularly their effectiveness in providing satisfactory work experiences and in meeting public needs.

Finally, Mr. President, I direct the attention of my colleagues to that section of the bill dealing with collection and dissemination of information. The collection and dissemination of information by the Office of Education is without a doubt one of its most vital functions. If the successes and failures of programs and research are not passed on to persons interested in education then a lot of the effort in education is bound to be wasted. We must learn from our successes and learn from our failures and then get the word out so that failure can be avoided and success can be capitalized upon.

My amendment in the Education Subcommittee, already passed by this body and now confirmed by the conferees, consolidates collection and dissemination of information legislation for the Office of Education in one law, thus providing for greater facility in exercising congressional oversight and avoiding the real possibility of disparity or duplication of collection and dissemination tasks posed by maintaining or expanding such authority in a piecemeal fashion, one law at a time.

Further, recognizing that to be effective in serving the education needs of America the Commissioner must feel free to take full advantage of the potentialities of all media, the amendment sets forth a broad range of dissemination activities as the Commissioner's responsibility.

The study of the U.S. Office of Education by the Special Subcommittee on Education of the House of Representatives recognized that the responsibility of the Office of Information was, "to provide timely and up-to-date program philosophy and administrative information to participating elements in the educational community." In order to perform this responsibility I feel that as noteworthy as publications of the Office of Education are, the Office should not be limited in its effectiveness to the use of the printed word. The obvious potentialities of radio, television, films, and other media should be fully explored by the Commissioner, and advisers who actually go to the schools and aid them in the preparation of their applications is an intended goal of this amendment.

We have also recognized that the mission of dissemination of information might be multiplied a hundredfold in its effectiveness if the Office of Information were to establish liaison and cooperation with the public and private American business, labor, and service sectors.

Because of the importance of the exemption of education programs from the Revenue and Expenditures Control Act of 1968 and since Senator MORSE cannot be here to give his own statement as chairman of the conference, I would like to read into the RECORD one portion of Senator MORSE's statement which constitutes the legislative history of that act:

EXPLANATION OF SECTION 406 OF THE ESEA AMENDMENTS OF 1967

I

Since the amendment to Title IV of the Elementary and Secondary Education Amendments of 1967, which is made by section 301(b) of the conference report, is subject to some question with respect to its meaning and intent, I would like to state here for the purposes of legislative history some of the history of this section and the intent of the Committee on Labor and Public Welfare and the conferees.

The provision, which is now proposed to be section 406 of the Elementary and Secondary Education Amendments of 1967, was first proposed during executive sessions of the Education Subcommittee on the vocational education bill. It was proposed by the chairman of the Subcommittee, the senior Senator from Oregon, Mr. Morse.

At that time no general legislation affecting the availability of obligational authority from appropriations was on the statute books. The intent of the Committee at that time, which since then has been ratified by the Senate and the House-Senate conferees on the bill, was that no legislation of general applicability which provided statutory au-

thority for the President to refuse to obligate appropriations should affect programs supporting aid to education.

This provision was adopted by the Education Subcommittee, supported by the full Committee on Labor and Public Welfare, and passed the Senate unanimously on July 17. When the House conferees raised questions with respect to this provision, it was explained, and the House receded to the Senate on this difference.

Since the Revenue and Expenditures Control Act was enacted after section 406 was first drafted, the effect of this provision on the Revenue and Expenditures Control Act was not discussed at length. However, during the House-Senate conference on the vocational education bill, the provision was discussed. The intent of the conferees with respect to the meaning of this provision was well understood by all conferees and adopted without objection on either side.

With respect to the effect of the proposed section 406 of the Elementary and Secondary Education Amendments of 1967 on section 203 of the Revenue and Expenditures Control Act, the intention of the conferees, and I state this for the purposes of legislative history, was that the $10 billion reduction in new obligational authority would not run against education programs.

Section 203(b) of the Revenue and Expenditures Control Act requires the President to reserve from new obligational and loan authority such amounts as may be necessary to effectuate the limitations set forth in subsection (a) of that section, which subsection (a) requires a $10 billion reduction in new obligational authority from that which was proposed in the President's budget for fiscal year 1969.

The language of section 406 simply requires that appropriations for any fiscal year for education programs which constitute a new obligational authority shall remain available for obligation until the end of the fiscal year for which they are appropriated. This section would override any statutory authority the President might have to prevent by affirmative act the obligation of fiscal year 1969 appropriations. This section does not challenge whatever authority the President may have constitutionally with respect to his refusal to expend appropriated funds. This section only overrides any statutory authority the President may have if the President were to take an affirmative act to prevent appropriated funds from being obligated. His sole authority for such an act would be that which he may have under the Constitution as being inherent in the office of the President. The Committee expresses no view with respect to the President's constitutional authority.

II

With respect to section 202 of the Revenue and Expenditures Control Act of 1968 concerning the $6 billion reduction in expenditures for fiscal year 1969, the effect of the proposed section 406 is secondary. Since section 406 runs against an affirmative act preventing obligation of appropriated funds for education, the effect on section 202 of the Revenue and Expenditures Control Act would be that, if a reservation of expenditures would result in failure to obligate from appropriations for education, then the reservation from expenditures would be an affirmative act prohibited under section 406. For instance, since section 406 provides that all appropriations for education shall remain available for obligation until the end of the fiscal year for which they are appropriated, it is only logical that the expectation is that the funds be obligated. If obligation takes place on the last day of the fiscal year, it would be reasonable to expect that expenditures from that obligation would take place in the succeeding fiscal year. In that event the restrictions in section 202 would not be affected.

However, an obligation earlier in the fiscal year which resulted in a fiscal 1969 expenditure would be protected by section 406. To the extent that fiscal 1969 expenditures are necessitated under the obligation or authorizing statute, they are protected by section 406.

Furthermore, if a reservation from expenditures would result in an inability to obligate 1969 appropriations, section 406 would prohibit the reservation.

If in the interest of efficient administration and in the interest of carrying out the intent of Congress with respect to the authorizing legislation, it is necessary to obligate an appropriation prior to the end of the fiscal year, and if the President reserves from expenditures funds which would have the result of reserving from obligational authority, then this section would override section 202 of the Revenue and Expenditures Control Act.

III

With respect to the limitations in section 201 of the Revenue and Expenditures Control Act, the effect of section 406 is tertiary. The Commissioner of Education has a statutory obligation to administer Federal programs and expend Federal funds in a prudent and efficient manner. In most cases prudent and efficient administration requires adequate personnel staffing and thorough evaluation and study procedures to be adopted. If the limitations in section 201 would result in inefficient administration of education funds and programs, then it is intended that the Director of the Bureau of the Budget exercise his authority under section 201 to insure that the Commissioner has adequate personnel in order to fulfill his obligations under the law.

Furthermore, since the Appropriations Committee has already allowed $42 million for salaries and expenses for the Office of Education, and since it is generally accepted that $42 million is the minimum amount necessary to enable the Commissioner to carry out his functions under the law, that $42 million, together with the number of personnel positions it would support, would be exempt from any limitation under the Revenue and Control Act, and the Director of the Bureau of the Budget would be required to exercise his authority under that Act in order to effectuate the overriding provisions of the conference report.

Moreover, there is no requirement in the Revenue and Expenditures Control Act that any part of the reduction necessitated by that Act be absorbed by the Department of HEW. That legislation only requires a general reduction. It is the intent of the Committe on Labor and Public Welfare and of the House-Senate conferees that any reduction which would be overridden by the provisions of section 406 not be passed on to other agencies in the Department of HEW, and if such reduction were required to be absorbed by other HEW programs, the Committee would have reason to doubt the good faith of the Bureau of the Budget in any statement it may make that it is only carrying out the will of Congress. The Nation's health is a vital national asset, one which stands high on the priorities set by Congress and one which takes precedent over many other aspects of Federal spending.

In terms of actual dollar amounts, the effect can, for fiscal 1969, be pinpointed. The President's budget request for Office of Education programs was $4.9 billion. The amount allowed by the appropriations conference was $4.7 billion. The Committee has been assured by HEW that the Budget Bureau does not intend to cut any education program below the budget request. Since the amount appropriated for education is less than the budget request, this section 406 will not result in an increase in the President's budget. It will protect two items already appropriated—the impacted areas program and Title III of NDEA, the equipment program. Since the Appropriations bill allows $110 million in excess of the President's budget for P.L. 874, the impacted areas program and $62 million in excess for Title III of NDEA, we know for a fact the Budget Bureau intends to impound those funds under the Revenue and Expenditures Control Act. Section 406 will simply protect those funds we have already appropriated for those programs.

Moreover, the amount they would like to take away from P.L. 874 and Title III of NDEA should not be deducted from health programs since the appropriations for health are below the budget request.

Mr. President, I understand that the Senator from Delaware [Mr. WILLIAMS], who could not be here at this hour, desires to discuss this report in the morning and that agreement has been reached between the leadership on both sides that the bill could go over until tomorrow.

I desire to ask the distinguished whip if that request was agreed to.

Mr. BYRD of West Virginia. The Senator is correct.

Mr. YARBOROUGH. I understood it to be at a certain hour in the morning.

Mr. BYRD of West Virginia. Mr. President, before I respond to that question, 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.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the vote on the conference report on H.R. 18366, the vocational education bill, take place at 11:15 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

ROUTINE MORNING BUSINESS

By unanimous consent, the following routine morning business was transacted:

VICE PRESIDENT DETAILS VIETNAM POLICY

Mr. PROXMIRE. Mr. President, it is not easy for a man who has been as deeply identified with our present Vietnam war policy as Vice President HUMPHREY has to propose a change in that policy. But that is exactly what Vice President HUMPHREY did on Monday night.

By advocating a suspension of the bombing of North Vietnam, subject only to observance of the demilitarized zone by North Vietnam, a gradual U.S. troop withdrawal under international supervision, and South Vietnam elections specifically including the National Liberation Front, the Vice President made his peace-in-Vietnam program clear.

Thus the American people have been put on notice on precisely the kind of peace-in-Vietnam program they will be voting for if they vote for HUMPHREY.

However, it would be foolish to equate the Vice President's stand with a complete turnaround on Vietnam. The HUM-

PHREY proposals simply represent another means to the same end—a safe and democratic South Vietnamese Government free from Communist aggression.

The bombing halt would be conditional, depending upon North Vietnam's willingness to restore the integrity of the demilitarized zone between North and South.

The withdrawal of American troops would depend upon a reciprocal withdrawal of North Vietnamese troops.

And the participation of the National Liberation Front in an elected government would be contingent upon the willingness of the front to abide by peaceful processes.

Last night's speech is the first specific statement on Vietnam policy by any of the presidential nominees. The American voter deserves to learn from the other two candidates in equal detail what steps they would take to chart an honorable solution of the Vietnam dilemma.

I ask unanimous consent that this Vice President's speech be printed in the RECORD.

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

VICE PRESIDENT HUBERT H. HUMPHREY'S ADDRESS TO THE NATION ON VIETNAM AND AMERICAN FOREIGN POLICY, SALT LAKE CITY, UTAH

Tonight I want to share with you my thoughts as a citizen and as a candidate for President of the United States.

I want to tell you what I think about great issues which I believe face this Nation.

I want to talk with you about Vietnam, and about another great issue in the search for peace in the world—the issue of stopping the threat of nuclear war.

After I have told you what I think, I want you to think.

And if you agree with me, I want you to help me.

For the past several weeks, I have tried to tell you what was in my heart and on my mind.

But sometimes that message has been drowned out by the voices of protesters and demonstrators.

I shall not let the violence and disorder of a noisy few deny me the right to speak or destroy the orderly Democratic process.

I have paid for this television time this evening to tell you my story uninterrupted by noise . . . by protest . . . or by second-hand interpretation.

When I accepted the Democratic Party's nomination and platform, I said that the first reality that confronted this Nation was the need for peace in Vietnam.

I have pledged that my first priority as President shall be to end the war and obtain an honorable peace.

For the past four years, I have spoken my mind about Vietnam, frankly and without reservation, in the Cabinet and in the National Security Council—and directly to the President.

When the President has made his decisions, I have supported them.

He has been the Commander-in-Chief. It has been his job to decide. The choices have not been simple or easy.

President Johnson will continue—until January 20, 1969—to make the decisions in Vietnam. The voice at the negotiating table must be his. I shall not compete with that voice. I shall cooperate and help.

We all pray that his efforts to find peace will succeed.

But, 112 days from now, there will be a new President; new Administration; and new advisers.

If there is no peace by then, it must be their responsibility to make a complete reassessment of the situation in Vietnam—to see where we stand and to judge what we must do.

As I said in my acceptance speech:

The policies of tomorrow need not be limited by the policies of yesterday.

We must look to the future.

For neither vindication nor repudiation of our role in Vietnam will bring peace or be worthy of our country.

The American people have a right to know what I would do—if I am President—after January 20, 1969, to keep my pledge to honorably end the war in Vietnam.

What are the chances for peace?

The end of the war is not yet in sight. But our chances for peace are far better today than they were a year or even a month ago.

On March 31, the war took on an entirely new dimension.

On that date President Johnson by one courageous act removed the threat of bombing from 90 percent of the people, and 78 percent of the land area, of North Vietnam.

On that date, President Johnson sacrificed his own political career in order to bring negotiation that could lead to peace.

Until that time, the struggle was only on the battlefield.

Now, our negotiators are face to face across the table with negotiators from North Vietnam.

A process has been set in course. And, lest that process be set back, our perseverance at the conference table must be as great as our courage has been in the war.

There have been other changes during these past few months.

The original Vietnam decision—made by President Eisenhower—was made for one basic reason.

President Eisenhower believed it was in our national interest that Communist subversion and aggression should not succeed in Vietnam.

It was his judgment—and the judgment of President Kennedy and President Johnson since then—that if aggression did succeed in Vietnam, there was a danger that we would become involved on a far more dangerous scale in a wider area of Southeast Asia.

While we have stood with our allies in Vietnam, several things have happened.

Other nations of Southeast Asia—given the time we have bought for them—have strengthened themselves, have begun to work together, and are far more able to protect themselves against any future subversion or aggression.

In South Vietnam itself, a Constitution has been written, elections have been held, land reform and anti-corruption and refugee measures have been stepped up, and the South Vietnamese army has increased its size and capacity, and improved its equipment, training and performance—just as the Korean army did during the latter stages of the Korean war.

So—in sharp contrast to a few months ago—we see peace negotiations going on.

We see a stronger Southeast Asia.

We see a stronger South Vietnam.

Those are the new circumstances which a new President will face in January.

In light of those circumstances—and assuming no marked change in the present situation—how would I proceed as President?

Let me first make clear what I would not do.

I would not undertake a unilateral withdrawal.

To withdraw would not only jeopardize the independence of South Vietnam and the safety of other Southeast Asian nations. It would make meaningless the sacrifices we have already made.

It would be an open invitation to more violence . . . more aggression . . . more instability.

And it would, at this time of tension in Europe, cast doubt on the integrity of our word under treaty and alliance.

Peace would not be served by weakness or withdrawal.

Nor would I escalate the level of violence in either North or South Vietnam. We must seek to de-escalate.

The Platform of my party says that the President should take reasonable risks to find peace in Vietnam. I shall do so.

North Vietnam, according to its own statement and those of others, has said it will proceed to prompt and good faith negotiations if we stop the present limited bombing of the North.

We must always think of the protection of our troops.

As President, I would be willing to stop the bombing of the North as an acceptable risk for peace because I believe it could lead to success in the negotiations and a shorter war. This would be the best protection for our troops.

In weighing that risk—and before taking action—I would place key importance on evidence—direct or indirect, by deed or word—of Communist willingness to restore the demilitarized zone between North and South Vietnam.

If the Government of North Vietnam were to show bad faith, I would reserve the right to resume the bombing.

Secondly, I would take the risk that the South Vietnamese would meet the obligations they say they are now ready to assume in their own self-defense.

I would move toward de-Americanization of the war.

I would set down with the leaders of South Vietnam to set a specific timetable by which American forces could be systematically reduced while South Vietnamese forces took over more and more of the burden.

The schedule must be a realistic one—one that would not weaken the overall allied defense posture. I am convinced such action would be as much in South Vietnam interest as in ours.

What I am proposing is that it should be basic to our policy in Vietnam that the South Vietnamese take over more and more of the defense of their own country.

That would be an immediate objective of the Humphrey-Muskie Administration as it sought to end the war.

If the South Vietnamese army maintains its present rate of improvement, I believe this will be possible next year—without endangering either our remaining troops or the safety of South Vietnam.

I do not say this lightly. I have studied this matter carefully.

Third, I would propose once more an immediate cease-fire—with the United Nations or other international supervision and supervised withdrawal of all foreign forces from South Vietnam.

American troops are fighting in numbers in South Vietnam today only because North Vietnamese forces were sent to impose Hanoi's will on the South Vietnamese people by aggression.

We can agree to bring home our forces from South Vietnam, if the North Vietnamese agree to bring theirs home at the same time. External forces assisting both sides could and should leave at the same time, and should not be replaced.

The ultimate key to an honorable solution must be free elections in South Vietnam—with all people, including members of the National Liberation Front and other dissident groups, able to participate in those elections if they were willing to abide by peaceful processes.

That, too, would mean some risk.

But I have never feared the risk of one man, one vote. I say: Let the people speak. And accept their judgment, whatever it is.

The Government of South Vietnam should not be imposed by force from Hanoi or by pressure from Washington. It should be freely chosen by all the South Vietnamese people.

A stopping of the bombing of the North—taking account of Hanoi's actions and assurances of prompt good faith negotiations and keeping the option of resuming that bombing if the Communists show bad faith.

Careful, systematic reduction of American troops in South Vietnam—a de-Americanization of the war—turning over to the South Vietnamese army a greater share of the defense of its own country.

An internationally supervised cease-fire—and supervised withdrawal of all foreign forces from South Vietnam.

Free elections, including all people in South Vietnam willing to follow the peaceful process.

Those are risks I would take for peace.

I do not believe any of these risks would jeopardize our security or be contrary to our national interest.

There is, of course, no guarantee that all these things could be successfully done.

Certainly, none of them could be done if North Vietnam were to show bad faith.

But I believe there is a good chance these steps could be carried out.

I believe these steps could be undertaken with safety for our men in Vietnam.

As President, I would be dedicated to carrying them out—as I would be dedicated to urging the government of South Vietnam to expedite all political, economic and social reforms essential to broadening popular participation, including high priority to land reform, more attention to the suffering of refugees, and constant government pressure against inflation and corruption.

I believe all of these steps could lead to an honorable and lasting settlement serving both our own national interest and the interests of the independent nations of Southeast Asia.

We have learned a lesson from Vietnam.

The lesson is not that we should turn our backs on Southeast Asia—or on other nations or people in less familiar parts of the world neighborhood.

The lesson is, rather, that we should carefully define our goals and priorities . . . and within those goals and priorities, that we should formulate policies which will fit new American guidelines.

Applying the lesson of Vietnam, I would insist as President that we review other commitments made in other times, that we carefully decide what is, and is not, in our national interest.

I do not condemn any past commitment.

I do not judge the decisions of past Presidents when, in good conscience, they made those decisions in what they thought were the interests of the American people.

But I do say, if I am President, I owe it to this Nation to bring our men and resources in Vietnam back to America where we need them so badly, and to be sure we put first things first in the future.

Let me be clear: I do not counsel withdrawal from the world.

I do not swerve from international responsibility.

I only say that, as President, I would undertake a new strategy for peace in this world, based not on American omnipotence, but on American leadership—not only military and economic, but moral.

That new strategy for peace would emphasize working through the United Nations, strengthening and maintaining our key alliances for mutual security particularly including NATO, supporting international peacekeeping machinery, and working with other nations to build new institutions and instruments for cooperation.

In a troubled and dangerous world, we should seek not to march alone, but to lead in such a way that others will wish to join us.

Even as we seek peace in Vietnam, we must for our security and well-being seek to halt and turn back the costly and even more dangerous arms race.

Five nations now have nuclear bombs.

The United States and the Soviet Union already possess enough weapons to burn and destroy every human being on this earth.

Unless we stop the arms race—unless we stop 15 to 20 more nations from getting nuclear bombs and nuclear bomb technology within the next few years—this generation may be the last.

For 20 years, we have lived under the constant threat that some irresponsible action or even some great miscalculation could blow us all up in the wink of an eye.

There is danger that we have become so used to the idea that we no longer think it abnormal—forgetting that our whole world structure depends for its stability on the precarious architecture of what Winston Churchill called the balance of terror. This is no longer an adequate safeguard for peace.

There is a treaty now before the Senate which would stop the spread of nuclear weapons. That treaty must be ratified now.

If this Nation cannot muster the courage to ratify this treaty—a treaty which in no way endangers our national security, but adds to it by keeping these weapons out of the hands of a Nasser, a Castro, and many others—there can be little hope for our future in this world.

We must ratify this treaty.

I also believe that we must have the courage—while keeping our guard up and fulfilling our commitments to NATO—to talk with the Soviet Union as soon as possible about a freeze and reduction of offensive and defensive nuclear missiles systems.

To escalate the nuclear missile arms race is to raise the level of danger and total destruction. It is costly, menacing, fearsome and offers no genuine defense.

Beyond that, if I am President, I shall take the initiative to find the way—under carefully safe-guarded, mutually-acceptable international inspection—to reduce arms budget and military expenditures systematically among all countries of the world.

Our country's military budget this year is 80 billion dollars.

It is an investment we have to make under existing circumstances. It protects our freedom.

But if we can work with other nations so that we can all reduce our military expenditures together, with proper safeguards and inspection, then, it will be a great day for humanity.

All of us will have moved further away from self-destruction. And all of us will have billions of dollars with which to help people live better lives.

The American people must choose the one man they believe can best face these great issues.

I would hope that Mr. Nixon, Mr. Wallace and I could express our views on Vietnam not only individually, but on the same public platform.

I call for this because—on the basis of our past records and past careers—there are great differences between our policies and programs.

These views of Governor Wallace which I have seen reported indicate that he would sharply escalate the war.

Mr. Nixon's past record reveals his probable future policies.

In 1954—at the time of the French defeat at Dienbienphu—he advocated American armed intervention in Vietnam in aid of French colonialism. It was necessary for President Eisenhower to repudiate his proposal.

Since then, he has taken a line on Vietnam policy which I believe could lead to greater escalation of the war.

In January of this year, Mr. Nixon described as "bunk" the idea that free elections in South Vietnam were of importance.

In February of this year, when questioned about the use of nuclear weapons in Vietnam, Mr. Nixon said that a general "has to take the position that he cannot rule out the use of nuclear weapons in extreme situations that might develop."

Since then, he has indicated he has a plan to end the war in Vietnam, but will not disclose it until he becomes President.

If he has such a plan, he has an obligation to so inform President Johnson and the American people.

Few days ago, the Republican Vice Presidential nominee said there is not now and never has been a Nixon-Agnew plan for peace in Vietnam. It was, he said, a ploy to "maintain suspense." And then he said: "Isn't that the way campaigns are run?" I think we need some answers about this from Mr. Nixon.

Mr. Nixon's public record shows, also, consistent opposition to measures for nuclear arms control.

He attacked Adlai Stevenson and myself for advocating a nuclear test ban treaty—a treaty to stop radioactive fallout from poisoning and crippling people the world over. He called our Plan "a cruel hoax." We can be thankful that President Kennedy and the Congress did not follow his advice.

Today, he is asking for delay of ratification of a treaty carefully negotiated over several years and signed by 80 nations—the Nuclear Non-Proliferation Treaty designed to stop the spread of nuclear weapons.

I speak plainly: I do not believe the American Presidency can afford a return to leadership which would increase tension in the world, which would, on the basis of past statements, escalate the Vietnam war, and which would turn the clock back on progress that has been made at great sacrifice to bring the great powers of the world into a saner relationship in this nuclear age.

On the great issues of Vietnam, of the arms race, and of human rights in America—I have clear differences with Mr. Nixon and Mr. Wallace.

I call on both of these men to join me in open debate before the American people.

Let us put our ideas before the people. Let us offer ourselves for their judgment—as men and as leaders.

Let us appear together—in front of the same audiences or on the same television screens, and at the same time, to give the people a choice.

We must not let a President be elected by the size of his advertising budget.

We cannot let a President be elected without having met the issues before the people.

I am willing to put myself—myself, my programs, my capacity for leadership before the American people for their judgment.

I ask the Republican nominee and the third party candidate to do the same.

I ask, before election day that we be heard together as you have heard me alone tonight.

I appeal to the people—as citizens of a Nation whose compassion and sense of decency and fair play have made it what Lincoln called "the last best hope on earth."

I appeal to you as a person who wants his children to grow up in that kind of country.

I appeal to you to express and vote your hopes and not your hates.

I intend, in these five weeks, to wage a vigorous, tireless, and forthright campaign for the Presidency.

I shall not spare myself, or those who will stand with me. I have prepared myself. I know the problems facing this Nation.

I do not shrink from those problems.

I challenge them.

They were made by men. I believe they can be solved by men. If you will give me your

confidence and support, together we shall build a better America.

A TRUE ACADEMIC COMMUNITY

Mr. MANSFIELD. Mr. President, during the years 1963–66, the University of Montana was fortunate to have as its president, Dr. Robert Johns. While at the university's helm, he served with distinction the university, the State of Montana, and the Nation as well. In 1966, Dr. Johns became president of Sacramento State College where he has continued to strive for the attainment of excellence in the academic environment of the United States.

Recently I had an opportunity to read an address Dr. Johns delivered to the Sacramento State College faculty several weeks ago. In his address, Dr. Johns commented thoughtfully on the role of the college in American life and on the relevance and importance of the various elements which are a part of the evolution of a true academic community. It is noteworthy, I believe, that in seeking to make the institution he heads a better one, he has chosen to appoint four "committees on the state of the college"—representatives of the students, the faculty, the alumni, and the community at large—to study, analyze, and make recommendations relative to every area of the college's activities.

In these times, it seems to me that it is well for all of us to examine in an orderly and rational way those institutions with which we are identified and which are an integral part of our society. It seems to me, President Johns has taken an important initiative in this regard.

Mr. President, in the belief that Dr. Johns' observations merit the attention of Senators, I ask unanimous consent that the text of his address of September 16 be printed in the RECORD.

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

ADDRESS TO THE FACULTY BY ROBERT JOHNS, PRESIDENT, SACRAMENTO STATE COLLEGE, SEPTEMBER 16, 1968

Inevitably, the year we are beginning will emerge as one of the most decisive of the twentieth century. We are disturbed by a major war about which many of us are skeptical; a national election dividing us perhaps more visibly than the war; an intense concern for the learning process on every dynamic campus in our country; an urgent desire to evaluate our own ideas, to inspect our rights and freedoms, and to analyze the success and security to which we aspire.

This morning, as one of you, I wish to discuss these problems as I see them. I wish to discuss them as a professional educator, as one whose occupation is the same as yours, as one whose ultimate objective is identical to yours, and one whose attitude toward his work varies from yours mainly in that he is limited in his opportunity to enjoy direct participation in the adventure of creatively influencing young minds in a learning situation.

The administrator, today, is occupied with providing an environment in which this learning can happen. He is involved with all of his colleagues in defending that environment, both from within and without, and in insuring that it is as vigorous as the social scene on which it exists.

When I became a president, I did not abandon my integrity nor did I abdicate my right to free observation and free comment. There may be disagreement with my comments this morning. This is proper because they are the observations of a professional cast in the same light as the views of other professionals.

The college or university is so many things to so many people that it is continuously in conflict with itself. Agreements and disagreements exist because the many components of the academic community differ about the objective of higher education. Frequently, those least familiar with the total complex of education are most aggressive in expressing their prescriptions for the resolution of differences. Let us accept the idea that disagreement is a part of our environment, that conflict of opinion is innate in our occupation, that we are dedicated not so much to the preservation of the status quo, but to testing and evaluating it and to experimentally judging its worth.

Much has been said recently about the society for which the university exists. It is usually oversimplified. In my opinion, the college or university today exists in the interest of all society. In any social organism like the university, there is a lag between the time when society identifies a problem and the time when the academic community begins to resolve it. This can correctly be identified as a time when there is a lack of a meaningful sense of relatedness to social values and institutions. It leads to a growing anxiety expressed in various forms of nihilism, withdrawal, and destructiveness. On the other hand, innovation to satisfy social needs without utilizing our traditional culture to the extent it is viable and adaptable, results in an equally dangerous loss of a sense of continuity with our past.

Historically, colleges and universities have resisted invasions into their freedom of investigation and expression. During the life of most of us, these invasions have come predominantly from outside the academic community. We are now witnessing an historical repetition of attempts to curtail this freedom from within academe. Indeed, there are those on almost every faculty who feel competent to designate the outer limits of investigation and to plot the course of expression and study for their colleagues. There are those in our college who would say "This information is not useful and should be eliminated." There are those who would propagate only a single point of view.

These attitudes are just as dangerous and perhaps far more destructive than invasion from outside our community. Each of us must reaffirm his conviction in his right to judgment, his inalienable freedom to openly defend his point of view, and his resolved resistance to those who would attempt to plot the destiny of education by subversive innuendo. In a free, contemporary, academic community, whose members stand ready and willing to defend themselves and their ideas, there is no need for the anachronism of the anonymous communication or for the smear campaign. These techniques are, however, highly effective in accomplishing the desired results of weakening the credibility of the academic community and contributing to the destruction of the individual strengths that support that credibility.

We must courageously face conflict with those in academe who choose not to express their views openly, who choose to identify a conversation as a "meaningful dialogue" only when they see an ultimate victory, or who in the conflict of opinion state that "You aren't communicating."

Probably no part of our society today has been so successful over the last half century in meeting its ultimate objectives as higher education. It is time now to reevaluate these objectives, to establish their relevance, to critically review their methods of presentation, and to intimately test the meaning of such things as grades, credit hours, transfer points, course sequences, semester and quarter plans, and much of the other trivia that may stand as impedimenta to a sound educational experience for all of us.

Faculties are usually referred to collectively. Unfortunately, it is not so simple. College and university faculties are constituted of highly talented individuals, possessing specialized spheres and levels of interest. Each is dedicated to the continuous improvement of his knowledge of his specific interest or discipline. Each must also be involved in his attitudes and concerns for the environment or structure in which he pursues his goals.

In a democratic society, one expects that this environment should be determined largely by participation of its citizens. If we as individual faculty members desire to participate and to exercise the democratic prerogatives that are ours, we must recognize that the concept of freedom is accompanied by the equally demanding concept of responsibility. We are entitled to our rights and freedoms as citizens in the American society. We are, by the nature of our own commitments, responsible for our greatest effort and integrity in our individual field of specialization. We must insure that our knowledge in these fields is relevant to the requirements of our students and their society. We must, as citizens, be free from institutional censorship and discipline when we are acting as citizens of the political community. We must, as scholars, be responsible for, and stand ready to defend, our views in our special areas of competence. As scholars, we do not acquire special privileges or immunities as citizens in the political community.

In exercising our democratic responsibilities in the academic community, we must be accountable for its successes and failures. We must willingly recognize both and admit them in open perspective. We may not agree with the desire of the majority, but if we wish to change it, we must do so by orderly, rational confrontation of the problems at hand rather than by attacks on the individuals involved.

The faculty that governs itself is a strong faculty only when every individual member participates in that government. No individual in a community so vital as the American college or university can abdicate his personal obligation to participate in the governmental and political decisions that affect him or the truths which he believes. Today, more than ever before, there is little place in academe for what has been identified as the "vast silent majority." As individuals, we cannot accept the dominance of those who would annihilate the college or university. Nor can we accept the false tranquility that results from nonparticipation. If we are to be governed democratically, any silent majority will become the vehicle for academic bossism and for government by default rather than by participation. We must stand ready individually and as a collective unit to defend ourselves against bossism that comes from those interests that would direct the results of our teaching. We can best confront these potential invasions by honestly evaluating their desires and objectives and by retaliating with the unity of truth as each of us has developed it in his own conscience and as each of us is ready to affirm it in the open atmosphere of academic discourse.

I am convinced that in the final analysis, truth is the strength that will transcend all efforts of invasion, both from within and without. History has taught us that truth is the product of long, difficult, conscientious testing.

We are individually and collectively charged with participating in creative innovation. We are fortunate to live in an age when our students demand creativity, when they demand relevance, and when they are vigorously enforcing their prerogative of ac-

tive participation in the educational process rather than passive acceptance and regurgitation for academic approval. This is difficult because it is critical of the status quo. It is uncomfortable because it challenges the values of academic acceptance. It is frustrating because it invades the passive acquiescence of the student-teacher relationship.

Our students, like us, are usually classified collectively. For centuries, we have known the fallacy of this easy taxonomy. Students, like faculty members and all other people in our society, are individuals. Their individual motivations are different, their goals are legion, their abilities are diverse. Their ultimate objectives, however, are much the same as ours. As with us, the student gains no special privileges by being a student. Neither does he lose his rights as a citizen in the society of which he is a part. He is, in my opinion, entitled to a voice in the educational process in which he participates. He is entitled to an open and serious hearing of his views, desires, and convictions. The extent to which he is entitled to a vote in this process has not yet been established in most of our academic institutions in America. There are those who vigorously contest this right.

I have no solution to this problem at this time, but I am satisfied that the diligent student should expect to be heard seriously and should be able to influence effectively, dispassionately, and conscientiously the education in which he participates. True participation in a democracy makes its extremely difficult for one citizen to sit at the feet of another by compulsion rather than by choice. We have within our body of students a vast silent majority which too frequently permits itself to be led into action by an active minority; a minority which would, without sound basis, change everything for the sake of change. We may have a majority which could, by default, permit itself to be manipulated and managed by aggressive emotionalism, or by the blind acceptance of the status quo. Every student in every college in the world is there for a reason. We may not agree with his reason. I suspect that in the opinion of some, his reason may not be germane to the educational process in which we are involved. We must, however, through that educational process, help him to arrive at viable reasons. We must help him to see the relevance of his educational experience to the life he lives and that which the future holds. We must have pride in our relationship with our students, pride in the responsibility which we share with them for the creative enrichment of their lives, pride in their interest in relevance, and pride in our mutual desires for creative thought. This is not always easy. The successful attainment of our mutual goals must, of course, be difficult because our targets are high and our objectives manifold.

The concern for educational relevance by our students appears to have two fundamental bases: (1) a gulf between the formal environment of the college curriculum and the perceived demands of urgent social problems; and (2) the chasm between the traditional humane environment of the "academic image" and the actual environment which turns out sometimes to be isolated, rigid, insensitive, perhaps boring, depersonalized, and maybe even unconducive to their personal growth and satisfaction as individual citizens.

Most students are idealistic, reasonable, responsible, and intelligent. Most students recognize that persuasion, education, and the exercise of franchise is the responsible format of protest. A few prefer more drastic procedures. We are guaranteed by the Constitution of the United States the right to demonstrate. If, in the academic environment, demonstration is the best way by which we can communicate, we are by that very action, limiting the possibilities of resolution of the problems before us. At best, riots, sit-ins, and interruptions result in compromises of questionable value. Meaningful debate, critical study, and the courageous application of intellectual integrity will result in more enduring solutions than the temporary gains produced by displays of emotional actions and reactions. I urge our students to be continuously alert to ways in which their college can more directly relate to their homes and their neighborhoods. I urge them to be alert to the limitations of the historical structure of higher education. I urge that they work with us to achieve ways in which we can help to substantively resolve the infinite varieties of problems before the society in which we all live.

At best, the leadership of the president, and/or "the administration," exists in the framework provided for it, and largely determined for it, by its governing board, its superior administrative officers where they exist, its faculty, and its students. In most public institutions, it is impossible for the principal administrators to relinquish many of their responsibilities. At best, influencing factors permit them to work in an environment which frequently represents, at least to them, unsatisfactory compromise. I am of the opinion that there is much to support the idea that "the best administration is the least administration." In the dynamic scene of today's educational processes, the controllership responsibilities of administration are rarely effective beyond legal prescriptions handed to them (and, parenthetically, in the creation of which they frequently did not participate). There is today, in my opinion, no room for secrecy in administration. The administrator must not indulge himself in the luxury of innuendo or political manipulation, but rather must represent all of the groups whom he attempts to serve with integrity, courage, and perhaps sometimes a degree of humble resignation. The leadership potential of any educational administrator is effective only so far as those who hold the power of delegation permit him to be a leader. It is effective only so far as he, with his own courage and the endowments of the Good Lord, is willing to exercise the uncomfortable role of leadership.

We are entering one of the greatest years of our lives. We must strive to develop a true academic community of autonomous groups, not a community governed by the tyranny of any one group, be that group a legislature, a governing board, an administration, a faculty, or a student body. Necessarily, we must understand and choose among the views of our constituents to satisfy our ultimate goals, our intermediate goals, the priority amongst these, and the means of achieving them. Vital decisions in the academic community result from the influences of diverse sources: governing boards, faculties, students, administrations, alumni, donors, legislators, professional associations, accrediting associations, and membership groups of academic professionals. Extreme submersion in this environment or extreme self-identification with any one of these concerns, ultimately will block intellectual progress.

In order to insure that we are constantly alert to the views of those concerned, I have asked for the appointment of four "Committees on the State of the College"; one to represent the students, another the faculty, a third the alumni, and finally the community at large. They have been requested to study, analyze, and make recommendations relative to every area of our activity. They have been asked not only to look into the educational process of our institution, but the administrative activities, the influences of government, and the services rendered by the collateral organizations such as the foundations, community service projects, etc. Hopefully, during this year, representatives of these committees will be vistng with each of you. You are urged to give them your best straight-forward views of how this can become a better college.

During this year, we will be called upon with ever increasing urgency to recognize that what we have done in the past is but a limited foundation. Our academic programs must become more flexible so that every student has greater freedom to work out his own, personally appropriate, combination and sequence of education experiences. We may be expected to challenge the deep-rooted American notion that every high school graduate should go on to college and that a college education must consist of four years of prestructured study accompanied by the establishment of a balance of a given number of course credits subsequent to which the dividend of a diploma will be paid. We will be asked to pay greater attention to the larger human needs of ourselves and our students in the form of personal purpose, social meaning, and supportive human relationships. Undoubtedly, we will be asked, and we must be prepared to give, more of our time to individual counseling to help ourselves and our students work out these relationships and understandings. This is not a job that can be done only by specialized counselors, but is one in which every member of the academic community must involve himself.

In our task of innovating while maintaining maximum continuity of higher education, we must overcome three main hurdles. First, the pressures of alienated, radical extremists who want to junk the whole existing educational system and the equally obstructive pressures of the others who refuse to acknowledge the need for change, and who denounce those who speak for it as subversives. Second, the educational conservativism that each of us has some place in his soul and which we at times wish to intermix with the thrust for student power, faculty power, administrative power, or governing board power. And third, the concept that there is some inherent conflict of objectives among the partners who are responsible for working together in the education enterprise.

We are at the threshold of a great adventure. I believe it is the responsibility of each of us to insure that the substance of his work is worthy of the highest consideration of his personal conscience, of the highest level of inspiration for his students, and of the values for which we wish our profession to be dedicated. To these ends, I pledge you my best efforts.

CHARLES B. WEST, OF SEATTLE, ELECTED PRESIDENT OF AMERICAN SOCIETY OF TRAVEL AGENTS

Mr. MAGNUSON. Mr. President, it is a source of sincere personal pleasure for me to announce the election of Charles B. West, of Seattle, to the presidency of the American Society of Travel Agents, the organization which has served as the guardian of travelers and tourists everywhere.

As many of the Members are aware, the American Society of Travel Agents is the world's largest organization of those engaged in the business of travel and tourism.

Its membership includes more than 8,000 travel agents; tour operators; air, sea, land, and busline carriers; hoteliers; and official government tourist organizations in more than 100 countries around the world and has assisted importantly in creating what today has become the world's largest export business.

The unanimous election of "Chuck" West brings to the helm of this respected and responsible society, a dynamic, vig-

orous, dedicated man who, in the past 20 years, has created a multi-million-dollar travel and tourism enterprise—Westours—which includes the ownership and operation of travel agencies, tours, cruise ships, hotels, buslines, and a fixed-base air facility which includes a flying school.

He personally has become internationally identified as a vital creator of interest in travel to the Northwest and Alaska and typifies in his imaginative leadership and enterprise, the pioneering spirit of that area.

Mr. West began his career in travel prior to World War II in employment with airlines operating on the west coast.

Upon the declaration of war, he joined the Air Transport Command and was a pilot in its Alaska operations. Seeking combat experience, he became a pilot in the Flying Tigers and during that period flew 153 missions into the Himalayas where his outstanding China-Burma-India theater service brought him the rank of colonel in the Chinese Air Force.

His wartime experience in Alaska brought him back to that area following the war, and he became a pilot for Wien-Alaska Airlines.

With the carrier's permission, he set up an office in a log cabin in Fairbanks and organized and sold tours featuring the Arctic Circle.

In 1947, recognizing the opportunity which existed in developing tourism to this last frontier, Mr. West left active flying to open Westours and established his headquarters in Seattle.

He early became deeply interested in civic affairs of both Seattle and Alaska and has served as chairman of the Seattle branch of the Alaska Chamber of Commerce, the Alaska State Chamber of Commerce, the International Paving Commission, and has pioneered many projects to develop tourism to that area.

Mr. West's deep involvement in travel and tourism has won international recognition as an expert on its development and problems, and in 1961 he was appointed by Secretary of Commerce Hodges to serve on the U.S. trade mission to Finland, and in 1965 to the Alliance for Tourism to South America.

For the past 20 years, Mr. West has been specifically identified with the creation of international interest in "Visit U.S.A.," and last week he was named one of the 15 members of the U.S. Travel Advisory Board by Secretary of Commerce C. R. Smith, where he will assist in guiding the expanded program of attracting tourists to the United States.

He has served the American Society of Travel Agents as northwest chapter president, area director, and vice president.

His inspiring leadership as chairman of the ASTA World Travel Congress in Mexico City in 1963 made it one of the most successful of its international conferences and exemplified the forceful and energetic qualities which he will bring to his new task.

ASTA is to be congratulated on its wisdom in entrusting its leadership in his capable and experienced hands.

DEDICATION OF BIG CREEK WATERSHED, WILLIAMSTON, S.C.—ADDRESS BY HOLLIS R. WILLIAMS

Mr. HOLLINGS. Mr. President, on Tuesday of last week, it was a privilege and a pleasure for me to attend the dedication of the Big Creek Watershed project in Williamston, S.C. This project is an excellent example of the community, State, and Federal governments joining hands to work on the needs of a particular area.

At this dedication, the principal address was delivered by Mr. Hollis R. Williams, Deputy Administrator for Watershed, Soil Conservation Service, U.S. Department of Agriculture. Mr. Williams is an Arkansas traveler, having come to Washington from that State, and is, as I am sure will be apparent from his talk, extremely knowledgeable in this area. I enjoyed Mr. Williams' presentation 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:

TALK BY HOLLIS R. WILLIAMS, DEPUTY ADMINISTRATOR FOR WATERSHEDS, SOIL CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C., AT THE DEDICATION OF THE BIG CREEK WATERSHED PROJECT, WILLIAMSTON, S.C., SEPTEMBER 26, 1968

Ladies and Gentlemen: It's a genuine pleasure to be here and participate with you in dedicating the Big Creek Watershed Project.

A successful watershed project is brought about by the imagination, the vision, the determination, and the cooperation of the people living in it.

The Big Creek Watershed comprises an area of 13,279 acres in the eastern part of Anderson County, South Carolina. This project is sponsored jointly by the Anderson County Soil Conservation District, the Big Creek Watershed Conservation District, and the Town of Williamston.

The greater part of the watershed has been in cultivation in former years. Present estimates show about 32 percent of the area is wooded and 33 percent is used for crops. Of the remainder, 25 percent is grassland and idle, and 10 percent is classified as miscellaneous.

The flood plain area includes 888 acres which are subject to flooding. Prior to completion of the project's dams and channels, overbank flow occurred with an average frequency of two times per year, and a flood sufficient to inundate one-half the flood plain occurred with an average frequency of three times every two years. Because of this flood hazard, only 186 acres, or about 21 percent of the flood plain, is now in agricultural use, and the remainder is idle or has reverted to brush and low value woods.

The two multiple-purpose dams and the 4.7 miles of channel improvement will protect 520 acres of the flood plain sufficiently to permit the production of corn and improved pasture.

There is storage capacity for 588 acre-feet of water for municipal use in dam No. 1 and 143 acre-feet for future use in dam No. 2. This storage capacity together with that provided for flood protection makes both of the dams multiple purpose.

Other works of improvement consist of land treatment measures, the stabilization of critical silt-producing areas in fields and along highways and roads, and the construction of improved channels.

More intensive utilization of the fertile flood plain is now possible. This will result in increased income to farmers. It will permit a change in land use on some of the adjoining upland and is expected to result in the conversion of 780 acres of less productive upland to trees and grassland.

There are 51 landowners who have portions of their farms in the flood plain. These flood plain holdings range in size from three acres to one hundred acres and will benefit from varied levels of flood protection.

The present use of the 888 acres of flood plain land is as follows: 186 acres of unimproved pasture yielding 3 animal unit months of grazing per acre, and 702 acres of woodland and miscellaneous.

The anticipated use and average yields are: 101 acres of corn yielding 65 bushels per acre, 216 acres of improved pasture yielding 9 animal unit months of grazing per acre, 74 acres of unimproved pasture yielding 3 animal unit months of grazing per acre, and 497 acres of woods and miscellaneous.

Land treatment measures such as terraces, field ditches, waterways, stock-watering ponds, tree planting, pasture planting, and wildlife habitat development are being installed by farmers under conservation farm plans with the Anderson County Soil Conservation District. Technical assistance in the planning and application of the land treatment measures is being provided by the Soil Conservation Service. The South Carolina Forestry Commission, with the cooperation of the U.S. Forest Service, will furnish technical assistance for tree planting. About 94 percent of the planned land treatment measures have been applied.

The estimated total cost of the project is about $571,000. Of this, $270,000 is being provided from P. L. 566 funds and $301,000 from other funds.

The structural measures were installed under contracts administered by the Big Creek Watershed Conservation District.

The land treatment measures will be maintained by the individual landowners concerned in accordance with the provisions of their respective conservation farm plans with the Anderson County Soil Conservation District.

Specific items relating to the operation and maintenance of structural measures are assumed individually by the Town of Williamston and by the Big Creek Watershed Conservation District.

The estimated average annual benefits which will result from the structural measures are approximately $21,500. The average annual costs amount to about $12,900 giving a 1.4 to 1.0 benefit-cost ratio for the project.

The people of South Carolina can be justly proud of the progress made in the small watershed program in their state. The recent revision of the Conservation Needs Inventory showed that 192 watersheds need Public Law 566 type of project action to solve resource problems that can't be handled by individual farmers. Progress made to date is as follows:

Applications	51
Projects authorized for planning	35
Projects approved for operations	22
Construction starts	17
Projects completed	8
Floodwater retarding structures built	44
Channel improvement installed (miles)	107

Three additional projects have been approved by Congress and are awaiting final approval.

The 22 projects already approved in South Carolina will involve an outlay of about $11.4 million in Federal funds and $10.4 million in local and State funds. An additional $4.7 million in Federal funds will be required for the 3 projects now pending approval. About $5.1 million in Federal funds has been obligated to date.

Recent estimates indicate that the local economies in several areas of South Carolina have been boosted through P. L. 566 projects:

215 man-years of local employment have resulted from the construction of dams, channel improvement, and other structures.

6 industries or businesses have expanded providing 70 new jobs.

20,000 visitor days of recreation have been provided even though no South Carolina projects have included recreation as an objective (around sediment pools and the Thicketty Creek fish and wildlife structure).

6,000 residents of Williamston and Edgefield are already benefiting from dependable municipal water supplies installed in this project and in Beaverdam Creek. About 10,500 people in Easley and Tigerville can also stop worrying about water shortages when their structures are built in the Georges Creek and South Tyger River watersheds.

Multi-purpose projects such as the Big Creek Watershed Project certainly boost the economy of the community. The worth of this project will be for all the people in the area, both rural and urban.

The effectiveness of this project was demonstrated on June 7–8, 1968 when 4.5 inches of rain fell in a 24-hour period. No flooding of bottom land occurred. Before installation of structural measures, a rainfall of 4.5 inches in 24 hours would have caused severe flood damage.

The partnership arrangement of Federal, State, and local self-governing units of government, that helped to bring into being this fine project, is very desirable because it stimulates our democracy through active participation of all concerned. A democracy is a luxury—and we can expect to enjoy this way of life and system of government provided we continue to have maximum participation on the part of local people in such projects with assistance from the State and Federal Government.

The experience you have had with your watershed project is an example of the work that may be required to reach any goal in the soil and water conservation program. It is not simply a matter of stating an intention and moving in on the problem. As you so well know, the spadework is the hardest—preparing the way for action is the most demanding part.

Your work has been well done, and I commend you for your effort and accomplishment.

I would like to pay tribute to the conservation leaders of South Carolina for their farsightedness in adopting a planning and coordinating program for the future development of water resources. I refer to Act 61 of the General Assembly of 1967 creating the South Carolina Water Resources Planning and Coordinating Committee. For many years, the principals involved in operation of soil and water conservation districts throughout the nation have urged a teamwork approach in handling our natural resource affairs. This new governmental institution created for South Carolina provides for and emphasizes this kind of approach.

For the most part, its works and considerations are guided by ten members, three of whom are from agriculture, three from industry, three from municipalities, and one from saltwater interests. The committee is also composed of a representative of eight State agencies having water-related responsibilities. In addition, the Act calls for close coordination and planning with any and all Federal agencies having water-related responsibilities. To me this seems to set the stage for real progress. Rather than approaching our water- and land-related programs on a fragmented basis, we now have a truly constituted coperative arrangement that applies across the board among State agencies as well as Federal agencies.

Not only that, this committee is charged, I am told, with the responsibilities for recommending policy changes that may affect the overall planning in our water resources.

At the Federal level the Water Resources Council is composed of the Secretaries of the Army, Agriculture, Interior, Federal Power Commission, and Health, Education, and Welfare. Thus, you can well recognize that there is a coordinated effort, both at Federal and State levels, giving an unusual opportunity to proceed in the planning and development of water resources. This type approach is especially helpful in river basin planning and will be a major contribution to any national planning which is being called for by the Congress.

This Federal-State coordination is necessary for comprehensive river basin planning. All of your State is included in the South Atlantic Gulf Water Resource Region which is scheduled to have a comprehensive framework river basin study made under the guidance of the Water Resources Council. Hopefully, this study will be initiated in the next year or two.

Currently, the Department of Agriculture is cooperating with the State of South Carolina in a study of the need and potential for development of the land and water resources of the Santee River Basin. This study should be completed by July 1, 1972.

Studies of this type are of significant value to the water resources planning agencies in any State. For example, the Conservation Needs Inventory identifies 343 watersheds in South Carolina which are of a suitable size and have problems which require project action similar to that provided under Public Law 566. As I mentioned earlier, this inventory further reveals that an estimated 192 of these watersheds might be developed into feasible watershed projects. Even with the progress which has been made in South Carolina to date, it can be seen that much work needs to be done. Not all of these watershed projects need to be developed immedately. Some have more urgent needs than others.

River basin studies, such as the one now being made on the Santee River Basin, will provide soil conservation districts, the South Carolina Water Resources Committee, the South Carolina Soil and Water Conservation Committee, and concerned Federal agencies with information pertaining to the magnitude of developments needed in each of these potential watersheds, to meet the estimated needs for flood protection, recreation, municipal and industrial water supply, irrigation and drainage, water quality management and fish and wildlife enhancement.

In addition to the above, river basin studies provide information as to the time during which these developments should be made to be in the best interests of all the people concerned. This is highly important when we are operating under limited budgets both at the Federal and local level and we are interested in getting the greatest benefit to communities which the available funds will provide. I encourage you to take full advantage of the findings of river basin studies at any time that decisions are being made wth respect to purposes to be included in specific developments and in setting priorities.

We can change our lives for the better by putting our shoulders to the wheel, as you are doing, in the Big Creek Watershed project.

This is a proud occasion. Let us resolve to continue our mutual job of bettering this earth, that we and our children shall have proud tomorrows. Thank you for inviting me to share this day with you. May the Big Creek Watershed project fulfill your hopes and add to your community.

I wish you continued success.

ALEX WARDEN LAYS DOWN THE REINS

Mr. MANSFIELD. Mr. President, one of Montana's and the West's best known citizens, Alexander Warden, has decided to drop all his business activities and to call it a day. Alex Warden has meant and still means a great deal to Great Falls and Montana. While I regret that he has decided to "drop the reins," I congratulate him on a wise decision. Now, instead of tending to the wants of others, he can, for a change, look after himself.

Good Luck, Alex.

I ask unanimous consent that an article published in the Great Falls Tribune of September 15, 1968, be printed in the RECORD.

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

ALEXANDER WARDEN DROPS ALL BUSINESS ACTIVITIES

Alexander Warden, well-known Great Falls native and business leader, has decided to lay down all reins as of right now.

From a bed in the Deaconess Hospital where he has been undergoing an extended recuperative period from a heart and respiratory ailment, Warden, former publisher of The Tribune and Leader, announced his retirement from all business activity and his resignation from all his various offices and boards.

Warden, who has been a newspaper consultant for the Tribune and Leader since disposing of his interests in them in 1965, also has given up his positions on the boards of Western Airlines, Northwest Bancorporation, the Montana State Fair, of which he was vice president, the Western Fair Association, the Russell Gallery and the College of Great Falls.

Until recently, Warden was a director of the First National Bank of Great Falls, the Federal Reserve Bank of Minneapolis and the Mountain States Telephone and Telegraph Co. of Denver and was on the phone company's Montana Advisory Board. He was a board member of Buttrey Foods until the local company was absorbed by Jewell Tea Co.

In 1961 Warden was appointed by Lyndon B. Johnson, then vice president, to the U.S. Citizens' Committee to NATO (North Atlantic Treaty Organization) and he attended the group's meeting in Paris in 1961.

The commission was unique in that it was given an appropriation of $300,000 and a time limit was put on its life. The commission got its work done before the time limit had expired or the money had been spent. It returned $115,000 to the United States and the government didn't know what to do with it.

AMERICAN MOTORS AGAIN HOLDS PRICE INCREASES BELOW BIG THREE

Mr. PROXMIRE. Mr. President, this is the season when automobile manufacturers proudly display their new models for the coming year. Cars are longer, lower, sleeker, and more stylish than ever before. Concealed headlights and windshield wipers, tilt-away steering wheels, power accessories, higher horsepower—all make it difficult for the buyer to resist the new cars.

But everyone knows you cannot get something for nothing. During the past several weeks, the "Big Three" auto manufacturers announced price increases in the new models. These range from $47 for Ford and $49 for General Motors to $52 for Chrysler. I might add that Chrysler originally announced price increases averaging $84 per car, but was forced by competition to cut back their increases to the $52 figure.

Just last Friday, American Motors, the fourth auto manufacturer, announced in a press release that price increases on its 1969 models would average $43 a car. Once again American Motors is the price leader, with increases considerably below those announced by Chrysler, GM, and Ford—more than might appear at first blush. Unlike the other automakers, American Motors includes safety headrests as a standard item on its 1969 cars, available at no extra cost. The others consider headrests to be an optional item, and charge a customer an extra $16 if he wants a set for his own safety. When this additional item is taken into account, American's price increases average out to less than two-thirds of the increases tacked on by the larger auto manufacturers.

American Motors is one of Wisconsin's greatest producers. With its national headquarters at Kenosha, Wis., American Motors employs more than 20,000 people in my State. I am proud that this great Wisconsin corporation has done everything in its power to hold the line against inflation, to bring its fine product to the consumer at the lowest possible price.

Mr. President, I ask unanimous consent the American Motors press release be printed in the RECORD.

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

(NOTE TO EDITORS.—American Motors prices are advertised delivered prices, including federal excise taxes and dealer preparation charges. They also include head restraints.)

DETROIT, September 27.—American Motors will offer the only 1969 U.S. car with an advertised delivered price under $2,000.

The Rambler two-door sedan is priced at $1,998 (ADP) or $285 below its nearest U.S. six-cylinder competitor, and has retained its competitive price position against the leading import.

William V. Luneburg, president, said prices for 1969 Rambler, Rebel, Javelin and AMX models reflect an average increase of $43, resulting from higher labor and material costs, additional product features and the addition of head restraints as standard equipment.

Other domestic automakers have announced they will continue to offer head restraints as an extra-cost option until January 1 when they become mandatory under federal government safety standards.

Luneburg said American Motors' all-new, longer wheelbase and wider stance Ambassador line for 1969 does not lend itself to a direct price comparison because of a change in the dealer discount on the top two series, addition or deletion of models, more powerful engines in the base Ambassador and DPL models, and the addition of automatic transmissions as standard on SST models. If adjustment is made for these factors, the company's average price increase for all cars becomes $56, or 2.1 per cent, including head restraints.

If comparisons are made with other U.S. cars which do not include head restraints, the average increase for all car lines is only 1.5 per cent.

American Motors' announced prices are advertised delivered prices, the same as appear on the car "sticker." They include federal excise taxes and dealer preparation charges.

Luneburg pointed out that Ambassador and Rebel station wagons show higher proportionate increases than sedans and hardtops because of a new standard "Dual-Swing" tailgate which can be lowered or opened as a side-hinged door. Ambassador and Rebel wagons also feature roof-top travel racks as standard.

The Ambassador continues as the only full line of U.S. cars which offers air conditioning as standard equipment.

The sporty Javelin is priced at $2512 which is $123 below its top competitor.

American Motors option prices for 1969 have increased less than 1 per cent.

Luneburg said American Motors' warranty on 1969 cars will be 12 months or 12,000 miles, and five years or 50,000 miles on engine, transmission and axles. The warranty applies to the first owner only, but can be extended to second owners with a $25 deductible provision upon payment of a transfer fee.

AMERICAN MOTORS 1969 AND 1968 PRICES

Following are advertised delivered prices, including Federal excise taxes and dealer preparation charges. 1969 prices include head restraints. 1969 Ambassador SST models include V–8 engines and automatic transmissions as standard equipment.

	1969 price	1968 price
Rambler (was American in 1968):		
2-door sedan	$1,998	$1,946
4-door sedan	2,076	2,024
440:		
4-door sedan	2,218	2,166
4-door station wagon	2,478	2,426
Rogue: 2-door hardtop	2,296	2,244
Javelin:		
Basic	$2,512	$2,482
SST	2,633	2,587
AMX V–8	3,297	3,245
Rebel (was 550 in 1968):		
4-door sedan	2,484	2,443
4-door station wagon [1]	2,817	2,729
2-door hardtop	2,496	2,454
SST:		
4-door sedan	2,584	[3]
4-door station wagon [1]	2,947	[3]
2-door hardtop	2,598	2,599
Ambassador:		
4-door sedan	2,914	[3]
DPL:		
4-door sedan	3,165	[3]
4-door station wagon [1]	3,504	[3]
2-door hardtop	3,182	[3]
SST:		
4-door sedan	3,605	[3]
4-door station wagon [1]	3,998	[3]
2-door hardtop	3,622	[3]

[1] 1969 models include "dual-swing" tailgate.
[2] Comparable model not offered in 1968.
[3] 1968 model prices do not lend to direct comparison with 1969 model prices.

EXPORT OF RAW LOGS

Mr. METCALF. Mr. President, few actions of Congress this year will have the beneficial impact on the timber-dependent communities of the Northwestern United States that the amendment which the distinguished Senator from Oregon [Mr. MORSE] attached to the foreign aid authorization bill. The amendment places a ceiling on the raw logs that may be exported out of the country from Federal forests.

The conception and successful execution of the log export amendment is a mark of the legislative mastery and zealous concern for the future of his State and Nation with which Senator MORSE serves his constituents.

In two editorials, the New York Times has attacked the log export ceiling in a manner that displays mostly ignorance of what is involved in the federally owned timber resource. The two Senators from Oregon [Mr. MORSE and Mr. HATFIELD] have answered these editorials in writing. In printing their first answer, the Times accompanied it with another onslaught against the log export amendment.

I would not want it thought that Oregon is alone in the position its Senators have taken to keep this resource in our country for the benefit of American consumers. Therefore, I wish to endorse and to associate myself and the economic development of my State of Montana with the views Senators MORSE and HATFIELD have expressed in answering the New York Times.

I ask unanimous consent that these editorials and letters be printed in the RECORD at the conclusion of my remarks.

It is especially unfortunate that the Times has ignored the effect of extensive log exports upon the American housing market and the American homebuyer. It is this impact that gives the amendment an importance far beyond the boundaries of lumber-producing States in the Northwest.

The wood products and homebuilding industry spokesmen are pointing out that the current price boom in lumber is the first one that sawmills have not been able to bring back down within a matter of a few weeks through increased production. There is built-in capacity in the lumber industry that makes it possible to expand output quickly when a price increase dictates, provided the raw material is available.

It is this proviso that has not been met, due to heavy log purchases by Japan from Oregon, Washington, and northern California. The supply of public timber has remained static, in other words, while exports have siphoned probably as much as 10 percent of the cut from national forests in western Oregon and Washington.

I point out that actual purchases by Japan so far have been confined to these three States. But there is so much alarm that they will move further inland that Senators from Idaho, Montana, and Utah are cosponsors of the Morse amendment.

So I associate myself with the letters that Senators MORSE and HATFIELD have addressed to the New York Times in an effort to enlighten its readers, if not its editors. Senator MORSE has already received the grateful thanks of many mill operators in my State of Montana for his brilliant work on this whole matter. I join them in that sentiment. In the 3 years while this particular provision is in effect, Senator MORSE has urged that we review Federal timber management with a view to increasing its yield. He will begin in a few weeks a survey of timber management and funding in the Senate Small Business Subcommittee of which he is chairman.

All of us from States that grow timber and process it into wood products will be following this survey with interest, and the keen desire to see that it brings about an increased production and greater utilization of the public timber supply.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

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

[From the New York Times, Sept. 4, 1968]

SENATOR MORSE'S LOG JAM

Senator Wayne Morse of Oregon is giving an object lesson in how mischievous interferences with international trade can really be. He attached an amendment to the foreign aid bill severely restricting the export of raw logs cut from Federal forest lands. Now he threatens to block an agreement on foreign aid in the House-Senate conference unless the Morse amendment is retained. His object is to protect Oregon's less efficient saw mill operators. They would have to pay higher prices for logs if sales to Japan were not restricted. But it is already clear that this impediment to trade is working to the detriment of Mr. Morse's constituents.

The objection to the ban on log exports is that it discriminates against the Japanese—who are being told to buy finished United States lumber or nothing—and it perpetuates inefficiency by providing domestic saw mills with blanket protection against higher supply prices. At first the Federal prohibition—state governments have similar restrictions—applied only to logs from Government forests in the western sections of Washington and Oregon. Mr. Morse's amendment would extend the ban to Federal lands in California, Idaho and Montana as well.

Japan might have to yield to this attempted squeeze, if the United States were the only lumber supplier, but it is not. The Japanese recently concluded a five-year trade agreement under which Soviet Russia is to provide them with an additional 1.6 billion board feet of lumber, the bulk of it in the form of logs. Canada also stands ready to meet Japan's needs. Common sense—to say nothing of the fate of the foreign-aid bill—demands that the Morse log jam be broken.

SEPTEMBER 6, 1968.

EDITOR, NEW YORK TIMES,
New York, N.Y.

DEAR SIR: Ordinarily, *The New York Times* editorial page is a source of valuable information, insights, and guidance to sound public policy. We regret that the editorial writers do not seem to have done their usual homework before they wrote as they did on the subject of the log export amendment to the foreign aid bill.

1. It is not Senator Morse and the six cosponsors of his amendment who seek to restrict the export of logs from public lands. It is the Act of 1926, which provides that public timber shall not be exported unless such export does not endanger the supply for local use. Two years ago, the Forest Service reported that the allowable cut for years into the future would be used entirely for domestic consumption. Allowing Japan to purchase even 9 percent of the cut on the public forests west of the Cascades without increasing the cut has had the only result possible—it has pushed up stumpage prices to new highs.

2. Less efficient sawmills are not protected from a high price in raw materials by my amendment or by the existing temporary order covering western Oregon and Washington. It is consumers who are protected, because when the sawmills cannot purchase the raw material for their mills, the price of lumber shoots up. And it has; lumber prices have advanced far in excess of the normal price increase in recent months, and are a major factor in the rising cost of home construction. The mill that has gone out of business is not protected in such a situation. But more important, the American homebuyer is not protected, either.

3. Nothing in the amendment discriminates against Japan. As noted, the laws governing the national forests have been on the books since 1897 and 1926. They far pre-date the recent export trade in logs. Japan has no more reason to expect total access to that timber than she has reason to expect total access to the timber in national parks or wilderness areas.

4. The negotiations that led to the five-year agreement reached with the Soviet Union were begun over five years ago. They were the result of projections made by Japan in 1962 and 1963 of her future need for wood, and were not the result of any American action.

5. To the extent that Canada stands ready to supply Japan's needs, as the editorial indicates, it is because Canada does not sell her logs in any appreciable quantity. She does indeed sell lumber, and Japan buys it. Japan will buy lumber from us, too, if we adopt the Canadian and Alaskan policy of processing our own national timber resource.

6. Regrettably, the editorial makes no mention of the adverse balance of payment situation that is growing from this log trade. Lumber wholesalers supplying the eastern and midwestern United States have doubled and tripled their purchases of finished Canadian lumber products because mills in the Pacific Northwest have been unable to expand their production to meet American housing needs. We can only lose by selling cheap logs to Japan and buying dear lumber from Canada.

Sincerely yours,

WAYNE MORSE.
MARK HATFIELD.

[From the New York Times, Sept. 18, 1968]

BANNING EXPORT OF LOGS

If shipping raw logs out of the country reduces the domestic lumber supply and raises prices, shouldn't the Government protect the consumers by restricting such exports? That proposition, advanced in a letter on this page by Senators Morse and Hatfield of Oregon, has a simplistic appeal. But carried to its logical conclusion, it would result in the cessation of all trade between nations.

Unless there is idle productive capacity, a sharp increase in the demand for any product will raise its price. It is through higher prices that the market allocates existing stocks among eager buyers, whether residents of this or other countries.

Senators Morse and Hatfield and their supporters exercised political power to shield the lumber industry from market forces. But what would happen if other legislators applied the same reasoning and had the same good fortune in restricting exports of automobiles, coal and rice, the domestic prices of which are all subject to rising foreign demand? If that logic were universally applied, United States exports, now running at an annual rate of about $33 billion, would cease, with devastating effects on income and employment. The damage caused by restricting log exports is small, but the precedent is dangerous.

Senators Morse and Hatfield deplore the growing imports of Canadian lumber into the Midwestern and Eastern sections of this country. But they make no mention of the principal cause, the Jones Act which decrees that all cargoes between Pacific and Atlantic ports must be carried in United States flagships, whose rates are so far above the world level that the Canadians have a decisive advantage in the competition for Eastern lumber markets.

If Oregon's Senators were willing to fight the maritime lobby, they would be doing far more for the domestic consumer than they have done by promoting their short-sighted restriction on the export of logs.

SEPTEMBER 19, 1968.

The EDITOR, NEW YORK TIMES,
New York, N.Y.

DEAR SIR: We regret that in its editorials on log exports, the *New York Times* fails to understand, or chooses to ignore, the fact that the national forests were established for the purpose of assuring a supply of wood in perpetuity for the American people, not for Japan or for any other country. It is only timber owned by the Federal Government that is affected by our amendment putting a ceiling on log exports.

If Federal timber is no longer to be managed for this purpose, there is no reason to have national forests. They could just as well be sold off to private enterprise for marketing in Japan, or wherever the top dollar is found. But the hundreds of mills that now operate with public timber would vanish, and so would the lumber they produce to house the American people.

The Acts of 1897 and 1926 do exactly what you accuse us of doing in our amendment: they shield the lumber industry and the consumer. These laws created the national forests to shield the nation from the timber slaughter that occurred in the northern Lake states under conditions of unrestricted competition. To further this shielding, these laws prohibit the export of the timber where the local supply will be endangered.

Secondly, the Jones Act makes it difficult for Northwest mills to compete with Canadian lumber in the eastern United States. But the recent taking of so much timber by Japan has prevented the Northwest from supplying adequately even the Middlewest. It is here that Canadian imports are increasing, due to the shortage of lumber and not due to the Jones Act. Either cause injures our balance of payment position.

Finally, we hope the *New York Times* will show a similar interest in an inquiry we plan next year in the Senate Small Business Committee. It will examine from top to bottom all Federal timber management practices. It will seek to find the bottlenecks in funding and policy that stand in the way of a truly high-yield production and harvest of trees in the national forests.

Sincerely,

WAYNE MORSE,
MARK O. HATFIELD,
U.S. Senators.

THE QUALITY OF GOVERNMENT STATISTICAL PROGRAMS NEEDS TO BE CONSTANTLY IMPROVED; TO ALLOW ANY DETERIORATION IN THEM WOULD BE PENNYWISE AND POUND FOOLISH

Mr. PROXMIRE. Mr. President, as chairman of the Joint Economic Committee, I am deeply concerned about the progress of our economic policy that depends so strongly on economic statistics. Indeed, no economic policy can be any better than the statistics on which it is based.

Economic policy, both public and private, can be no better than the information upon which it is based. In the interests of good policy, of economic stabilization and growth, economic intelligence must be accurate, comprehensive, and promptly available. Those of us on the Joint Economic Committee of which I am chairman are acutely aware of this, mindful of the fact that one of our best assurances against recession is a prompt and early understanding of economic trends going on in time to do something about them if they portend trouble. We are reminded of the fact that in 1928 neither the Federal Government authorities nor businessmen in making plans had even the gross national product data which we now rely on each quarter. The consumer price index, upon which we rely each month, with only a few weeks lag, was in 1928 computed only twice a year and then only with a substantial lag in publication after the facts being reported had faded into history.

Unemployment and employment statistics which all of us watch closely today were for all practical purposes not available before the great depression.

I am not suggesting that we are in any danger of slipping back into this darkness, but I do suggest the constant need to bring increased accuracy and quality into our available indexes of economic activity.

Members of the Joint Economic Committee are aware of the national budgetary constraints and of the budgetary difficulties of the agencies which produce, maintain, and disseminate our Government statistics. Like all Government expenditures, expenditures on statistics call for a careful weighing of priorities and alternatives in search for improvements in reliability and timeliness while keeping in mind the overall necessity for economy.

This ever-present necessity for weighing expenditure, minimizing the burden upon business enterprise and persons applies, of course, to the upcoming 1970 census. But I would stress a fact sometimes overlooked by the layman that the decennial census has a strategic importance beyond data for a single year. It provides a benchmark to which information in intervening years, collected by samples and partial data, is keyed, tested, and adjusted.

Our need for statistics is greater year by year as the economy gets more complex. We need, for example, more data on characteristics of the unemployed. We need data on job vacancies, the utilization of plant capacity, to list just a few. We certainly need to tie our whole statistical system together to eliminate inconsistencies and add to comparability.

The Joint Economic Committee has worked hard for 20 years to improve the quality of Government statistics. It is this concern that prompts me to call attention to an article by Alfred L. Malabre, Jr., published in the Wall Street Journal of October 1. I ask unanimous consent that the article be printed in the RECORD and urge that Members of Congress understand the full implications of any curb on statistics.

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

CURB ON STATISTICS: BUDGET CUTS, MOVES TO LIMIT CENSUS PERIL DATA ON THE ECONOMY

(By Alfred L. Malabre Jr.)

The quality of this country's economic statistics—by far the best in the world—is in danger of deteriorating.

American economists, however much they may differ over other matters, agree that accurate, timely, detailed statistics play a vital role in keeping the economy strong. Without good statistics on such matters as employment, prices and production, corporate planners more often might decide to expand operations when they should be cutting back. Or Federal planners more often might move to restrict economic growth when they should be trying to spur the economy.

There is little dispute that until now America's economic statistics have been steadily improving. In the fiscal year ended June 30, the Government spent more than $140 million to provide statistics, nearly $20 million more than in fiscal 1967. But now, for reasons that are practical, political and somewhat ironic, it's highly possible that statistics will begin to get short shrift. Ultimately, the nation's planners may have to make decisions based on data that is less accurate, less timely and less detailed than the information available today.

A REWARD OF PROGRESS

"The country has been making great progress" in efforts to produce good statistics, says William F. Butler, vice president and director of economic research at Chase Manhattan Bank, New York. "But we've got to continue to improve the flow of information, and right now I'm worried that things might move in the opposite direction."

Perhaps the most worrisome threat to the quality of the country's statistics, many analysts say, is an effort under way in Congress to reduce drastically the number of questions that citizens must answer for census takers. Under present law, a person who refuses to answer a census taker's questions may be sentenced to 60 days in jail and fined $100. There has been mounting concern, however, that this law subjects citizens to flagrant violations of their privacy. Moreover, there are fears that such compulsory census-taking could eventually lead to a "1984" atmosphere in which the Government as a sort of Orwellian "Big Brother," will know all about everyone.

Result: Some 40 bills have been submitted in Congress aimed at limiting the number of compulsory questions that census takers may ask. One such bill, introduced by Rep. Jackson E. Betts, an Ohio Republican, would require answers to only seven of the 70-odd questions now planned for the decennial census scheduled to start in April 1970. The seven would be: Name and address, date of birth, sex, race, marital status, relationship to the head of the household and visitors in the home. Persons being queried would be told that answers to any other questions would be strictly voluntary.

A 19TH CENTURY SYSTEM?

Many economists warn that any such proposal would seriously reduce the usefulness of the census. And they add that if the 1970 census is not trustworthy, all sorts of statistical series used by planners would be adversely affected. John H. Aiken, executive director of the Federal Statistics Users' Conference, a nonprofit organization based in Washington, goes so far as to declare that enactment of Rep. Betts' plan "could set the country's whole statistical system back into the 19th century." One Government official who keeps close tab on such matters says he believes there's "a very real possibility" that the Betts bill, or some similar proposal, will become law.

It's possible, of course, that many citizens would answer census-takers' other questions voluntarily. But most economists think a sizable number would balk. William H. Chartener, Assistant Secretary of Commerce for Economic Affairs, puts it this way: "If the voluntary feature were taken literally by all people who might be out of sympathy with some aspect of the political party in power, the results (of the 1970 census) could approach the value of the fabled Literary Digest Poll" that predicted Alfred M. Landon would defeat Franklin D. Roosevelt in the 1936 Presidential election. Even the compulsory 1960 census was far from perfect, some critics note; it's now believed the '60 count missed nearly six million persons, many of them hard-to-locate young Negro men in central city areas.

Among the questions that might go unanswered if Mr. Betts has his say: Does the household have a bath or shower, and if so, is the facility shared with another family? Such questions, at first glance, may indeed seem needlessly prying, but most housing analysts view bathroom facilities as one of the most important indicators of housing quality.

Information that bears on the quality of housing, in turn, is vitally important to all sorts of urban planners, real estate people and economists trying to forecast the trend of housing activity. And home-building statistics are among the 12 key "leading indicators" that economists watch for early signs of general change in business.

AN IRONIC EFFORT

At the same time that many Congressmen are moving to limit census questions, there is growing evidence that Federal budget-cutters are seeking to trim funds that support Washington's statistical mills. The effort—which seems ironic inasmuch as accurate economic statistics can help planners avoid budget problems—is part of a general program to hold down Government spending in the wake of last fiscal year's $25 billion Federal budget deficit.

Yet it's perhaps not very surprising that statistical offices are attracting the attention of budget-cutters. As Assistant Secretary of Commerce Chartener says, "It is understandable in a time of general budgetary restraint that statisticians should be treated with less solicitude by budget officers and appropriations committees than postal employes or air-traffic controllers."

The Administration early this year sought $158.4 million to support statistical programs in fiscal 1969. However, in view of the drive to trim Federal spending, it now appears that the actual 1969 total at most may only match the fiscal 1968 sum of $140.7 million. The upshot is that many plans to improve current statistics are having to be abandoned.

One casualty involved an effort to improve the quality of construction statistics. The Government had hoped to initiate periodic checks on the progress of new residential construction projects. Among other things, such checks would have given economists and others a much better idea of the impact on home-building of such factors as bad weather. Currently, progress normally is only estimated, without additional checking after work is under way.

Other casualties: Better measurement of equality changes in the Government's consumer price index; use of transaction prices, rather than list prices, in the Government's wholesale price index; reports on inventories that manufacturers maintain at locations away from the factory; increased coverage of such institutions as banks and insurance companies in Government surveys of capital spending plans.

"POUND FOOLISH" CUTS?

One Government economist says of the abandonment improvements: "I'm afraid that we're being penny-wise and pound foolish." He cites, as an example, a plan to provide a better comparison of price trends of internationally traded goods. The improvement, which now is likely to be scrapped, would have provided a much clearer picture of the strong and weak points in America's foreign trade position. "The new statistics would have cost about $120,000 this year to develop," says the Federal analyst, "but they might eventually have saved us millions in world markets."

The budget-trimming campaign, thus far, has not caused any abandonment of statistics currently reported. However, there is considerable concern that, some may be scuttled. "Before the hold-down on spending is over," says one Budget Bureau official, "we may actually have to cut back on existing (statistical) services."

Occasionally, it should be added, cost isn't the only consideration standing in the way of statistical improvements. At present, economists generally agree that there is no good report available on job vacancies. Moreover,

many analysts contend that the compilation of such a statistical series presents no serious technical problems.

The difficulty, according to some observers, is that labor unions simply don't want any new statistics that might tend to make unemployment seem less of a problem. And so long as unions remain opposed, these observers say, the Administration is unlikely to press for a job-vacancy series.

MR. CREAMER'S VIEW

"There's no question that labor is generally against the idea" of job-vacancy statistics, says Daniel Creamer, an economist at the National Industrial Conference Board, a nonprofit economic research organization. Mr. Creamer, who has studied the feasibility of setting up a job-vacancy series, claims the project would be worthwhile and practical. Government studies reach the same conclusion.

On the other hand, Nat Goldfinger, an AFL–CIO economist, warns that job-vacancy data might prompt the Government to pursue unduly restrictive economic policies. Mr. Goldfinger says that the sort of series envisaged by Mr. Creamer, for example, would fail to show adequately whether vacancies represent openings for "astrophysicists or floor sweepers." If the openings are for astrophysicists, and there is considerable unemployment among floor sweepers, restrictive policies would be a serious blunder, warns the labor economist.

Despite shortcomings, however, the fact remains that U.S. economic statistics are generally the world's best. An extreme illustration of how good they are can be seen by comparing the U.S. consumer price index with that of Brazil. The U.S. index, which is the key measure of U.S. price inflation, is published monthly on the basis of samples taken from coast to coast in 58 cities. The index is based on reports from 1,775 food stores, 40,000 tenants and 16,000 other sources, ranging from lawyers to psychiatrists.

Brazil's so-called consumer price index, in contrast, is based only on spotty sampling done in the city of Rio de Janeiro. Last year, shortly before the government removed some rent controls in Rio, housing was quietly removed from the index. Recalling the incident, a harried U.S. official remarks: "Wouldn't it be nice if we could do something like that once in a while, when the complaints about inflation come pouring in?"

A DIVIDED COMMITTEE REPORTS ON PROPOSED NONPROLIFERATION TREATY

Mr. MUNDT. Mr. President, one of the perplexing questions still facing the Senate is whether it is prudent and productive to ratify the Nonproliferation Nuclear Treaty at this time of extreme uncertainty concerning Soviet Russia's intentions toward Western Germany, Rumania, and Yugoslavia, to say nothing of whether her Communist neighbor proposes to continue its stranglehold and military occupancy of Czechoslovakia or to permit at least some modicum of independence to be exercised by this brave little country.

Like Americans generally, the Committee on Foreign Relations is divided about the wisdom and desirability of debating in today's explosive and unpredictable atmosphere the merits and demerits of this proposed treaty which does nothing to reduce or inspect the mounting nuclear weapons of the U.S.S.R. and the United States of America and which has brought such serious protests from such free nations of the world as West Germany, Israel, France—which has refused to sign the treaty—and India.

Since so few citizens ever have an opportunity to read the official committee reports on bills and resolutions, as well as treaties, and because of the importance of our decision on the instant case, I ask unanimous consent that the report of the Committee on Foreign Relations, filed September 26, together with the minority views and the individual views of certain Senators, be printed in the RECORD. I think it well that as many concerned citizens as possible have access to the information, the criticisms, the expressions of skepticism and uncertainty, and the specific viewpoints of the Senators who are members of this highly important committee.

I ask unanimous consent that the report of the majority of the committee be printed in the RECORD.

There being no objection, the excerpt from the report (Executive Report No. 9) was ordered to be printed in the RECORD, as follows:

TREATY ON THE NONPROLIFERATION OF NUCLEAR WEAPONS—REPORT

The Committee on Foreign Relations, to which was referred the Treaty on the Nonproliferation of Nuclear Weapons, signed in Washington on July 1, 1968 (Ex. H, 90th Cong., second sess.), having considered the same, reports favorably thereon without reservation and recommends that the Senate give its advice and consent to ratification thereof.

I. PURPOSE AND BACKGROUND OF THE TREATY

The treaty's fundamental purpose is to slow the spread of nuclear weapons by prohibiting the nuclear weapon states which are party to the treaty from transferring nuclear weapons to others, and by barring the nonnuclear weapon countries from receiving, manufacturing, or otherwise acquiring nuclear weapons. As such, this treaty represents an important effort to lift the threat of adding new and fearful dimensions to international tensions and disputes through the spread of what has been called the seeds of a hundred crises.

In the years since Hiroshima, the United States and the Soviet Union as the major nuclear powers have gradually, often grudgingly, come to the realization that the technological triumphs of their own nuclear weapons programs were not beyond the reach of even the poor nations of the world. The search for new sources of commercial power has brought in its wake an ever-increasing potential for destruction. Dr. Glenn T. Seaborg, Chairman of the Atomic Energy Commission, told the committee of the world's growing nuclear capacity:

"In several more years the nuclear plants in operation in nonnuclear-weapons countries will be producing enough plutonium to make hundreds of bombs each year. The amount of material that will be produced would be sufficient, if diverted to the production of nuclear weapons, to level many cities and destroy much of humanity."

Dr. Seaborg's comment in 1966 on the process of separating weapons-grade plutonium from the plutonium produced in civil power reactors is worth recalling:

"It is perfectly feasible to build a clandestine chemical-processing plant using readily available technology and equipment."

Given this burgeoning capability of so many nations to build nuclear weapons, the U.S. efforts to curtail the spread of nuclear weapons and skills have become increasingly more serious and urgent. In 1964 in his first message to the Geneva Disarmament Conference, President Johnson proposed an international agreement designed "to stop the spread of nuclear weapons to nations not now controlling them"; and to guarantee "that all transfers of nuclear materials for peaceful purposes take place under effective international safeguards." After 4½ years of steady effort, the U.S. Government has reached an agreement on the Nonproliferation Treaty with two other nuclear weapon states—the Soviet Union and Great Britain—that has thus far been signed by over 80 other states.

The treaty is a recognition by the United States, Great Britain, and the Soviet Union of a common interest in building barriers to the very real threat of mutual annihilation inherent in any increase in the number of countries controlling the use of nuclear weapons. As nuclear weapons spread around the world, whether to responsible or irresponsible powers, so will the danger increase that they might be used, and the major powers drawn into a crisis involving nuclear arms.

The treaty also represents recognition on the part of the nuclear weapon states which have signed the treaty of a responsibility to those nations which are now being asked to deny to themselves that which the United States and the Soviet Union consider essential to their security. The compensation for such an important act of national self-denial is the pledge of nuclear weapon states to make available to the nonnuclear weapon states which are signatories the benefits of peaceful nuclear programs, and to halt through the limitation and eventual elimination of the world's nuclear armories the nuclear arms race that threatens the very existence of all nations. Finally, the nuclear weapon states, pursuant to Security Council Resolution 255 (1968), have pledged themselves to take appropriate measures through the United Nations to safeguard the security of the nonnuclear weapon states which become parties to the treaty.

II. SUBSTANCE OF THE TREATY

The treaty consists of a preamble and 11 articles.

Articles I and II

Articles I and II state the basic obligations of the parties with regard to the transfer of nuclear weapons and skills. Article I prohibits the nuclear-weapon states bound by the treaty from transferring to any possible recipient nuclear weapons or nuclear explosive devices and from assisting the nonnuclear-weapon states in manufacturing or otherwise acquiring nuclear weapons. [A nuclear-weapon state is defined by article IX, paragraph 3, as one which has "manufactured and exploded a nuclear weapon or other nuclear explosive devices prior to January 1, 1967."]

Article II obliges the parties that are not nuclear-weapon states not to receive nuclear weapons or other nuclear weapons explosive devices from any source whatsoever. Furthermore, it obliges them not to manufacture their own weapons or devices, or solicit or accept assistance in their manufacture.

Secretary of State Dean Rusk stressed in his testimony before the committee that the prohibitions in articles I and II will in no way inhibit the United States from meeting its responsibilities under existing nuclear weapons arrangements within the Western alliance from deploying its nuclear forces around the world, or from transferring nuclear weapons or control over them in a war situation. He said, of the key articles I and II:

"The treaty deals only with what is prohibited, not with what is permitted. It prohibits transfer to any recipient whatsoever of nuclear weapons or control over them, meaning bombs and warheads. It also prohibits the transfer of other nuclear explosive devices, because a nuclear explosive device intended for peaceful purposes can be used as a weapon or can be easily adapted for such use. It does not deal with, and therefore does not prohibit, transfer of nuclear delivery vehicles or delivery systems, or control over

them to any recipient, so long as such transfer does not involve bombs or warheads. It does not deal with allied consultations and planning on nuclear defense so long as no transfer of nuclear weapons or control over them results. It does not deal with arrangements for deployment of nuclear weapons within allied territory as these do not involve any transfer of nuclear weapons or control over them unless and until a decision were made to go to war, at which time the treaty would no longer be controlling. And, it does not deal with the problem of European unity, and would not bar succession by a new federated European state to the nuclear status of one of its former components."

Deputy Secretary of Defense Paul H. Nitze told the committee that the obligations assumed by the nonnuclear weapon parties under article II do not include a prohibition on nuclear programs that are military in nature but that are unrelated to the manufacture of nuclear weapons—for example, nuclear submarines.

As a practical matter, it should be noted, that, although U.S. statutes have forbidden the transfer of nuclear weapons to other states or associations of states, this prohibition was heretofore a national decision subject to revision of U.S. law. The pending treaty will turn this self-imposed limitation into an international prohibition that can be revised only by the process of amending the treaty, by U.S. withdrawal from the treaty, or by a war situation. For example, it has long been the United States position not to transfer nuclear weapons to any European federation. Heretofore this position could have been changed by the President and the Congress; if the pending treaty comes into force there will be another, perhaps insurmountable, obstacle to any such change.

Article III

Under Article III the International Atomic Energy Agency (IAEA) is vested with the responsibility of verifying that the nonnuclear weapon countries will not divert nuclear facilities and materials from peaceful purposes to the production of nuclear weapons. This verification would be in accord with the Statute of the International Atomic Energy Agency and the Agency's safeguards system.

The first paragraph of article III states that "each nonnuclear-weapon State Party to the Treaty undertakes to accept safeguards, as set forth in an agreement * * * with the International Atomic Energy Agency." The International Atomic Energy Agency safeguards required by this article "shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such State, under its jurisdiction, or carried out under its control anywhere."

Mr. William C. Foster, Director of the Arms Control and Disarmament Agency pointed out to the committee that article III does not require safeguards on the peaceful nuclear activities of nuclear-weapon states. [Military or defense facilities of the nuclear-weapon states are exempted from these provisions of the treaty.] Mr. Foster said that the fact that article III does not require safeguards on the peaceful nuclear activities of nuclear weapon states was commented on by many of the nonnuclear weapon states. He said that it proved impossible to negotiate such arrangements within the treaty itself. Therefore, the United States, in order to dispel any claims that the treaty was discriminatory in the peaceful nuclear activities field, volunteered to accept safeguards on its peaceful nuclear activities although the treaty does not call for such an obligation. President Johnson, on December 2, 1967, announced that—

When such safeguards are applied under the Treaty, the United States will permit the International Atomic Energy Agency to apply its safeguards to all nuclear activities in the United States, excluding only those with direct national security significance.

This offer prompted Senator Williams of Delaware to inquire whether this offer will "handicap us in view of the fact that apparently Russia could inspect our plants where we would not be able to inspect the extent of development of hers."

Secretary Rusk replied that installations which have a national security function would, of course, not be subject to inspection. The Secretary then went on to say:

"Then, too, under the arrangements now in force by the International Atomic Energy Agency, the International Atomic Energy Agency arranges for inspectors that are acceptable and agreeable to the country that is going to be inspected in terms of—as you know, sir, we have opened certain of our facilities to these arrangements and we have not detected any handicaps arising from these arrangements."

The Director of the Arms Control and Disarmament Agency, Mr. Foster, was asked whether the International Atomic Energy Agency, under the terms of the treaty, could search out clandestine or undeclared nuclear facilities in a nonnuclear weapon country party to the treaty. Mr. Foster said that the existence of such a clandestine facility would be a clear breach of the treaty and that, although there is no provision in the treaty for searching out violations, there would be great international alertness to the possibility of such a violation.

The Chairman of the Atomic Energy Commission, Dr. Seaborg, was questioned at length on the role envisioned by the International Atomic Energy Agency under this treaty and the effectiveness of the International Atomic Energy Agency's safeguards.

Dr. Seaborg made a particularly important and pertinent point when he emphasized that the extension of the International Atomic Energy Agency safeguards to all nuclear facilities of the countries concerned represented one of the most significant accomplishments of the treaty. Dr. Seaborg commented on the progress the International Atomic Energy Agency had made since its organization in 1957, and then went on to say:

"As encouraging as this progress has been, however, IAEA safeguards have been applied to date only to projects receiving Agency assistance or to projects voluntarily placed under IAEA controls. They have not covered the entire nuclear programs of the countries concerned. Neither have many nations given up, through treaty commitment, the right or independence to make nuclear weapons. The treaty will serve to fill these gaps and it will represent an unprecedented advance in international, let alone nuclear, affairs."

As for the safeguards system itself, Dr. Seaborg remarked:

"As a result of steady progress, the IAEA now has in operation an effective safeguards system that is suitable for application to a wide variety of peaceful nuclear activities. Moreover, as a result of steady efforts, a growing acceptance of such international safeguards has developed among various nations of the world. The safeguards which have been administered to date have done more than simply serve their immediate purpose of assuring that particular activities were not being used for military purposes. They have demonstrated that the techniques of international inspection are feasible and effective and are not considered an invasion of national sovereignty."

In response to questions on the International Atomic Energy Agency's safeguards staff and the ability of the organization to expand, Dr. Seaborg stated:

"The present IAEA safeguards staff, while modest in size, is in balance with the size of the workload for which the Agency has responsibility to date. We recognize that a major increase in the size of the Agency's staff will be required to meet the new responsibilities placed upon it by the treaty, and we do not underestimate the difficulty of the problem."

To Senator Pastore's specific question whether it was reasonable to assume that—"once this treaty comes into being that there will be a concerted effort to improve the adequacy and competency and staffing of the International Agency's inspection force. Is that correct?"

Dr. Seaborg replied:

"Very definitely. The staffing would go up, there would be a large increase in the number of professional and support personnel, and there would be an improvement, as they gain experience and gain numbers, in the efficacy of their inspection and their safeguards performance."

The fourth paragraph of article III permits agreements with the International Atomic Energy Agency to be concluded by the non-nuclear-weapon states party to the treaty, either bilaterally or in association with other states. This provision raised the question of the relationship between the International Atomic Energy Agency's safeguards systems and the system already in operation within the Euratom community.

The Euratom safeguards system derives from the Treaty of Rome signed on March 25, 1957. The members of this community are France, Italy, Belgium, West Germany, Luxembourg, and the Netherlands. It has been the position of the members of Euratom that the Euratom safeguards system is comparable to the International Atomic Energy Agency's safeguards system and that to superimpose the International Atomic Energy Agency's system would therefore be an infringement of sovereignty. According to the treaty now pending, a safeguards agreement between the International Atomic Energy Agency and Euratom will meet the general requirements of article III. Negotiations for such an agreement shall commence within 180 days from the entry into force of the treaty and shall be concluded not later than 18 months after the initiation of negotiations.

Secretary Rusk and Chairman Seaborg were optimistic that an agreement between the International Atomic Energy Agency and Euratom could be concluded without jeopardizing the institutional integrity of Euratom and with the acquiescence of the French Government which might be in a position to obstruct any agreement between IAEA and Euratom.

An additional question was raised about paragraph 2 of article III which binds each nuclear weapon state party to the treaty not to provide nuclear material "to any non-nuclear-weapon state for peaceful purposes, unless the source of specific fissionable material shall be subject to the safeguards required by this article." This article raises the possibility that in the event that such countries as the Federal Republic of Germany, Japan, and Israel do not come to an agreement with the International Atomic Energy Agency before the treaty enters into force the United States would be precluded from transferring to any such states nuclear materials for peaceful purposes. Administration witnesses took the position that nuclear weapon states party to the treaty would be subject to an undertaking not to provide nuclear material to any non-nuclear-weapon state for peaceful purposes unless the material was subject to safeguards resulting from an agreement with the IAEA. The United States was confident that no such situation would develop, according to the testimony before the committee. It was left unclear, however, how the United States would react if such a situation did develop.

Articles IV and V

Articles IV and V are designed primarily as compensation to the nonnuclear weapon signatories for pledging not to acquire nuclear explosive devices even for peaceful purposes. Article IV contains an undertaking by all nuclear weapon parties to the treaty to facilitate to the fullest extent possible the exchange of information, materials, and equipment for the peaceful uses of nuclear power.

Article V provides assurances to the nonnuclear parties that they will share in the benefits of the peaceful application of nuclear explosive devices. According to article V these nuclear devices would remain in the custody and control of a nuclear-weapon state, but would be made available "to nonnuclear-weapon States Party to the Treaty on a nondiscriminatory basis and that the charge to such Parties for the explosive devices used will be as low as possible and exclude any charge for research and development."

Elaborating on the obligations the United States will assume under article V, Dr. Seaborg said:

"When particular applications are found to be feasible, we plan to make a nuclear explosion service available on a commercial basis to domestic users and to nonnuclear-weapon parties to the Nonproliferation Treaty. Such a service would include the fabrication of the nuclear explosive device, its transportation from the assembly plant to the project site, its emplacement at the prepared site, and its arming and firing. The service would also include appropriate technical reviews of the proposed detonation, such as those relating to health and safety. The users of the service, whether it is furnished domestically or pursuant to article V, will pay for the service in accordance with rates established for its various elements. As I have already noted, the charges for the nuclear explosive devices used in furnishing the service will not include the cost of their research and development."

Dr. Seaborg also said that the nuclear excavation projects envisioned under article V "could not be executed within the present restrictions of the Limited Test Ban Treaty as presently interpreted; modification would be required to permit the United States to provide the nuclear explosion service for those projects." Thus, article V will probably create an international interest in an amendment to the Limited Test Ban Treaty.

Articles VI–IX

Article VI commits all parties to pursue negotiations in good faith relating to a cessation of the arms race and to nuclear disarmament.

Article VII makes clear that the treaty in no way affects the right to establish regional nuclear-free zones.

Article VIII establishes the procedures for amending the treaty and provides for a conference, 5 years after the treaty enters into force, to review the operation of the treaty.

Article IX designates the United States, the United Kingdom, and the Soviet Union as Depositary Governments, and provides that the treaty shall enter into force upon the deposit of instruments of ratification of the Depositary Governments and 40 other signatory states.

Article X

Any party to the treaty can withdraw from the treaty after giving 3 months' notice "if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country." This language is identical to that in the withdrawal clause of the Limited Test Ban Treaty. In giving the U.S. interpretation of this article, Gen. Earle G. Wheeler, Chairman of the Joint Chiefs of Staff, emphasized that the treaty will become immediately inoperative in case of general war. Moreover, General Wheeler said:

"I would think that if we detected serious violations of the treaty provisions, that is, regarding the proliferation of non-nuclear states that would be hostile to us, that we would be justified in examining our position and perhaps recommending to the President that we withdraw from the treaty."

General Wheeler did not make it clear whether the Joint Chiefs of Staff would make the same recommendation if the situation involved the proliferation of nuclear weapons to nonnuclear weapon states friendly to the United States. General Wheeler also said that the Joint Chiefs of Staff would also recommend withdrawal if there were a threat of impending war which would "find us at a substantial disadvantage in the strategic nuclear field."

Article XI

Article XI provides that the English, Russian, French, Spanish, and Chinese texts of the treaty are equally authentic, and deals with the deposit of the original treaty instruments and the transmittal of cerified copies to signatory and acceding states.

III. COMMITTEE ACTION

Although the treaty is primarily of a political nature, it also bears on technical questions relating to the field of atomic energy and international safeguard systems. For this reason, the chairman of the Committee on Foreign Relations, after consultation with committee members, invited the Senate members of the Joint Atomic Energy Committee to sit with the Committee on Foreign Relations during the hearings phase of consideration of the treaty.

The treaty was transmitted to the Senate by President Johnson on July 9, 1968. On July 10, the committee began a series of public hearings to explore the political, technological, and security implications of the treaty.

Without exception, all official witnesses supported the treaty. These included the Secretary of State; the Deputy Secretary of Defense; the Chairman of the Joint Chiefs of Staff; and the Chairman of the Atomic Energy Commission. The committee also heard the Honorable Chet Holifield, Vice Chairman of the Joint Committee on Atomic Energy, the Honorable Craig Hosmer, and the Honorable Paul Findley.

Representative Holifield strongly recommended the treaty without reservation to the Senate. Represenative Hosmer favored approval of the treaty only with a number of conditions. Among them was the recommendation that the Senate reserve its consent to the treaty "pending establishment of IAEA safeguards procedures in which Treaty signatories may have reasonable confidence and the establishment of a sound system for financing same on a continuing basis." Representative Hosmer contended that at the present time the International Atomic Energy Agency does not have an effective safeguards system and that, moreover, the costs of this safeguards system will be over $28 million in 1970 and will "escalate from there." He also suggested that—

The Senate advise the President and the rest of the world that the security assurance is meaningful to the extent that we will be "concerned to the utmost" if some country becomes the victim of nuclear aggression or blackmail, but that it is meaningless insofar as rushing to its rescue is concerned; and we apologize to anybody who got the wrong idea from what administration spokesmen have said.

Dr. Strausz-Hupé, director of the Foreign Policy Research Institute at the University of Pennsylvania, testified against the treaty, arguing that it would be destructive to NATO.

Dr. Edward Teller of the Lawrence Radiation Laboratory and Chairman of the Divisional Advisory Group of the Air Force Space and Missiles Systems Organization, favored approval of the treaty with the following modification related to the development of anti-ballistic-missile defense systems. Dr. Teller stated:

"It seems to me, therefore, necessary to declare that weapons which are designed for defense and can be used for defense alone are in the interest of peace. That when and if such defensive systems are properly developed, the necessary steps will be taken to make them widely available for self-defense, and that this will be done even if it requires modification of existing laws or treaties.

"I, therefore, explicitly recommend that the Senate make it known that it looks with favor on the development of effective defensive systems, and that by ratifying the treaty the Senate does not intend to preclude the deployment of purely defensive arrangements, if and when these become available."

A number of additional public witnesses testified after submitting requests to appear. A majority of these witnesses supported the treaty.

The burden of the committee's questions at the time of the public hearings concerned the security guarantees the administration has offered nonnuclear weapon signatories, the effect the treaty would have on nonnuclear weapon states, particularly within NATO, and the prospects for adherence to the treaty by other nations. The invasion and occupation of Czechoslovakia occurred between the time the committee concluded its public hearings and the time the committee took final action in executive session. This issue and its relationship to the treaty became of great concern to the committee and was the subject of considerable discussion, particularly as to the appropriateness of approving the treaty while Czechoslovakia was occupied by Soviet troops.

The Security Guarantee Resolution

One of the most important aspects of the Nonproliferation Treaty is not included in the treaty text. In June 1968 the United States, Great Britain, and the Soviet Union introduced a resolution in the United Nations Security Council, which was subsequently approved by the Council on June 19, giving security guarantees to the nonnuclear-weapons signatories of the Nonproliferation Treaty.

The key paragraph in the declaration made in the Security Council by the United States in explanation of its vote for the resolution contains the following language:

* * * any State which commits aggression accompanied by the use of nuclear weapons or which threatens such aggression must be aware that its actions *are to be countered effectively* by measures to be taken in accordance with the United Nations Charter to *suppress the aggression or remove the threat of aggression.* [Emphasis added.]

In coinsidering the resolution and its relationship to the pending treaty the committee sought to determine whether the Security Council resolution and the U.S. declaration in explanation of its vote commit the United States to any additional responsibilities other than those already assumed under the United Nations Charter.

The committee wishes to make it unmistakably clear that it considers the Security Council resolution and the U.S. declaration as separate and distinct from the Nonproliferation Treaty. This resolution and the accompanying declaration, are solely executive measures. However, because these actions are linked politically to the treaty, the connection could convey the impression that approval of the treaty by the Senate also means approval of the Security Council resolution. For this reason the committee wishes to make the record clear that support of the Nonproliferation Treaty is in no way to be construed as approval of the security guarantee measures embodied in the United Nations resolution or the supporting U.S. declaration. It is appropriate however, for the committee to express its interpretation of the United Nations resolution on security guarantees, since the pledge and resolution bear upon the constitutional right of the Senate to approve formal security commitments by the United States and upon the constitutional right of the Congress to declare war.

The committee is constrained to point out that, in its view, this United Nations resolution and its accompanying declaration in no way involve a ratification of prior com-

mitments or establish new commitments. In the event that action is contemplated by the United States, by reason of its declaration in the Security Council, such action can only be taken with due regard to proper Constitutional processes.

The committee is confident that this point was made clear by the testimony. The Secretary of State told the committee that "as a matter of law and as a matter of policy" there were no additional obligations assumed by the United States under the United Nations security guarantee resolution. Mr. Rusk said that any action the United States would take as a result of United Nations decisions under the security guarantee resolution would not be taken by the United States because of any new obligations assumed under the resolution. Secretary Rusk then underlined this point:

"The decision itself [to act on any Security Council decision] would have to be made at the time in terms of the total interests of the United States and the judgment of the President, in consultation with leaders of the Congress, as to what is required in our own interests at that time."

In response to a direct question, Secretary Rusk agreed with the interpretation offered by Senator Case of New Jersey that the pending treaty would in no way "eliminate the necessity for adoption of whatever constitutional processes may be applicable in the event the question arises as to the use of the armed forces of the United States in the future."

The committee, therefore, records its firm conclusion, reached after extensive testimony, that the Security Council resolution and security guarantee declaration made by the United States in no way either ratify prior *national* commitments or create new commitments.

Under normal charter procedures, the United States had the *option* of calling the attention of the Security Council to a case of aggression or threat of aggression. Now that option has apparently become an *obligation*. The United States has also had the option of determining the timing of such an appeal to the Security Council. It now appears that the United States is honor bound to follow a definite if limited course of action if a nonnuclear weapon state declares that it is a victim of nuclear aggression or the threat of such aggression. Under the security guarantee pledge, the Administration has expressed its intention to seek "immediate" Security Council "action" to aid a nonnuclear weapon state that is the victim or potential victim of nuclear aggression.

The change here is a subtle one that has no bearing on the committee's judgment that the Senate's approval of the treaty is not to be construed as approval or disapproval of the Administration's security guarantee measures, or the committee's further judgment that these actions in no way either ratify prior national commitments or create new commitments. The committee only wishes to point out that in its view the Administration has surrendered some of its diplomatic flexibility in hopes of creating a framework for United States-Soviet cooperation in the United Nations. If this cooperation develops and matures the Security Council gesture will be worth the costs in diplomatic flexibility.

National Security Considerations

The Chairman of the Joint Chiefs of Staff, General Wheeler, testified as to whether the views of the Joint Chiefs of Staff were taken into account during the treaty negotiations. General Wheeler was also asked whether the treaty fully safeguards our national security interests. General Wheeler offered this comment on the treaty and its effect on national security:

"At the initiation of treaty discussions, the Joint Chiefs of Staff formulated certain principles relating to national security that should not be violated by such a treaty. First, we believe that any international agreement on the control of nuclear weapons must not operate to the disadvantage of the United States and our allies. Secondly, it must not disrupt any existing defense alliances in which the United States is pledged to assist in protecting the political independence and territorial integrity of other nations. These principles have been observed."

General Wheeler went on to state that the Joint Chiefs of Staff were unanimous in supporting the treaty. It should also be noted that General Wheeler said that every proposal concerning the treaty made by the Joint Chiefs of Staff during negotiations was accepted.

Obligations to Allies

The committee expressed concern during the hearings at the possible effects of the treaty on the U.S. security arrangements, particularly within NATO. At the same time, the committee sought to ascertain whether the United States, either explicitly or by suggestion, was considering offering inducements to any country to sign the treaty.

Secretary Rusk, Deputy Secretary of Defense Nitze, and General Wheeler stated unequivocally that the treaty is consistent with the best interests of the North Atlantic Treaty Organization, Secretary Rusk said that the United States had worked closely with its allies in the formulation of the treaty and that our allies were fully satisfied that the treaty in no way would jeopardize the alliance or the individual national interests of its members.

The committee agrees with this evaluation. The committee also wishes to make the record unmistakably clear that the treaty in no way affects the right of the United States to enter into agreements to station nuclear weapons under United States control on the soil of an ally.

Nevertheless, this treaty does represent a potential cost to the United States in its alliance relationships. Heretofore, it was a national decision whether the United States would use its nuclear assets in helping one or more countries to develop nuclear weapons. Admittedly, this was an option the United States never used except in the case of Great Britain; but it was an option subject only to a decision of the executive branch and the Congress. Now we have all but given up that option in the sense that this treaty imposes a formidable barrier to the United States assisting other countries in the development of nuclear-weapons programs. Nevertheless, the committee believes that the possible future costs of renouncing this option are overshadowed by the major step the treaty takes in the direction of controlling the spread of nuclear weapons.

After extensive testimony on the subject of possible inducements offered to sign the Nonproliferation Treaty, the committee concludes that the Administration has no intention of making any commitment to any potential nonnuclear weapon signatory to induce that country to sign the treaty. For example, Deputy Secretary of Defense Nitze flatly told the committee that the United States has given West Germany no guarantee to defend that country against nuclear attack even if NATO should be dissolved. (However, Secretary Rusk made it clear that, if NATO were to dissolve, this fact might be taken by nonnuclear NATO members as affecting their supreme national interest and therefore justifying their withdrawal under the withdrawal article.) Moreover, the committee was told that the German Government has not suggested that the continuing stationing of any particular level of American troops in Europe is related to its attitude toward adhering to the treaty.

Adherence to the treaty

Secretary Rusk was questioned at length on the attitudes of nonnuclear weapon states toward the treaty. The Secretary replied that the Administration was asking for prompt Senate action on the treaty "because many countries, particularly our allies, are waiting to see what we do before starting their own parliamentary considerations of the treaty. We recognize that the effectiveness of the treaty will depend in large measure upon the adherence of other countries. But we have been among the leaders in securing agreements on this treaty, and other countries are looking to us now."

The committee agrees that the effectiveness of the treaty will depend largely on the adherence of the widest possible number of countries. It also notes how few states with the technological and economic means of developing nuclear weapons have thus far signed the treaty. Consequently, the committee urges the President, once the Senate has acted, to consider delaying the process of depositing the United States instrument of ratification until such time as he has received positive assurances that a majority of those countries nearest to a nuclear-weapons capability intend to adhere to the treaty. The treaty will become little more than a pious declaration of intent unless it receives the adherence of those countries with the potential capability to develop nuclear weapons.

IV. CONCLUDING COMMENTS

The committee finds that this treaty is the best that can be negotiated at this time.

Essentially, the treaty formalizes the mutual concern of the United States, Great Britain, and the Soviet Union in containing the spread of nuclear weapons. The United States, Great Britain, and the Soviet Union appear to have a sober understanding of the increased dangers of nuclear war that would come as more and more nations possess nuclear weapons. They appear to be convinced that the treaty will not adversely affect the balance of power. They seem persuaded of the advantages of establishing a framework for cooperation that will hopefully lead to a reduction of the hazards and uncertainties that many nonnuclear weapon countries feel as nuclear commercial power and its potentially destructive by-product of plutonium spread throughout the world. They have given a pledge of good faith in seeking agreements that would limit nuclear arms competition between the major powers.

The committee is fully aware of the mutual responsibilities the nuclear weapon states party to the treaty have assumed to move to negotiate the means of limiting, if not ending, the nuclear arms race. The committee is equally aware that the United States has assumed this responsibility by asking other nations not to follow our example. It is in this sense, and this sense alone, that the committee believes that the word "commitment" is appropriate to this treaty—a commitment to pursue with good faith and urgency new arms limitation agreements.

The committee is also aware of potential problems regarding the interpretation of U.S. obligations under article V. As mentioned, article V gives assurances to the nonnuclear weapon states that they will share on a nondiscriminatory basis in the benefits of the peaceful application of nuclear explosive devices. The language of this article suggests that the United States will provide these services to any nonnuclear weapon state party to the treaty regardless of its relationship to the United States, with all costs for research and development borne by the U.S. taxpayer. Another potential problem is that the language of article V might be interpreted as a positive commitment to provide explosive services for research and development projects that further the commercial interests of domestic and international customers—such as oil and gas companies—without regard to the relationship and importance of these projects to the U.S. public interest.

The committee wishes to record its concern

at the open ended commitment implied in article V. We suggest that obligations under this provision should be undertaken only after the fullest consultation with appropriate congressional committees and should be limited to projects within the capacity of the United States and consistent with its interests. Moreover, the committee specifically rejects any suggestion that article V constitutes an across-the-board pledge by the United States to support foreign and domestic commercial research and development projects. As in the case of nuclear services projects, research and development projects should be undertaken only after the public interest has been carefully defined by the appropriate congressional committees.

Admittedly, the implementation of the treaty raises uncertainties. The reliability and thereby the credibility of international safeguards systems is still to be determined. No completely satisfactory answer was given the committee on the effectiveness of the safeguards systems envisioned under the treaty. Moreover, the committee was not given a completely satisfactory answer as to what the signatory nations will do if the International Atomic Energy Agency fails to work out mutually satisfactory agreements with individual states or associations of States within the time prescribed by the treaty. The committee hopes that the optimism of the administration will be borne out and that successful agreements with the IAEA will be concluded without difficulty or delay. Nevertheless, the committee notes that the Euratom States have unanimously agreed that the treaty will only be ratified after a satisfactory verification agreement has been reached between Euratom and the IAEA.

The committee is fully aware of the potential problems in the safeguards field. But it is equally convinced that when the possible problems in reaching satisfactory safeguards agreements are carefully weighed against the potential for a worldwide mandatory safeguards system, the comparison argues strongly in favor of the present language of the treaty.

The committee concludes that the treaty is in the best interest of the United States. The committee is mindful, however, that this treaty is certainly no cure-all to the problems of nuclear proliferation. The success of the agreement will depend on its wide acceptance particularly by those countries with the national capability to manufacture nuclear weapons. Success will also depend on the acceptance and credibility of the safeguards provisions.

The committee is also mindful of the tragic events in Czechoslovakia and of the flagrant violation of international law by the Soviet Union. If the Soviet Union is so indifferent to its international obligations and so callous in disregarding world opinion, why should the Soviets respect the Nonproliferation Treaty? The committee was particularly concerned at the cynical disregard by the Soviet Union of the language of the preamble to the Nonproliferation Treaty. The final introductory clause to the Nonproliferation Treaty begins as follows:

Recalling that, in accordance with the Charter of the United Nations, States must refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations . . .

During committee discussion of the treaty before final action was taken, several members took the position that, while they supported the treaty, they believed that the committee should defer final consideration until January because of Soviet behavior. Weighted against this desire to express displeasure with the Soviet Union was the prevailing view that, while the Soviet actions were unconscionable, the treaty itself is multilateral in character and of such significance as a potential barrier to the further spread of nuclear weapons that any delay in taking final committee action was inadvisable.

In conclusion, the committee believes that the Nonproliferation Treaty represents an important beginning in controlling the further spread of nuclear weapons, although it will remain only a fervent affirmation of good intentions until the signatories move swiftly to achieve a cessation of the nuclear arms race. Therefore, the committee (by a vote on September 17 of 13 to 3 with 3 abstensions) recommends that the Senate give its advice and consent to ratification of the pending treaty.

Mr. MUNDT. Mr. President, since all other Senators who are members of the Committee on Foreign Relations have their views recorded in the minority views or as individual statements, I think it fair to say the majority views as printed above reflects the views of the following Senators: FULBRIGHT, of Arkansas; SPARKMAN, of Alabama; MANSFIELD, of Montana; MORSE, of Oregon; GORE, of Tennessee; CHURCH, of Idaho; SYMINGTON, of Missouri; CLARK, of Pennsylvania; PELL, of Rhode Island; MCCARTHY, of Minnesota; CARLSON, of Kansas; CASE, of New Jersey; and COOPER, of Kentucky.

I should point out, however, that a number of the foregoing Senators were necessarily absent from our committee discussions and were recorded by proxy votes in favor of the treaty rather than being personally present to vote "Aye." However, such proxies are cast in our committee only at the direct request of the absent Senators. Thus, unless one or more of those Senators listed with the majority makes his individual views known to the contrary, I believe it is factual to assume their views coincide with the statements in the views of the majority.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the minority views expressed in the report as well as the individual views expressed by Senators DODD and AIKEN. Thus, citizens will have available to them the full text of the various viewpoints of the members of the Committee on Foreign Relations with regard to the proposed treaty.

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

MINORITY VIEWS

The undersigned do not agree with the recommendation of the majority of the Committee on Foreign Relations that the Senate should now give its advice and consent to ratification of the Treaty on the Nonproliferation of Nuclear Weapons. Our objections concern both the substance of the treaty and its relationship to the tragic events in Czechoslovakia.

Our reasons for urging delay because of unresolved substantive questions are as follows:

First, the Atomic Energy Commission has stated, and the majority report has conceded, that the reliability of the present international safeguards system of verifying that nonnuclear weapon countries will not violate the treaty is open to question. Under article III, the International Atomic Energy Agency (IAEA) is charged with the responsibility for verifying that nonnuclear weapon countries will not use their nuclear facilities and materials for the production of nuclear weapons. According to the testimony before the committee, the International Atomic Energy Agency's technical and organizational ability to carry out inspection duties is still to be determined. In other words, it is still questionable whether the IAEA has the capacity to prevent cheating. Reliance on the safeguards system is thus, purely and simply, an act of faith—faith not in the capacity of the IAEA to meet the enormous responsibilities that will be thrust upon it but faith also in the promises of all of the parties to the treaty not to violate the treaty clandestinely when a violation would suit their purposes.

Second, we believe that the treaty could be injurious to our relations with the Euratom community composed of West Germany, Italy, Luxembourg, the Netherlands, Belgium, and France. Article III of the treaty is potentially punitive in nature, for it would punish our European friends who are members of Euratom if they do not work out mutually satisfactory inspection and verification agreements with the IAEA. As the majority report notes, article III requires nuclear weapon parties to the treaty, including the United States, to cut off all nuclear assistance to any country which does not reach agreement with the International Atomic Energy Agency during the time prescribed by the treaty. We must face the fact that if we ratify this treaty before Euratom and IAEA have reconciled their inspection systems, we run the risk of being forced to punish all members of Euratom by cutting off all of our nuclear assistance to them. In this connection, it should be noted that the Euratom countries have recently voted unanimously not to ratify the nonproliferation treaty until such time as a mutually satisfactory agreement can be worked out between Euratom and the International Atomic Energy Agency.

Third, article V of the Nonproliferation Treaty pledges to all countries, regardless of whether they are hostile or friendly to the United States, substantial benefits from our peaceful atomic energy programs, programs which include nuclear explosive devices. Thus, we are being asked to consent to the approval of a treaty which pledges the United States to make available to nonnuclear weapon states "on a nondiscriminatory basis" explosive devices at a charge "as low as possible and exclude any charge for research and development." Unless the Senate takes the time to clarify what this pledge means, and perhaps to consider offering a reservation limiting this nuclear largesse of the United States, we could well find ourselves undertaking nuclear engineering projects at the request of countries from Afghanistan to Zambia, and the American taxpayer will stand the major cost.

Fourth, estimates given the committee on the cost to the United States of an augmented and expanded inspection program for the International Atomic Energy Agency vary widely. One estimate from a reputable source is that the total cost for safeguards will run over $1 billion annually by 1990. How much of this amount will the United States be forced to pay?

These substantive questions will hopefully be satisfactorily answered over the next few months. In our view, we do not have satisfactory answers now, and it would be foolhardy for us to consent to the ratification of a treaty containing so many uncertainties.

We also submit that another compelling reason for the Senate to delay any final consideration of this treaty is the fact that a Conference of Nonnuclear Weapon States is now meeting in Geneva pursuant to a resolution of the United Nations General Assembly. This Conference began on August 29 and will probably last until the end of September. Over 90 states are represented in Geneva; they are meeting to consider their expectations under the provisions of the Nonproliferation Treaty. These countries are particularly interested in discussing and agreeing on the benefits they will obtain from the treaty, such as their access to nuclear

equipment, material and scientific information. They are also considering the question of the security guarantees they hope to receive and the subject of the demands they will levy on the nuclear weapon states with regard to nuclear disarmament.

It would seem prudent for the Senate to wait until this Conference has been concluded, and we have had time to consider the attitudes and expectations of these countries, before we give our advice and consent to the treaty's ratification. These countries will be our partners under the Nonproliferation Treaty, and we have not only a right but a responsibility to determine what they expect to gain, and what they expect to give.

So much for the questions regarding the substance of the treaty, questions which suggest that the Senate is not yet in a position to give its advice and consent to ratification of the Nonproliferation Treaty. But even if these substantive questions did not exist, there is another—and perhaps even more fundamental—consideration involved and that is the question of timing. This question, in turn, relates to the Sovet Union's invasion and occupation of Czechoslovakia.

The Nonproliferation Treaty is a potentially important agreement for the obvious and worthwhile reason that its objective is to prevent the spread of nuclear weapons to States which do not now possess them. But, in addition, the treaty was also originally regarded as a measure which would promote cooperation between the United States and the Soviet Union. President Johnson's letter of July 9, transmitting the text of the Nonproliferation Treaty to the Senate, makes clear the "hope that this treaty will mark the beginning of a new phase in the quest for order and moderation in international affairs," order and moderation which require the cooperation of the Soviet Union.

The Nonproliferation Treaty does require the cooperation of the Soviet Union. But the cooperation of the Soviet Union must be taken on faith. Unlike the Limited Test Ban Treaty, which also brought the two atomic superpowers together in a joint effort to control the use and proliferation of nuclear weapons, there is no method of insuring that the Soviets will live up to their part of the bargain. The Limited Test Ban Treaty, it should be remembered, was limited to prohibiting those tests which could be detected without on-site inspection. But there is no way to monitor effectively the Soviet Union's performance of its obligations under the Nonproliferation Treaty. The treaty obliges nonnuclear weapon states to permit safeguards which include at least some limited inspection. The two other nuclear weapon states which are parties to the treaty—the United States and the United Kingdom—have issued declarations stating their willingness to submit themselves to the same safeguards, safeguards which include international inspection of nonmilitary nuclear installations. But the Soviet Union has not been willing to agree to even such limited safeguards. It is thus the only party to the treaty which will be completely immune from any and all obligations regarding safeguards.

Is this an appropriate time for the United States to signify our willingness to take Soviet promises on faith? Is this an appropriate time for the United States to signify that we are willing to disregard the promises broken by the Soviet Government less than one month ago when massive numbers of Soviet forces invaded Czechoslovakia? Other countries have indicated their belief that this is not an opportune time even to sign the treaty. It seems to the undersigned that this is an even less opportune time for us to take an even more final step and consent to the treaty's ratification.

With respect to the promises broken by the Soviet Union when Czechoslovakia was invaded, it should be noted that the invasion violated not only the spirit but the letter of the Nonproliferation Treaty. The final introductory clause in the treaty begins as follows:

Recalling that, in accordance with the Charter of the United Nations, States must refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state * * *

Since the treaty is not yet in force, and since it has not yet been ratified by the Soviet Union, it can be argued that the invasion and occupation of Czechoslovakia do not violate any obligations of the Soviet Union under this treaty because no such obligations yet exist. But it is clear that the Soviet invasion and occupation of Czechoslovakia do violate several solemn treaty commitments of the Soviet Union that unquestionably do exist. Once such commitment is the United Nations Charter. A second is the Warsaw Pact, a treaty between the Soviet Union and its closest allies.

The final clause in the preamble to the Warsaw Pact reads as follows:

* * * desirous of further promoting and developing friendship, cooperation and mutual assistance in accordance with the principles of respect for the independence and sovereignty of states and of noninterference in their internal affairs * * *

Article VIII of the Warsaw Pact reads as follows:

The contracting parties declare that they will act in a spirit of friendship and cooperation with a view to further developing and fostering economic and cultural relations with one another, each adhering to the principle of respect for the independence and sovereignty of the others and noninterference in their internal affairs.

If the Soviet Union treats its obligations to its closest allies with such complete disregard and cynicism, what are the prospects for Soviet observation of its obligations under the Nonproliferation Treaty?

Even so, because of the vital importance of doing everything possible to prevent the spread of nuclear weapons, the wisest course of action might still be to sacrifice our scruples and dismiss our doubts if the Senate were confronted with a choice between having a Nonproliferation Treaty now or not having it ever. But the choice facing the Senate is whether to advise and consent to ratification at this time or whether to defer that action until some time next year. Even if we were to give our advice and consent to ratification at this time, the treaty would not enter into force until the two other nuclear weapon parties, and at least 40 nonnuclear weapon parties, also ratify the treaty. To date, only one other country, Ireland, has so acted. Furthermore, the treaty has not even been signed by two of the world's nuclear weapon states—Communist China and France—or by many of those states most likely to become nuclear weapon states: Japan, Israel, India and West Germany, in particular. As the majority report on the treaty states:

* * * the committee urges the President, once the Senate has acted, to consider delaying the process of depositing the United States instrument of ratification, until such time as he has received positive assurances that a majority of those countries nearest to a nuclear weapons capability intend to adhere to the treaty. The treaty will become little more than a pious declaration of intent unless it receives the adherence of those countries with the potential capability to develop nuclear weapons.

The Soviet invasion of Czechoslovakia and Soviet actions while occupying that country, have caused a wave of revulsion across the world—including parts of the communist world—and in Europe, in particular, a parallel wave of fear. What is the proper attitude for the United States to demonstrate in light of this situation? We have already been criticized by many both at home and abroad on the ground that we shirked our responsibilities before the invasion and have been callous in our reactions ever since. Other countries are reminded of the spirit of Munich. They have voiced their suspicions of collusion between the two most powerful countries in the world.

Our privileges as one of the world's great powers surely carry with them a certain moral responsibility. We should not turn our back on this responsibility. We do not do our country credit by continuing to do "business as usual" with the Soviet Union thus demonstrating to all—including the Soviets, their present victims and any potential victims—that they can act no matter how brutally without suffering any important consequences in their relations with the United States. There are already a few restraints operating to deter such savage international behavior. Will the United States remove the restraint of opprobrium for all time?

The peace of the world has been dangerously threatened in the last month. It has not been threatened by the failure of the United States to ratify the Nonproliferation Treaty hastily. It has been threatened by the march of hundreds of thousands of Soviet soldiers into a friendly neighboring country whose treaty relationship with the Soviet Union supposedly guaranteed its independence and sovereignty.

KARL E. MUNDT.
BOURKE B. HICKENLOOPER.
JOHN J. WILLIAMS.
THOMAS J. DODD.
FRANK J. LAUSCHE.

INDIVIDUAL VIEWS OF SENATOR THOMAS J. DODD

I have signed the minority report on the Nonproliferation Treaty because I agree in general with the various points made in it. However, I have decided to file a statement of individual views because I would like to see more emphasis placed on two points which I consider to be of cardinal importance:

(1) As I pointed out at a Foreign Relations Committee meeting, Moscow flagrantly violated the most essential condition of the preamble less than 2 months after signing the treaty by invading and occupying Czechoslovakia and by making military threats against Rumania, Yugoslavia, and West Germany.

(2) The Senate is being asked to ratify a treaty which is only partially drafted and which leaves to future negotiations the crucial matter of inspection.

It is with reluctance that I must vote against ratifying the Nonproliferation Treaty at this juncture, and recommend to the Senate that the question of its ratification be put over to the new Congress.

I strongly support the principle of a Nonproliferation Treaty.

The record will show that over the years I have given my consistent support to the Arms Control and Disarmament Agency and to every reasonable measure in the field of arms control.

I supported the treaty banning nuclear tests in the atmosphere, underwater and in space; and I derive some satisfaction from the knowledge that my resolution of May 1963, calling for the unilateral cessation of atmospheric and underwater tests, was cosponsored by 32 other Senators, and that this show of Senate sentiment has been credited by some with helping to make the partial test ban treaty possible.

I also voted for the treaty barring nuclear weapons from space.

But in the case of the Nonproliferation Treaty, there are certain political facts of overriding importance which compel me to vote against ratification at this time.

While I know of no divisions within the Senate on the general desirability of a nonproliferation treaty, the invasion of Czecho-

slovakia and the events that have followed it raise serious questions about the wisdom and propriety of ratifying the Nonproliferation Treaty at this point.

The Soviet invasion of Czechoslovakia is a clear violation of the final clause of the preamble which is part of the text of the treaty and which precedes the articles of the treaty.

This clause of the treaty is also clearly violated by the ominous threats of invasion, reinforced by troop movements, that have been directed against both Rumania and Yugoslavia, and by the more recently voiced Soviet assertion that it is "ready, together with other peace-loving states, to take the necessary effective measures" to curb what it alleges to be neo-Nazi and militarist activities in West Germany.

The clause in question reads:

The States concluding this Treaty, hereinafter referred to as the "Parties of the Treaty" . . . Recalling that, *in accordance with the Charter of the United Nations, States must refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State,* or in any other manner inconsistent with the purposes of the United Nations.

Thus, even before we have had a chance to vote on the ratification of the treaty, the Soviet Union has flagrantly violated the essential premise on which it is based by invading the territory of one country which is already a signatory of the treaty and by threatening to invade the territory of two other countries which are signatories and of a major country which is an expected signatory.

To move to ratify the treaty under these circumstances would be folly.

The nonnuclear powers in joining this treaty have made it clear that, in foregoing the right to develop nuclear weapons of their own, they expect an ironclad assurance from the nuclear powers, and from the Soviet Union and the United States in the first instance, that their territorial integrity and independence will be respected. Without such an assurance, the treaty would be meaningless; and the chances are that, had such an assurance not been written into the preamble of the treaty, a majority of the present signatories would have refrained from signing the treaty.

Since July 1 of this year, 82 governments have signed this treaty, either in Washington, London, or Moscow. Only three or four minor governments, like Gambia and the Maldive Islands, have added their signatures since the Soviet Union invaded Czechoslovakia on August 21. Had the signing ceremony been held after the invasion of Czechoslovakia instead of in early July, it is a reasonably safe assumption that the overwhelming majority of the 82 signatories would have honored the occasion by their absence.

The ratification of the treaty while Soviet troops remain in occupation of Czechoslovakia would debase the meaning of all treaties and would suggest an attitude of tolerance toward those nations that are prone to regard treaties as scraps of paper.

It would put us in the ridiculous position of ratifying an agreement that has already been nullified by the action of a major signatory.

It would encourage the Soviet Union to further pursue the course of aggression on which it has embarked in Central Europe, because the ratification of the treaty would be tantamount to saying that we intend to close our eyes to what has happened and pursue a "business to usual" policy.

Anthony Eden, the Earl of Avon, a man who, as Foreign Secretary of Great Britain, had the foresight and courage to oppose the appeasement of Nazi Germany, had this to say about the matter in an article in the New York Times on September 14:

"At times during the Bulganin-Khrushchev era some progress on these lines seemed possible. Now not only these but other attempts at negotiation between Moscow and the West must be ruled out, unless one condition is first fulfilled. The Soviet armies must be withdrawn from Czechoslovak soil and that country's Government allowed to function free from the imposition of foreign nominees or dictated censorship.

"This is the indispensable minimum, for all negotiation must rest on confidence, and there can be none in the conditions which Russia has imposed upon Czechoslovakia. To condone what has happened would be base; it would also be foolish. The history of the thirties has taught us mercilessly that to attempt new agreements, while ignoring flagrant breaches of the old, earns contempt, not progress."

I agree with the Earl of Avon's suggestion that the ratification of this treaty and discussions on other aspects of disarmament should be made conditional on the withdrawal of Soviet troops from Czechoslovakia.

There is another reason why ratification by the U.S. Senate at this specific moment would be unwise.

The treaty is meaningless unless those nations in Europe and Asia with the greatest potential for becoming nuclear powers adhere to it.

Even before Czechoslovakia, the Governments of West Germany, Italy, Japan, India, and Pakistan had indicated grave reservations about certain aspects of the treaty. The invasion of Czechoslovakia has produced a violent reaction in all of these countries. The Government of Italy has already indicated that it will not under the present circumstances ratify the treaty. The governments of the other major countries I have named are clearly less disposed to go along with the treaty than they were previously. Even neutral Switzerland has let it be known that it now has serious doubts about ratifying the treaty.

After Czechoslovakia, without a cooling off period, the chances are that none of the major nonnuclear nations and far from all of the smaller ones will ratify the treaty. This would reduce its effectiveness to zero. If these nations are to be induced to sign it, their assurance that the major nuclear powers are committed to respect the territorial integrity and independence of other nations will have to be restored. This can only be done if the Soviets bow to world opinion, as Britain and France did at the time of the Suez crisis, and withdraw their forces from Czechoslovakia.

From a purely tactical standpoint, therefore, those who support the principle of a Nonproliferation Treaty would do well to consider whether they serve their cause or disserve it by pushing for ratification at this juncture.

THE QUESTION OF INSPECTION

I have said that I strongly support the principle of the Nonproliferation Treaty. While my basic argument is addressed to the folly of ratifying the Nonproliferation Treaty on the heels of the Soviet invasion of Czechoslovakia, there is also a matter of substance in the text of the treaty which I particularly wish to call to the attention of the Senate.

It has heretofore been a basic concept of our approach to problems of arms control and disarmament that every measure in this field must be accompanied by an adequate system of inspection. This guiding principle has become all the more imperative in the light of the continuing Soviet record of violations of treaties and of the UN Charter.

However, instead of spelling out the terms of the verification procedures which all the signatory states will be obliged to accept, the Nonproliferation Treaty leaves these terms to be negotiated at some future date. And, to compound this folly, it makes it possible for each signatory state to negotiate its agreement on the terms of verification individually with the International Atomic Energy Agency.

Let me quote here from article III, paragraph 1, of the treaty:

"Each non-nuclear-weapon State Party to the Treaty *undertakes to accept safeguards, as set forth in an agreement to be negotiated and concluded with the International Atomic Energy Agency* in accordance with the Statute of the International Atomic Energy Agency and the Agency's safeguards system, *for the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty* with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices."

Article III, paragraph 4, reads further:

"4. Non-nuclear-weapon States Party to the Treaty shall conclude agreements with the International Atomic Energy Agency to meet the requirements of this article *either individually or together with other States* in accordance with the Statute of the International Atomic Energy Agency. *Negotiations of such agreements shall commence within 180 days from the original entry into force of this Treaty.* For States depositing their instruments of ratification or accession after the 180-day period, negotiation of such agreements shall commence not later than the date of such deposit. *Such agreements shall enter into force not later than eighteen months after the date of initiation of negotiations.*"

It is true that the text of the treaty does say that future agreements on inspection procedures shall be "in accordance with the Statute of the International Atomic Energy Agency and the Agency's safeguards system." But if there are to be standardized safeguards, then I believe that the text of this treaty should spell them out explicitly instead of leaving the safeguards to future negotiations between the signatories, individually or collectively, and the International Atomic Energy Agency.

Moreover, I consider the safeguards written into existing agreements between the International Atomic Energy Agency and nonnuclear nations to be inadequate. For example, when Mr. William Foster, the Director of the Arms Control and Disarmament Agency, was asked whether the treaty would make it possible for the International Atomic Energy Agency to search out clandestine nuclear military facilities in a nonnuclear country, Mr. Foster replied that, while such a facility would be a clear breach of the treaty, there was, in fact, no provision in the treaty that would enable the IAEA to search out clandestine facilities.

This testimony takes on added significance in the light of the statement by Dr. Glenn T. Seaborg, Chairman of the Atomic Energy Commission, that "it is perfectly feasible to build a clandestine chemical processing plant using readily available technology and equipment." Mr. Seaborg was talking specifically about the possibility of separating weapons-grade plutonium from the plutonium produced in peace nuclear reactors.

The minority report makes the point that the Soviet Government has made it clear that it will not agree to the inspection of any of its nuclear facilities under the Nonproliferation Treaty.

In order to insure the nonproliferation of nuclear weapons, it is, of course, not essential to inspect peaceful nuclear facilities in those countries that already have a nuclear military capability.

But because of the highly competitive international market that is now developing in the field of peaceful nuclear technology, some of our Western European Allies are under-

standably concerned over the prospect of having to submit the designs of their principal nuclear facilities for review by the International Atomic Energy Agency, whose governing board includes the Soviet Union, and of having to open up these facilities to IAEA inspection.

It was at the insistence of the Western European governments that the revised safeguards system of the IAEA includes a clause which reads:

"13. In implementing safeguards, the Agency shall take every precaution to protect commercial and industrial secrets. No member of the Agency's staff shall disclose, except to the Director General and to such other members of the staff as the Director General may authorize to have such information by reason of their official duties in connection with safeguards, any commercial or industrial secret or any other confidential information coming to his knowledge by reason of the implementation of safeguards by the Agency.

"14. The Agency shall not publish or communicate to any State, organization or person any information obtained by it in connection with the implementation of safeguards."

While nations accepting IAEA inspection have the right to object to particular inspectors, there is understandable concern over the fact that the Soviet Union, as a member of the Board of Governors, may succeed in obtaining access to information which is supposed to be protected.

Hopefully, an agreement can be worked out between Euratom and IAEA for inspection procedures that give Euratom a principal role in implementing the terms of the Nonproliferation Treaty in the Western European countries which make up its membership. This is something which remains to be seen. But Euratom remains understandably concerned over the possibility that the International Atomic Energy Agency, under the Nonproliferation Treaty, will be given powers which will seriously undercut Euratom's authority.

Because the United States recognizes the validity of the contention that countries without a nuclear military capability should not be required to accept review and inspection of their peaceful nuclear facilities if the major nuclear powers do not do likewise, we have made it clear, even though the question of nonproliferation is not involved, that all of our peaceful facilities will be open to the same inspection as the facilities of other countries adhering to the treaty.

It is regrettable that the Soviet Union has not done likewise. In this sense, the treaty has failed to make any contribution to the opening up of Soviet society which should be one of the prime objectives of all agreements in the field of arms control and disarmament. Because so long as the Soviet Union remains a closed totalitarian society, the free nations of the world will have to worry about its intentions and its capabilities.

The incomplete nature of the clause having to do with inspection is an additional argument in favor of postponing ratification. Such a postponement would make it possible for the signatory nations to discuss, and hopefully, agree on the terms of uniform inspection procedures binding on all nations.

I urge the Senate to make the ratification of the Nonproliferation Treaty or of any treaty on arms control, contingent on Soviet withdrawal from Czechoslovakia.

But beyond this, I urge the administration not to press the Senate to ratify a treaty, Some of the most critical articles of which may not be negotiated for another 2 years; a treaty, which, in effect, permits each signatory nation to determine what kind of inspection it will accept; a treaty that at this moment has no safeguards of any kind written into its text.

I urge it to give the Senate a treaty with built-in safeguards, a treaty whose terms make it self-policing, a treaty which the Senate can vote to ratify in good conscience.

Given such a treaty, given the withdrawal of Soviet forces from Czechoslovakia, and given an end to threats of Soviet aggression against other nations, I am sure that the Senate will vote for it unanimously.

INDIVIDUAL VIEWS OF SENATOR GEORGE D. AIKEN, OF VERMONT

While I am sympathetic to the objectives of the treaty in trying to curtail proliferation of nuclear weapons, I feel that there are some definite understandings which should be reached with respect to the economic responsibilities of this country before the treaty is voted upon.

Mr. MUNDT. Mr. President, I recommend a careful reading of all the foregoing statements by all Senators and by concerned citizens across the country who receive the daily issues of the CONGRESSIONAL RECORD. It will become clear from such a study that a major concern of many members of the committee revolves around the specific timing of the proposed ratification of the treaty. Other serious concerns are also expressed both by the majority and the minority Senators about the adequacy and effectiveness of the treaty; its ultimate financial cost to our American Government; its impact upon friendly nations now lacking nuclear facilities for peaceful uses; its lack of anything remotely resembling mutual inspection or effective enforcement provisions; and several other features of the treaty.

Credit is merited by Senators associated with the majority views for their candor and forthrightness in listing some of the doubts which plague even the supporters of "action now" on this treaty. They have gone to uncommon lengths to caution Americans about some of their own reservations and some of the serious concerns felt and expressed by others. It might be hyperbolic to say the views of the majority have "damned the treaty with faint praise," but it is highly important to call attention to such warning signals and statements in the majority views as the following:

Under normal charter procedures, the United States had the option (italicized) for calling the attention of the Security Council to a case of aggression or threat of aggression. Now that option has apparently become an obligation (italicized). The United States has also had the option of determining the timing of such an appeal to the Security Council. It now appears that the United States is honor bound to follow a definite if limited course of action if a non-nuclear weapon state declares that it is a victim of nuclear aggression or the threat of such aggression.

Also:

This treaty does represent a potential cost to the United States in its alliance relationships.

And:

The committee agrees that the effectiveness of the treaty will depend largely on the adherence of the widest possible number of countries. It also notes how few states with the technological and economic means of developing nuclear weapons have thus far signed the treaty.

In other words this is a "good faith" treaty resting solely upon the manifestations of good faith on the part of the treaty signatories. The treaty contains no effective enforcement provisions. As of today, only one nation has ratified the treaty. That nation is not a nuclear power; it is not Russia, nor England, nor France, nor Israel. As of today, in fact, Ireland is the only nation in the world which has ratified the proposed treaty, and this in itself raises the question: Why should we hurry our decision in the United States?

Again:

The Committee is also aware of potential problems regarding interpretation of U.S. obligations under Article V. As mentioned Article V gives assurances to the nonnuclear states that they will share on a nondiscriminatory basis in the benefits of the peaceful application of nuclear explosive devices. The language of this article suggests that the United States will provide these services to any nonnuclear weapon state party to the treaty regardless of its relationship to the United States, with all costs for research and development borne by the U.S. taxpayer.

It should be noted that this warning signal is included in the report of the majority favoring the treaty rather than in the viewpoints of the minority. The Senator from Vermont [Mr. AIKEN] does well, indeed, to suggest that we delay ratification until we get at least some type of estimate as to how colossal a total cost this may eventually be to the U.S. taxpayers.

Once again:

The majority report warns, "Admittedly, the implementation of the treaty raises uncertainties. The reliability and thereby the credibility of international safeguards systems is still to be determined.

Mr. President, I could call attention to still other caution signals frankly included in the majority views. However, I again recommend to all Senators, before they vote to approve this treaty in the closing days of this session, when at best only hasty and cursory consideration can be given to its vast potentials and the problems it creates, that they carefully study the full text not only of the majority views but as well of the minority views, and the individual views of Senators who have heard the full testimony and who are charged with making recommendations to their colleagues in the Senate, and to American citizens generally, who have not had the benefit of all the testimony.

It is my view, in short, Mr. President, that we would best serve our constituents and the country by deferring action on this complex and far-reaching treaty until the new Congress convenes in January. Nothing is to be lost by the passage of a few months, and we should be sure of our ground and certain about the various implications involved before giving an offhand, carelessly considered approval to this treaty.

Above all, we should avoid any action now which might signify to the noncommitted world that we are now concerned by the fact Communist Russia has already violated the preamble of this treaty by violating through force of arms the territory of Czechoslovakia and is even now threatening to violate the territorial integrity of other neighboring, sovereign states.

Surely the captive nations, which we so solemnly honor each year by passing

a Captive Nations Week resolution, encouraging their hopes for eventual freedom, would have these hopes dimmed and their confidence shaken if under prevailing ominous circumstances in Eastern Europe we now ignore entirely what we know, and hear, and see by moving with full speed ahead to ratify without due and full consideration a far-reaching treaty which is so little understood at home and so little desired abroad.

Mr. President, I ask that an editorial published in the highly respected Omaha, Nebr., World Herald, dealing with this dilemma, be printed in the RECORD.

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

THERE'S NO HURRY

Richard Nixon and some Senators are being characterized by Administration spokesmen and others as obstructionists and "cold warriors" because they have recommended postponing ratification of the nuclear nonproliferation treaty.

Mr. Nixon and others think the treaty should be held up for a while as a gesture of disapproval of the Soviet invasion of Czechoslovakia.

That is as good a reason as most. But there is an even better one, and it should be obvious even to the most dedicated peace seeker.

Today there are 500 thousand Russian soldiers in Czechoslovakia, where two months ago there were none. Six or more Soviet divisions are stationed along the West German-Czechoslovakian border.

Polish and East German reserves have been mobilized, and at least 250 thousand Russian soldiers have been shifted westward to take the places of the troops who invaded Czechoslovakia.

What this adds up to is a significant westward movement of Soviet and satellite armed strength, creating the most ominous threat to Western Europe since the Berlin crisis of 1961.

In its latest bulletin, the American Security Council warns:

"Had the Kremlin been solely concerned with bringing the Czechs back into line, it could have accomplished its goal with only a modest display of armed force—one airborne division sent to Prague, for example. Instead, the Soviets shifted an estimated 650 thousand troops, or 40 divisions. This amounts to almost one-third of the Soviet Army, a massive deployment that indicates commitments to a military-political objective of major proportions."

This, coupled with the brazen remarks the Soviet Union has been making about the conditions under which it would be "justified" in intervening militarily in West Germany, leads to the conclusion that something is brewing in Europe that could make Vietnam look like a street-corner argument.

Things have changed in the Moscow leadership since Lyndon Johnson drove the first shaky pilings for his "bridges of understanding." The Spirit of Glassboro has given way to the Spirit of Prague, and an alarming Soviet adventure to the west may be in the process of preparation.

The London Economist has observed:

"The men who ordered the invasion of Czechoslovakia . . . are men who for the sake of some great prize might be willing to see their country suffer a degree of damage which an American President would consider intolerable for his country.

"The Russians lost 21 million dead in the last war, but they acquired half of Europe. There are some of them who might conceivably think that was a price worth paying to get the other half, too. They might not, when they thought again, but no one is going to bet on it."

Under these circumstances it behooves the United States, as the country primarily responsible for the protection of Western Europe, to maintain its nuclear and conventional strength at a level that would keep the men in the Kremlin from thinking even once, let alone twice, about taking action that would necessitate an American military response.

The nonproliferation treaty would close some of the options that the United States needs to keep open in view of the perilous situation in Europe.

The treaty binds the signatories to refrain from assisting any nation to acquire nuclear weapons which does not now have them, and bars any non-nuclear signatory from acquiring them.

This would prevent the United States, for example, from arming West Germany for its self-defense, in the event that an invasion of West Germany seemed to be in the cards.

Until things settle down in Europe and Communist intentions are made clear, the United States should not bind itself to any international agreement that might place it and its allies at a military disadvantage. Ratification can wait a while.

LIMITATION OF TAX DEDUCTIONS ATTRIBUTABLE TO FARMING

Mr. METCALF. Mr. President, on September 19 I introduced a bill to amend the Internal Revenue Code so as to limit the amount of deductions attributable to farming, a tax which farmers are now using to offset their nonfarm income. At the present time, a bipartisan group of 17 Senators have joined with me as cosponsors of the bill, S. 4059. Those cosponsors include Senators ANDERSON, BAYH, BURDICK, CASE, CHURCH, HARRIS, HART, HATFIELD, INOUYE, MANSFIELD, MCGEE, MCGOVERN, MONDALE, MONTOYA, MOSS, NELSON, and PEARSON. In the House, the Representative from Iowa [Mr. CULVER] has introduced companion legislation, H.R. 19916, in which he was joined by seven of his colleagues as cosponsors.

Yesterday, September 30, I invited the attention of Senators both to a recent editorial published in the St. Louis Post-Dispatch and an article which has just been published in Labor, a national weekly newspaper. They appear on pages 28790 and 28791 of the RECORD. Today I invite the attention of Senators to a two-part series which was published in Barron's in August of this year. Here is just an excerpt of what Barron's has to say about the farming tax situation:

Last year, 34% of all U.S. farm acquisitions were made by nonfarmers. The USDA estimates that within 10 years, another 100,000 doctors, lawyers and businessmen will become absentee owners of agricultural properties. Who they are and what they buy makes quite a story.

Mr. President, so that other Senators may have the benefit of reading that story for themselves, I ask unanimous consent that both the August 5 article, entitled "Corporate Sodbusters," and the August 19 article, entitled "Lure of the Land," be printed in the RECORD.

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

CORPORATE SODBUSTERS

"Really, what we are doing is nothing more than applying good business techniques and practices to agriculture . . . which heretofore have been absent."—*J. R. Dominick II, President, CBK Industries, Inc.*

(By Dana L. Thomas)

Out on the cattle ranges of the old Wild West, a new kind of cowboy is riding tall in the saddle. Rolling out of bed at the crack of dawn—most likely to televised crop and weather reports—he leaves his modern ranch home (which has replaced the ramshackle bunkhouse), to spend a workday amid trappings of the Space Age. Low-flying helicopters locate strays from the herd; airplanes spray test-tube miracles over the pastureland; computers determine when and how to breed calves by artificial means. Today's typical cowpoke, who may never handle a branding iron or a six-shooter, operates a business that functions more like a pastoral research laboratory than anything else.

MAKING HAY

The transformation of Buck Jones into a kind of earthbound Buck Rogers is sweeping America's ranch and farm land. At the same time, big chunks of this acreage have begun to pass into public ownership; a vast capitalistic infusion from non-farm sources is, in fact, singularly responsible for agriculture's latest technological revolution. Owing to the increase in population, particularly in farm-rich places like California, arable land has been growing critically short. Meanwhile, government subsidies, depreciation benefits and tax write-offs make ownership of producing acreage attractive (increasingly so as an inflation hedge). Accordingly, industrial corporations as well as private investors are acquiring millions of acres—which large-scale corporate management quickly turns to assembly-line production, virtually as scientific in its processes as a petroleum refinery or synthetics plant. More significantly for stockholders, profit-and-loss statements show that the new corporate managers are making some real hay.

Corporation farming currently accounts for about 5%, or $2 billion, of the $40 billion worth of food and livestock raised on U.S. land. Much of that is produced by giant canning, packing and chemical concerns but some other newsworthy names on the barn include Kern County Land (recently taken over by Tenneco, Inc.); CBK Industries; Black Watch Farms (just acquired by Berman Leasing); New Mexico & Arizona Land Co. (50%-owned by the St. Louis-San Francisco Railway); Alico Land Development Co.; Gates Rubber Co.; Tejon Ranch; Scott-Mattson Farms (owned by Gulf & Western); Oppenheimer Industries, a subsidiary of Atlas Acceptance Corp.; the privately held Doane Agricultural Service, Inc., and King Ranch; Arizona-Colorado Land & Cattle Co. and American Agronomics—the last-named pair having just gone public.

DOWN ON THE FARM?

If corporate farms like these are producing about one-twentieth of the nation's farm crop today, that volume is expected to rise steadily, as public ownership burgeons under an inflationary economy. "Land is the one thing that cannot be manufactured," says a leading financier. "You can issue more common stocks but you can't issue more land." Returns are no less inviting. "Top-grade securities yield 3% or less," the same source adds. "You can do better than that on rents from a farm, without the cyclical fluctuations that frequently affect real estate in the cities."

In the opinion of many experts, arable land is bound to grow scarcer. Housing, highways, commercial and recreational facilities, all are staking out increasing claims on it. Within 20 years, some say, there will be 80 million more people in the U.S., subsisting on the output from 10% less farm land. In California, the nation's fastest-growing state, every influx of 10 people converts one acre of arable land to non-agricultural uses; 100,000 acres are lost to the population explosion annually in the Golden State. Within a decade, one

million acres of prime California farmland will be taken out of production. Since land can't be produced in a factory, much less multiplied like paper money or stocks, the inevitable result is that as the supply of good acreage shrinks it must become more valuable.

Beyond this advantage, finally, are certain tax benefits which Uncle Sam makes available to the farmer in the dell. Of these, the most tempting is a standard depreciation allowance for capital equipment—even when it's on-the-hoof. Thus a herd of cattle can be written off like any other machinery, even though the herd has the natural capacity to renew itself. Hence, the company with other taxable income is able to reduce this by taking depreciation on its bovine "equipment," while the latter asset—through the technology called biology—actually is increasing both its yield and its underlying value.

CAPITAL STAMPEDE

All this, then, has brought a rush of farming firms to an eager equity market, and a veritable stampede of public corporations to the farm. Probably the most striking example of investment appeal in a corporate landowner today was revealed in the recent struggle for control of mighty Kern County Land. Launched by two Kentucky financiers in the days of the 1849 gold rush, the California firm amassed nearly two million acres of ranch and farmland—three times the size of Rhode Island. In the 'Thirties, Kern had major oil discoveries on its properties, and plowed the royalties into farming, cattle raising and orchard plantings.

These lush holdings are carried at cost today, though they're obviously worth substantially more. A small insight was provided when Kern recently transacted one of its rare land sales—a 10,000-acre farm. The experts had guessed that land in this region would bring about $500 an acre. Kern managed to get $750 (and some of the land has since changed hands at $1,000 to $1,400 per acre).

In addition to such hidden assets, Kern in recent years has made important industrial acquisitions, buying control of Walker Manufacturing Co. (auto equipment) and Watkins-Johnson Co. (electronics). Through a complex financing, it acquired J. I. Case (farm machinery), which had been suffering in a difficult market. Buoyed by such diversification, Kern's income in the last decade has jumped from $32 million to over $180 million.

BATTLE FOR CATTLE

Not surprisingly, a number of outsiders began eyeing Kern greedily. Occidental Petroleum, a leading wunderkind of Wall Street (which a decade ago was a struggling oil-and-gas producer doing less than $1 million a year), suddenly made the big tender offer. Kern's management, however, fought Oxy Pete's advances and, seeking another suitor, found a willing candidate in Tenneco. The $3 billion pipeline-based conglomerate offered a deal involving convertible preference stock, and Kern's board was prompt to accept.

Meanwhile, Occidental Petroleum had become Kern's largest stockholder, and now threatened to block the takeover. But as Kern County stock soared, Oxie dropped its proxy fight. The Tenneco merger was on the verge of consummation when a rash of dissident stockholder suits suddenly cropped up, claiming, among other things, that Kern had been acquired for less than it was worth.

Atop all the litigation came the possibility that under certain technicalities of the Securities and Exchange Act of 1934, Oxy Pete, which had sold its interest in Kern to Tenneco, might have to return its $18 million gain. In any event, last August, with the legal issues still pending, the merger of Kern into Tenneco went through.

BERMAN'S TURN

Other corporate developments also point up the allure of farm and ranching properties in today's market. One who was attracted is H. L. Meckler, founder of Lease Plan International, who turned that highly leveraged equipment-rental firm into a financial giant—worth $54 million in PepsiCo stock at the merger three years ago. Looking around for another property to build up from scratch, Meckler last year found Berman, a struggling family-run vehicle-lease operation. Buying 270,000 shares (good for control) from the family, Meckler reorganized its finances while trimming waste and obsolescence—and turned Berman around.

Then he went on the hunt again, this time for Black Watch Farms, a breeder and manager of purebred Black Angus Cattle. Black Watch sells cows to investors and receives an annual management fee for continuing to run the operation. It owns over 11,000 head on ranches in nine states, and in six years has boosted pre-tax income to $5.4 million (on 1967's $15.7 million revenues). Meckler is intrigued by what he finds to be similarities in cattle-breeding and equipment-leasing. Black Watch uses little equity to gain high leverage. With accelerated depreciation for tax purposes, its breeding herd is on the books at several million dollars below actual value. Real estate also is said to be worth substantially more than the stated figure.

Last June, Berman got 57% control of Black Watch Farms, for 116,000 shares of preferred stock convertible into 464,000 shares of Berman common. It expects to acquire the remaining 43% by offering 150,000 shares of Berman common before the end of this year. Thanks to the acquisition, Berman has substantially bolstered its net worth. Meckler expects the bulk of earnings in the immediate future to come from Black Watch, with the latter's profits being compounded at the rate of perhaps 25% yearly. He estimates that Berman now may earn as much as $4.50 a share (based on a 25% tax rate) in the fiscal year ending June 1969. Wall Street, highly impressed by Mr. Meckler's assumption of affairs, has bid Berman stock up tenfold.

CBK'S SWITCH

Other firms have been moving into the "agribusiness" with a similar appreciation of what it can do for their balance sheets. An example is CBK Industries, which expanded a pre-World War I Florida phosphate-mining operation into a conglomerate ranging from asphalt and apparel-making to movie distribution. In 1962, new management said it wanted to find a business which "utilized a small labor force . . . had better than average growth potential . . . afforded the possibility to non-conventional as well as conventional money sources for capital (and made use of) new and improved technology and equipment." That led CBK last year to abandonment of its industrial enterprises and the plunge into agriculture.

In June it exchanged the film-distribution outfit for 10,000 acres of farmland in southern Texas. Then it sold off the asphalt and apparel ventures, as well as a department store and other subsidiaries, and with the funds bought land in Missouri and California's Imperial Valley. By this year it expects to have 50,000 acres leased or owned outright. Owing to costs incurred in the changeover, CBK now enjoys a tax-loss carryforward of about $4.1 million. Earnings over the next two years won't be "exciting," management says. "It will have an underlying non-depreciable value to the shareholders."

OUTSIDERS IN

Such hidden assets in the agribusiness have lured firms already rich in real estate, too. Thus, sugar processors for some time have been enjoying the benefits of raising cattle. Oil companies with heavy petroleum reserves have given attention to exploiting the top layer of their land; they're getting into both cattle-breeding and crop raising. Atlantic-Richfield Corp., for one, is building a feedlot to handle 60,000 head per year.

Several railroads which own agricultural properties (picked up years ago in right-of-way deals) have embarked on similar farming and ranching operations of late. The St. Louis-San Francisco Railway has a 50% investment in New Mexico & Arizona Land Co., which raises and breeds cattle, operates groves and orchards. (Recently, too, it joined a venture with Western Nuclear, Inc., of Denver, to hunt for uranium on its land, with the right to participate in any development, mining and milling.) Seaboard Coast Line has spun off its land holdings into Alico Land Development Co., formed to raise cattle, crops and orchards.

Another outsider, Times-Mirror Corp. (publisher of newspapers, magazines and books), has a 15% interest in Tejon Ranch, one of the largest contiguous parcels of land under private ownership in California. Originally heavy in oil exploration, Tejon has diversified into other operations, such as a venture with Pacific Western Industries to build an automated cement plant for the Southern California market. Moreover, it's deriving income from land being used for the construction of a dam and power-plant complex which will serve farms along 450 miles of the California coastline.

BIG-TIME OPERATORS

Finally, still other industrial concerns have been moving down on the farm. Gates Rubber Co., a Denver tire-maker, has hatched an automated poultry-raising operation and runs three ranches in Wyoming. Gulf & Western, the huge conglomerate, has purchased control of Scott-Mattson Farms, a vegetable grower in Florida. W. R. Grace, already big in fertilizers and agricultural chemicals, has acquired American Breeders Service, which supplies frozen semen used in the artificial insemination of cattle. Not least, fast-growing Levin-Townsend, the computer leasing firm, has begun to apply its talents for high-leverage financing to agriculture.

As all these examples indicate, farming is changing steadily from a small family operation to a big-corporation affair. The trend is bound to intensify. Declares a USDA official: "The days are passing when a young man could start as a hired hand on a neighbor's farm and climb the ladder to full farm ownership—any more than he could start as a stock boy in a supermarket and save enough from his wages to take over the whole store."

In today's economy, bigness has become as necessary to agriculture as to industry. Labor and equipment costs are skyrocketing, and for peak efficiency a farm must be highly mechanized. Yet optimum use of such equipment calls for a spread of at least 1,000 or 2,000 acres, and a farm that big represents a million-dollar investment in land alone. In addition, there's the problem of irrigation. An average acre of California farmland needs at least three acre-feet of water annually, at costs of $7 to $19 per acre-foot depending on location. Hence, the 1,000-acre operation may run up irrigation costs of $50,000 a year.

"It is evident," an agricultural expert notes, "that the nation's farmers will have to use increasing amounts of other people's money, just as industry does. They are going to have to sell stock and debentures to raise millions of dollars, in addition to borrowing short-term money for seasonal needs." In short, farmers today must acquire sophistication in financial as well as technical methods.

At the same time, "assembly-line" farming calls for new skills in corporate management. CBK Industries, for example, plans to solve the problem by one method. It will divide acquired land into 10,000-acre units, each headed by a resident manager earning $6,000 to $9,000 a year. The method works as a lure for acquisition. CBK reports that farmers are eager to exchange their land for CBK stock under this set-up, then work the property as corporate managers.

Kern County, which actually farms only 13,000 of the 118,000 irrigated acres it has under intensive cultivation, boasts its own

system. It has the remaining 105,000 acres operated by tenant farmers. The latter pay, as rent, a share of the crops they produce. In this way, the company spurs each farmer to greater personal initiative, while helping him adopt the most sophisticated technology. Kern boosted average annual earnings from agricultural operations to $1.5 million a year in the 1962–'66 period, from only $780,000 in 1958–'61—and attributes the gains to its aggressive managerial approach.

UP TECHNOLOGY

Bigness and corporate sophistication, of course, can reap such rewards because of the burgeoning technology in farming today. Some of the most dramatic innovations are found on the livestock front. One trend, for instance, is indoor raising of swine, under highly automated processes. A device called the "Autosow" acts as a kind of mechanical mother for baby pigs. It takes the litter at birth, milks and feeds the piglets in an air-conditioned environment, and rears them to record weight. Now under advanced testing, the Autosow, some experts say, may turn a pig farm into the kind of mass-production industry which incubators and breeders have made of the poultry business.

Meanwhile, International Systems & Controls Corp. has developed what it calls the "Bacon Bin"—a line of total-confinement production facilities complete with automatic feeding and manure disposal systems. In a Bacon Bin, 1,000 hogs can be raised and fattened from birth to maturity in record time. The air is changed automatically every 60 seconds to provide complete comfort—for farmer as well as animals. The entire feeding operation takes less than half an hour of the farmer's day, freeing him for other profitable work.

Publicity on the Bacon Bin caught the eye of a Wall Street group. The result was a corporation called Environmental Applications, set up to produce hogs exclusively with the new system. Over a score of investors have put almost $500,000 into the venture. (Significantly, Armour & Co. took 7% of the stock.) The firm hopes to market 13,000 head of hogs yearly and has plans ultimately for an offer of stock to the public.

MODERN COWPOKES

Technology is also making impressive strides on the cattle ranch, where today's rancher more often than not has a university degree. Even the old chuck wagon, carrying food to hands on the range, has been replaced by mobile kitchen-trailers outfitted with all the latest gadgetry. Horse-power is being augmented by motorbikes and even helicopters in the classic roundup. Painful branding irons are being replaced by the gentle application of an identifying dye to the calf's ear. Indeed, a modern cowpoke has become part nurse and part midwife, conducting pregnancy tests and carefully charting the production progress of each heifer to eliminate culls that fail to measure up. He injects cattle with vaccines, fattens them with special feeds and mineral mixtures fresh from the laboratory.

One profitable development is the practice of growing specially nutritious grass through the science of hydroponics—that is, without soil—in incubator-like installations. By eliminating the hazards of uncertain weather and soil conditions, such scientifically created grass fattens calves beyond previous possibilities. However, it necessarily is grown in relatively small amounts, usually earmarked for select bulls. Ordinary slaughter cattle still feed on the grazing range, and the key to raising them successfully is the quality of the forage.

In south Texas, the need to develop nutritious grass that doesn't wither under the blazing sun is acute. At the legendary King Ranch, agronomists solved the problem by importing and mingling, with the native grasses, an exotic species of Rhodes grass from Africa. It seemed promising until a parasite from Japan invaded the area, turning the grass yellow and killing it. Whole pasturelands were threatened. King agronomists, working with scientists from Texas A&M University, at the eleventh hour discovered a wasp-like insect from India that preys upon the parasite.

India's bug was in short supply, however. So biologists patiently set about to grow cultures, until they multiplied the species sufficiently to turn it loose on ranchland. Since the wasp can travel only about half a mile during its entire lifetime, it was necessary to find a way of distributing it in great numbers. Accordingly, swarms of eggs of the parasite, camouflaged in nodules of Rhodes grass which are its natural habitat, were unloaded from low-flying planes. (The first drop was made on 105,000 acres of King Ranch's Encino division.) Thanks to this resourceful counterattack—the outcome of which is still being closely watched—Rhodes grass once again should impart a healthy, high-yielding range forage to south Texas.

Another area with fascinating technology is the scientific breeding of cattle, to minimize undesirable features and maximize good ones. An example is the elimination of horns, which have the disadvantage of causing injuries when cattle are being fed or are packed together on the way to the slaughter house. Federal regulations require that if the hide of an animal is pierced, the meat must be marked down to an inferior grade. Some ranches dehorn their calves at the spring roundup, but this can be painful surgery, frequently causing severe shock to the nervous system, infection and loss of weight. Several varieties of cattle—notably the Black Angus—have been bred successfully so that they now are hornless.

A LOT OF BULL

An even more remarkable job—breeding a uniquely new herd—has been accomplished by King Ranch. The two dominant cattle breeds in the U.S. over the last century have been the Shorthorn and Hereford, both imported from Britain and suitable in temperate climates—but less than ideal under the blazing sun of south Texas. From India, King Ranch imported Brahmin bulls, highly adaptable to tropical heat, with a high tolerance for insect pests. These were crossbred with Shorthorns, whose beefy qualities make for choice cuts of red meat. From one extraordinary offspring, a bull named Monkey, King fixed the type of the breed it wanted, called Santa Gertrudis. Every member of the breed—and descendants have been shipped to start new herds all over the world—is a direct descendant in an unbroken line of the great foundation sire, Monkey. What's more, King has sold a number of prize specimens at substantial profits.

The major capital asset on every breeding ranch, of course, is the bull. Thanks to his ability to sire a goodly number of top-quality calves, for sale at premium prices to other ranchers, he brings in the lion's share of profits. Like thoroughbred race horses, prize bulls with reputations as good breeders are housed in special quarters, decorated with plaques and medals denoting their achievements. So much in demand are the most famous sires that frequently they are owned by several investors, each with a share in the offspring. Thus, at one auction last June, a one-third share in a famous Aberdeen Angus bull named Constructor brought $200,000. (The successful bidder: a Beverly Hills brokerage house.)

With so much money on the hoof, extreme care is taken to breed a prize bull only with the finest cows available. Accordingly mates are sought from herds all over the nation. Indeed, the chore of matching a high-priced bull with an appropriate heifer now has been assigned to computers. Electronic brains keep copious statistics on the breeding characteristics, and weight-fattening potentials through several generations of calves from famous sires. When a prize bull is ready for mating, his characteristics are flashed to computer installations; the electronic brain, going through statistics on heifers throughout the land, comes up with what it considers to be the ideal mate.

Once this is determined, the two animals may never have to get into the same pen or even the same county—thanks to highly developed techniques of artificial insemination. Sperm from the bull is frozen, packed in a vial, color-coded, and sent to the rancher whose heifer has been chosen for inoculation. Seven of every 10 such injections result in conception. There's little wasted effort for all concerned and costs are kept to a minimum.

THE MATING GAME

"Computer mating" is becoming so profitable a business that a number of services firms now are in the act, keeping production records by the thousands on high-speed magnetic tape, flashing all pertinent material on the advisability of such a venture to a client within minutes of an inquiry. One firm, American Breeders Service, which pioneered in artificial insemination techniques, built so brisk a business shipping frozen semen that it was taken over by W. R. Grace.

All this only hints at the changes technology is yielding down on the farm. There are solenoid air valves which, operating on radio signals, control irrigation levels so that soil is watered scientifically to the maximum benefit short of being spoiled. There are newly formulated feed grains with the nutritional quality of breakfast cereals. New chemicals speed up the defoliation of plants and simplify the harvesting of fruits and cotton. Some agronomists foresee even more dramatic breakthroughs ahead—from the plowing and harvesting of crops by remote control to the creation of rainfall by the dialing of a machine.

In short, farming has become big business and the old homestead never will be the same again. USDA officials estimate that within the next two decades, 500,000 large-scale corporate farms will do the work of today's three million enterprises. Some experts go so far as to predict that the family farm ultimately will become extinct and that all food will be mass-produced as efficiently as shoes or automobiles.

Meanwhile, as farm lands pass into public ownership, not only industrial corporations and their stockholders are the beneficiaries. Private investors have been moving into farm and ranch ownership too, through investment programs tailored to personal requirements. Such portfolios today may include ranches, cattle, citrus groves and orchards—all desirable hedges against inflation and rising taxes. The rewards and risks of such personal investments will be detailed in a forthcoming article.

LURE OF THE LAND

(NOTE.—This is the second article of a two-part series on investment in farming and ranching. The first article, which appeared August 5, reported on the growing tendency of industrial corporations to interest themselves in agriculture. Today's instalment deals with the variety of private investors and the nature of their investments in farm and ranch properties.)

(By Dana L. Thomas)

Not all the bulls these days are in the stock market. Some on which a few Wall Street investors soon may be riding herd, indeed, confine their movements to the cow barns of the great Southwest. Specifically, an Oklahoma doctor seems to have diagnosed an unfulfilled demand. For $250 per cow (and a minimum of 10 cows per unit) he plans to lease cattle from a prized species to investors across the U.S. What the investor gets out of each cow is its production of offspring; the investor in effect pays annual rental of $2,500, and all calves born to the animals belong to him. Since the doctor plans to employ professional ranch

managers to see that the herd is bred only with thoroughbred bulls of a rare blood line (valued for its high-grade beef), the calves stand a fair chance of being growth investments. At least that's the prospect which has intrigued investors—most of whom, it must be assumed, might know a put from a call, but never a prize heifer from a cud-chewing cull.

TAX DEDUCTIONS

"I'm an old cowhand" is, in fact, an increasingly popular refrain from Wall Street to Main Street. Anxiety over inflation, a weakened dollar and an uncertain world, has led more and more Americans into stashing some of their investment money back at the ranch. Nor is the stock in a big "corporate sodbuster" like King Ranch or Tejon (Barron's, August 5) the only way. Attractive personal tax deductions and depreciation allowances (for those in the 60% bracket or higher) have turned many a city slicker into an absentee owner of cattle herds. Others are buying up Florida citrus groves—which they may not even lay eyes on except at vacation time (when the trip becomes a "business expense"). Still others, investing in uncleared farmland, look to make a killing—if not out of oil or resale to some future real estate developer, then by developing the land for agriculture.

Last year, 34% of all U.S. farm acquisitions were made by nonfarmers. The USDA estimates that within 10 years, another 100,000 doctors, lawyers and businessmen will become absentee owners of agricultural properties. Who they are and what they buy makes quite a story. Owners of breeding herds and ranchlands, to illustrate, range from leading Wall Street partners (Lehman Brothers, Salomon-Hutzler, Burnham, to name three) to wealthy individuals like E. Roland Harriman, Winthrop Rockefeller and a galaxy of show biz names such as Richard Rodgers and Groucho Marx. In addition to these headliners, thousands of ordinary U.S. executives and professional men now are joining the stampede.

Let's take a look, then, at the various enterprises luring Americans back to the soil. One, of course, is cattle-ranching, the source of many a famous fortune. (After the first World War 1,100,000 people moved into south and west Texas alone, buying up uncleared land for a song, aiming to strike oil, but frequently settling instead for the rewards of beef.) The cattle business had plenty of ups and downs in earlier days, as prices rose and fell in the stockyards; after World War II, indeed, the market collapsed, followed by several years of severe drought and a great many marginal ranchers were driven out of business. Others who survived lacked the capital to exploit the new scientific techniques and equipment, which have now become business necessities. One way and another, in short, opportunities opened up on the ranch for outside investors.

A special attraction for such "tenderfoot" capital is the tax treatment afforded by Uncle Sam. Intent on building up quality in the nation's cattle, the U.S. government allows investors in a breeding herd to take depreciation, just as on other capital equipment; of course, unlike ordinary machinery which eventually becomes obsolete, a herd of cattle perpetuates itself and increases in value—yielding a capital gain if held more than a year before being sold. (During the year, costs can be deducted from ordinary income.) This provides an incentive to improve the herd by selling off poor cattle and breeding the rest selectively.

WALL STREET'S STABLES

Actual raising, breeding and selling of cattle is handled by several professional management firms. One that is about to go public, Arizona-Colorado Land & Cattle Co., boasts Dan Lufkin, of Wall Street's "swinging" Donaldson, Lufkin & Jenrette, as its chairman. By far the largest in the cattle business is Oppenheimer Industries, with a client list reading like a Who's Who of high society, show business and the stock market. Chairman Harold Oppenheimer, a graduate anthropologist from Harvard (and a Brigadier General in the Marines, just returned from active duty in Vietnam), has contact with the Wall Street fraternity too, via Arthur Levitt, Jr., a director and the son of New York State's controller. Oppenheimer runs his organization like a crack Marine division. (Indeed, his executive staff includes a number of military veterans.) "The big failure in ranching has been execution," Oppenheimer has been quoted as saying, "We're very good. We're very expensive, too."

Most Oppenheimer clients are in the 50%-or-over tax bracket. They buy cattle for 10% down (gaining the highest possible leverage) and a 90% non-recourse note to cover the balance. For setting up the client in business, Oppenheimer takes an initial fee of up to 8½%, depending on the number of head times the gross cost of the cattle. The new owner gets a bill of sale, backed up by a registered brand. The animals, usually Hereford or Angus bought from other herd owners or independent ranchers, thereafter are pastured under contract with various ranchers in a number of states. The client then pays an annual management fee (again of up to 8½%), computed against operating expenses. He deducts all herd operating expenses from ordinary income, for tax purposes, but pays at the capital gains rate when he sells cattle from the breeding stock. Finally, the resident ranch manager receives an incentive bonus depending on how well he fattens the calves.

SAFER THAN OIL

The advantages of Oppenheimer's program are several. In addition, for a high-income man wishing to minimize taxes during the period of his peak earnings, while income from cattle ranching builds up for his retirement years, Oppenheimer offers a tailor-made plan. Cattle when purchased are subject to rapid depreciation; cattle born to the herd have a zero tax basis; breeding cattle held for more than 12 months qualify for capital gains and there is maximum flexibility for planning purposes. In short, cash flow and expenses can be adjusted to each individual needs. Unlike the oil business, more over, there are no dry wells. That, as Oppenheimer points out, makes cattle a safer investment than oil.

To be sure, there are risks. Cattle prices remain less than certain, herds are subject to disease and other natural disasters and a particular ranch-manager may well turn out to be something less than a business whiz. For the most part, however, an investor in breeding cattle is not trying for a quick killing, but a long-range program, and these things can be discounted under good management in the long run. There is another, more speculative area of cattle investment for those so inclined: the purchase of cattle not for breeding but for slaughter. Here, the buyer does hope to cash in on a quick jump in stockyard prices. Since feeders can't be depreciated or sold for capital gains, such investors are betting that livestock prices will rise faster than feed and maintenance costs.

As one expert puts it, "Buying feeder cattle is like buying high-risk common stock. The speculator . . . seeks the lowest cost feeding contract . . . and (frequently) assumes all the risk. Depending on the play of the market, fortunes can be and have been made and lost. Occasionally, a highly profitable hedge can be set up on the Chicago Mercantile Exchange, but the speculator usually prefers riding with the throttle open."

Most top management firms run feeder-cattle programs, offering varying degrees of speculative risk. Oppenheimer has one in which the risk is shared. A client buys steers from a commercial feedlot for 5% down, giving a five-month note for the balance with recourse (to the animals) only in the event of default. Most of the feed is purchased at the start, with interest paid in advance. The feedlot agrees to accept all losses over $5 per head, in return for a 50–50 share of the profits. Usually, the cattle are purchased in November for sale in April or May of the following year. More than 90% of the initial cash payment is deductible in the first year, but the money earned the second year is subject to ordinary income tax. (Hence, during a year when the investor's income from other sources is unexpectedly high, this deduction moves his tax problem into the following year.) To further lighten the load, the investor often makes large prepayments (before the end of the first year) for feed to be used the following year.

Still another angle to cattle investment is outright ownership of a ranch. Most management firms will arrange for the purchase and upkeep, and will see that it's stocked with cattle. "Ranchland is the best long-range speculation in the United States," declares an Oppenheimer brochure. One of the advantages is that many capital-improvements costs can be charged off as immediate expense, whereas in ordinary real estate such costs are expensed over longer periods. Moreover, the ranch owner can be the recipient of a delightful windfall. To cite an instance, the partners of one well-known Wall Street brokerage house are about to realize a bonanza, thanks to a huge crater that has been dug by a real estate promoter on land adjacent to their ranch property. By damming up a nearby river, the realtor plans to pour water into the crater creating an artificial lake. A big housing development then will spring up around this "lakefront" property. The prospect is booming the value of the brokers' ranchland.

GROWING ON TREES

So much for cattle ranching. The high-bracket investor whose taste may run to something other than beef on the hoof, can find equally tax-sheltered opportunites in Florida citrus groves. An investor planning to retire in 10 years can buy undeveloped land (and plant it to orange, lemon or grapefruit trees), usually for 15% down, paying the balance over 10 years. It takes about half that long for the grove to begin bearing fruit, during which period it's under professional management; meanwhile the absentee owner takes his losses, thereby reducing his taxes. Then, when he's ready to retire and his taxable income drops, the trees presumably have reached their full yield.

Under current law, a citrus-grove owner enjoys a 7% investment tax credit which he can deduct during the first year his trees bear fruit. He also has substantial depreciation allowances, which—though not as generous as in cattle—provide a handsome charge-off annually until he can recoup his investment. (Far from actually depreciating, of course, a citrus grove multiplies in value when it begins bearing fruit.) Some groves bear fruit for as long as 75 years and have been known to yield a financial return as high as 15% in a given year. Finally, there's the prospect of a capital-gains profit if the owner decides to sell. (He must repay all or part of his 7% investment tax deductions if he sells within eight years.) Not least, as noted earlier, he can charge off as a business cost his visits to Florida to "inspect" his groves—enjoying a nice little vacation at Uncle Sam's expense.

AN ILL WIND

Again, it's true, there are risks involved. The trees are at the mercy of Florida's uncertain weather. Hurricanes and frosts can wipe out a grove overnight. For those surviving, however, results can be heady: in 1962, a severe freeze created such a shortage in oranges that prices for the remaining crop shot up more than 200%. In any case, the idea of owning a "beautiful, picturesque orange grove in sun-blessed Florida," as one

brochure rhapsodizes, seems to have an irresistible appeal for all kinds of people. Among them are big-name athletes, whose brief careers yield both high income and early retirement. One new citrus investor is a nationally known pro football star who fears that injuries will force him to the sidelines sooner than he had intended.

Ownership of Florida groves also appeals to affluent foreigners—many of whom may never have tasted an American orange. Europeans, in particular, noting that the Sunshine State is one of the nation's fastest-growing, find that while prices on the heavily developed east coast are high, those inland and on the west coast still are relatively cheap—compared with, say, California. Consequently, investors from France, Germany and Greece (even trust-fund managers in Scotland) are pouring money into Florida groves. One celebrated grandame, a descendant of the Austro-Hungarian nobility now resident in Switzerland, is one of Florida's most enthusiastic investors.

BIG APPETITE

To serve this demand, citrus-grove salesmen are all over the place, buying land and parcelling it out on an installment-plan basis, sometimes taking on the job of planting trees and even running the operation for a fee. One such venture, American Agronomics Corp., was launched by two accountants from New Jersey, Jack and Jules Freeman. They are developing land far enough south to minimize the risk of freezes, and selling it to investors at $1,700 an acre—15% down, the balance payable in monthly installments running up to 10 years. The firm receives a commission of 10%–12½% on the net returns of the grove owner, in return for picking, packing and marketing the fruit.

So great is the appetite for groves that American Agronomics recently made a public offering to raise money for new land acquisitions. With the proceeds it bought 15,200 acres, taking an option on 11,600 more, in DeSoto County, at the southern part of the citrus belt. That brought its total acreage, acquired or under option, to some 33,000.

FOR LAND'S SAKE

Last but far from least is the growing interest by investors in farmland where liquidation, quick settlement of an estate or nearby industrial development promises rapid appreciation. Especially attractive is land located around growing urban areas. A dozen miles from downtown Colorado Springs, for example, land values only seven years ago ran as low as $100 per acre. Recently, with development of the resort area, prices have soared above $600 an acre, and speculative activity now covers an area 50 miles out from the city center. In parts of Louisiana, Arizona and California, the story is much the same.

Interest in undeveloped farmland is, indeed, widespread. Doane Agricultural Service, the leading manager of farm properties for absentee owners, is providing a vehicle for the relatively small investor who would like to buy land. Investors can come into land ventures as limited partners—with Doane the general partner—by buying a $10,000 interest in a diversified unit. Each package is capitalized at a minimum of $200,000, to which Doane also contributes. That equity represents about 50% of the total value of the land; the rest is borrowed from the seller of the property, or perhaps from an insurance company.

Doane already has launched one such partnership package, buying over 1,000 acres of undeveloped land in the Louisiana delta. It's now being cleared for crops. Additionally. Doane has bought tillable land in Illinois, which already is in production and presumably has considerable appreciation potential. Currently, the firm is working on still another limited partnership offering in Missouri.

LOOK OUT BELOW?

In all this stepped-up activity down on the farm, there are, to be sure, some pitfalls for the unwary investor. For one thing, quite a few fraudulent promoters are flooding the mails with glowing brochures—perhaps representing poisonous alkali soil as lush farmland, or abundant tracts of desert wasteland as ideal retirement sites. One promoter selling land in south Florida recently issued a deed which told, in the fine print, that the property was "subject to easement to the Central and South Florida Flood Control District." What that meant in plain English is that the state reserves the right (any time it desires) to inundate the property under 10 feet of water.

In the Southwest, the land rush has produced a growing muddle of claims and counter-claims to titles, often reopening some old wound. Descendants of Spanish-American colonists are challenging the validity of certain U.S. land grants, claiming they represent property stolen from their forefathers, who settled the West on grants from Mexico and Spain. American Indians also have gone to court, claiming title to farmland originally owned by their ancestors. The Seminoles, for example, want to be compensated for 32 million acres—comprising a large hunk of the state of Florida. In California, Indian tribes recently won compensation for 60 million acres, which they claimed as having been seized from their forebears.

BEWARE OF BUYERS

The investor today, once he has a legally unassailable title, also must be careful about anyone who offers to buy his land. Major industrial corporations are on the prowl for agricultural land, and frequently have been known to use a strategy of deception that would bamboozle even the CIA. Not long ago, a well-known metals fabricator sought land in the Midwest, as the site for a new industrial plant; a major railroad was recruited to act as a front. (Railroads often enter the market for track-side land, even when they don't have immediate use for it, and so can hold out for bargain prices.) The latter approached owners with an offer which, only too late, they discovered was quite a bit below what their land could have fetched. "We really got taken to the cleaners," one said.

Other problems include industrial relations. Many bona fide farmers are beginning to chafe at the competition generated by outside businessmen. Large-scale tax avoidance by non-farm investors—the IRS figures that 680,000 non-farmers (industrial firms as well as individuals) took over a billion dollars in tax losses in a recent year—also troubles the federal government. Senator George McGovern, South Dakota's new entry in the Democratic Presidential sweepstakes, has introduced a bill to plug the loophole, by limiting the amount of tax loss a non-farmer can take on agricultural operations. Meanwhile, the Treasury Department is challenging a number of investors in farmland to prove their intent. Recently, a federal court ruled against an outside investor in feed cattle, limiting the tax deductions he could take on feed buying operations.

For the most part, though, outside capital has been welcomed down on the farm—with open arms. Farmers like the attention they're getting and the higher values being placed on their land. A rising number of them, aware of the growing interest from Wall Street, are enhancing the marketability of their properties by banding together as corporations. A group of wheat growers in the Pacific Northwest recently announced plans to incorporate in order "to sell stock to businessmen and professional people who would like to put their money in farmland."

In sum, despite the pitfalls, a rising tide of private investment money is pouring into the farm and ranch land; and more's to come. Capital is needed to grow food for America's booming population, even as arable land grows scarcer. That gives most rural real estate—and certain of the crops and livestock on it—greater value than ever. Harold Oppenheimer likes to quote one of his clients: "This ranch I bought is large enough to rate a top level executive. If things get bad enough, I'll quit and go out to run it myself."

PRYOR MOUNTAIN WILD HORSE RANGE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a letter and a press release I have received from Boyd Rasmussen, Director, Bureau of Land Management, be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D.C., September 30, 1968.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: In view of your continued interest in the Pryor Mountain Wild Horse Range we are taking this opportunity to provide additional information.

We are encouraged by recent developments affecting the area. Secretary Udall established the Pryor Mountain Wild Horse Range on September 9. A seven-member advisory committee is being appointed to assist the Bureau of Land Management in developing management practices for the area.

The enclosed press release will provide information concerning the committee and a biographical sketch of each selected member.

Sincerely yours,

BOYD L. RASMUSSEN,
Director.

[Bureau of Land Management, Release Oct. 1, 1968]

WILD HORSE STUDY COMMITTEE NAMED BY BUREAU OF LAND MANAGEMENT

A 7-member advisory committee on wild horses was named today by Bureau of Land Management Director Boyd L. Rasmussen. Rasmussen was authorized on September 12 to appoint the special committee when Interior Secretary Stewart L. Udall set aside a 31,000-acre wild horse and wildlife range in the Pryor Mountains of Montana and Wyoming.

Members named today are: William G. Cheney, executive officer of the Montana Livestock Commission, Helena, Mont.; Dr. C. Wayne Cook, chairman of the Range Management Department, Colorado State University, Fort Collins, Colo.; Dr. Frank C. Craighead, Jr., wildlife naturalist, Moose, Wyo.; Frank H. Dunkle, director of the Montana Fish and Game Department, Helena, Mont.; Mrs. Velma B. Johnston, president of the International Society for the Protection of Mustangs and Burros, Reno, Nev.; Clyde A. Reynolds, mayor of Lovell, Wyo.; and Mrs. Pearl Twyne, president of the American Horse Protective Association, Great Falls, Va.

Rasmussen named Dr. Cook to serve as chairman of the committee. Co-chairman and representative of the Bureau of Land Management is George L. Turcott, chief of the Bureau's Resource Standards and Technology Division, Washington, D.C.

"I am pleased that these public-spirited individuals have agreed to serve on this advisory committee," Rasmussen said. "The membership covers many interests including the wild horses, wildlife, and protection and management of the other land resources. This group can make a splendid contribution by providing their viewpoint on a number of complex and controversial questions."

The committee will make at least two field trips to the Pryor Mountain area, located northeast of Lovell, Wyo., along the Mon-

tana-Wyoming border. Following a visit planned in October, the group is expected to consult with Bureau officials this winter. Another trip to the area is planned for spring or early summer of 1969, Rasmussen said.

Rasmussen has asked committee members to study several questions and to make recommendations on management practices. Members may consult other individuals if additional information is needed. Among the questions to be considered are:

1. What is the general health and condition of the existing herd of horses?

2. To what extent do horses and native wildlife compete from a biological standpoint? From a public interest standpoint?

3. What are the best methods for handling the animals for inventory and control? How should surplus horses be handled if they need to be controlled?

4. What rangeland rehabilitation measures could be used to improve forage, watershed, and wildlife habitat conditions?

(Note to editors: Brief biographical details of the committee membership are attached.)

[From the Bureau of Land Management]

MEMBERS OF THE WILD HORSE ADVISORY COMMITTEE

William G. Cheney, Helena, Mont. Executive officer of the Montana Livestock Commission, Mr. Cheney was born and raised on a ranch in the Judith Basin area of Montana. An employee of the commission since 1940, he was appointed executive director in 1954. He is a noted authority on livestock brands. His father was one of the last old-time cowboys when he died at the age of 91.

Dr. C. Wayne Cook, Fort Collins, Colo. Recently appointed Head, Range Science Department at Colorado State University, Dr. Cook was formerly a member of the faculty of Utah State University. An active member of the American Society of Range Management, he is immediate past president of that organization. He is a recognized authority on range nutrition and range management.

Dr. Frank C. Craighead, Moose, Wyo. Noted for his research involving miniature radio transmitters permitting him to follow the habits of animals such as the grizzly bear in the wild, Dr. Craighead shares his time between the State University of New York at Albany and Moose, Wyo., where with his brother John he leads the Environmental Research Institute. Dr. Craighead has previously advised on wilderness preservation and wildlife.

Frank H. Dunkle, Helena, Mont. Director of the Montana Fish and Game Department since 1963, Mr. Dunkle holds undergraduate and graduate degrees in wildlife education and wildlife management. A native of Pennsylvania, he has been employed by the State of Montana as a warden, education assistant, and chief of education. He is a past president of the 14-State Western Association of Fish and Game Commissioners.

Mrs. Velma B. Johnston, Reno, Nev. Long a champion of wild horses and instrumental in passage of the first Federal wild horse legislation, Mrs. Johnston is known to many as "Wild Horse Annie." She has been honored by the National Cowboy Hall of Fame and the Western Heritage Center for her efforts in behalf of wild horses. She is presently president of the International Society for the Protection of Mustangs and Burros.

Clyde A. Reynolds, Lovell, Wyo. Mayor of Lovell, Mr. Reynolds holds the distinction of having also formerly served as mayor of Glenrock and Shoshoni, Wyo. Now owner of a Lovell lumber company, he is serving on the Wyoming Stream Pollution Advisory Council and has served as leader of numerous civic organizations. The City of Lovell is the nearest community to the Pryor Mountains, where the wild horse herd is located.

Mrs. Paul M. (Pearl) Twyne, Great Falls, Va. Long active at the local and national levels in humane and conservation efforts, Mrs. Twyne is currently serving as president of the American Horse Protective Association, which is nationally recognized as an organization devoted to the protection and humane treatment of wild and domesticated horses. Mrs. Twyne has taken an active interest in preservation of wild horses.

George L. Turcott, Washington, D.C. As representative of the Bureau of Land Management on the committee, Mr. Turcott brings extensive experience which includes five years as chief of the Division of Range and Forest Management in BLM's State Office in Billings, Mont. Employed by BLM since 1949, Mr. Turcott is currently chief of the Division of Resource Standards and Technology, coordinating multiple use policies.

THREAT OF ACTION BY THE UNITED NATIONS NEEDED TO SPUR BIAFRAN RELIEF

Mr. PROXMIRE. Mr. President, last Wednesday, September 25, I submitted Senate Concurrent Resolution 80, calling for the continuation of all present diplomatic efforts to secure relief for the starving in Biafra. The concurrent resolution also called for serious consideration by the administration of bringing the entire situation before the United Nations.

This U.N. approach has evoked the explicit disfavor of the Organization of African Unity. The OAU says that this is an African matter and should be best left to Africans to settle. I certainly agree, Mr. President, that this is an African matter and should be handled by Africans. But the time has come to ask the obvious, though painful question, "How have the Africans themselves been handling this situation?"

It is to be hoped that since the OAU does not desire a U.N. discussion of the relief situation in Biafra they would be even less anxious for the inevitable and concurrent discussion of the entire political situation and how it evolved.

Perhaps, then, the most effective move to be made now in spurring African efforts for relief would be to move as swiftly as possible for consideration of the Biafran situation by the United Nations.

Mr. President, yesterday's New York Times contains an article written by Lawrence Fellows and datelined at Lagos, Nigeria, on September 29. I believe this cogent analysis by Mr. Fellows of the present psychology of some of the leadership in Africa should be read very carefully by every Member of Congress, particularly in considering the merits of Senate Concurrent Resolution 80, which calls for the consideration of the Biafran situation by the United Nations.

I ask unanimous consent that the article be printed in the RECORD.

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

ANGER IN AFRICA OVER WEST'S HELP TO BIAFRA RISES

(By Lawrence Fellows)

LAGOS, NIGERIA, September 29.—"We don't want your custard and your wheat," a young Nigerian officer told a Swiss relief worker the other day. "The people here need fish and garri. We can give them that, so why don't you find some starving White people to feed?"

Accusations like this are heard more and more frequently in Nigeria now that Biafra's attempt to secede from the Nigerian federation, after nearly 15 months of fighting, appears on the edge of collapse.

In fact, relief teams have been distributing fish and garri too. Some of it has even been confiscated by army commanders making their own distributions of food.

FEELING SIMILAR ELSEWHERE

But the accusations reflect deep resentment that is gathering not only in Nigeria but elsewhere in Africa against white people of Europe and the United States who have rallied to the support of Biafra, even though most of the support has been sent for humanitarian grounds.

In the last few days in Nairobi, Addis Ababa, Khartoum and Lagos, political leaders seem to express similar feelings when the discussion turns to the war in Nigeria—that outsiders are meddling again in Africa's affairs.

There is evidence that the outpouring of sympathy in the West did not do Biafra any good, especially in Africa, in its quest for support for the cause of independence.

ALGIERS PARLEY BACKED LAGOS

At the summit meeting of the organization of African Unity in Algiers this month, the Nigerian Government won a resounding vote of confidence and Biafra was left almost without friends or hope of meaningful support in Africa.

Odumegwo Ojukwu, Biafra's leader, is usually given credit abroad for one ringing diplomatic victory after another and for a masterful exercise in propaganda that evoked the deep sympathy of people around half the world for Biafrans—trapped and encircled by the advancing Nigerian Army and starving by the thousands.

But in much of Africa it is not viewed that way at all, as relief workers who have been pouring into Biafra and the rest of Nigeria have had to learn to their astonishment and dismay.

Starvation and the other forms of human distress do not evoke quite the same emotions here as they do in richer, happier places. Around the continent there are people living on the margin of starvation from the time they are born until they die. And death usually comes to an African sooner than it does to people in most places.

In many parts of the continent a family considers itself fortunate if half the children survive hunger and disease. In many places it is the smallest children who are allowed to slip away to starvation first when food is short.

Africans love their children as much as any others do, but death is commonplace, and if someone in the family has to go without eating, the smallest children represent the smallest investment in food and clothes already paid.

TRUE IN CONGO AND SUDAN

This is true in the Congo and in the southern Sudan, where human devastation has been wider and longer-lasting than in Biafra.

It happened that way last year in southeastern Tanzania, when floods and then drought left people without food. It happened in the Machakos district in Kenya about two years ago, when corn withered on the ground.

Three years ago in Rhodesia, when drought struck a remote region, a worker for Save the Children was astonished to discover that he could not give away food designated exclusively for the children.

"If you want a tree to grow, you do not water the leaves, you water the roots," he was told.

Red Cross teams working among starving people emerging from the bush behind advancing Nigerian troops are accustomed now to seeing people eating on one side of the road and starving on the other side. Usually some obscure tribal animosity keeps the healthy ones from giving away their surplus food.

Within the shrinking perimeter of Biafra, where starvation may be causing thousands of deaths a day, Red Cross workers have been buying food in abundantly supplied markets and giving it to the desperately hungry.

In fact, the Red Cross has spent only about $15,000 buying food in Biafra and has spent much more—about $650,000—buying food in other parts of Nigeria to feed dislocated and hungry people now outside the fighting area.

ARGUMENTS INCREASING

Relief workers are on all sides of the fighting area now, and they are getting deeper and deeper into arguments with Nigerians over matters of access and transport. There is resentment over the unspoken assumption that white people must still do for blacks what they are unable or unwilling to do for themselves.

All evidence so far suggests Mr. Ojukwu's campaign, though it has won Biafra sympathy in the Western world, has lost Biafra's cause a great deal of sympathy among African politicians. While Mr. Ojukwu was appealing to the humanitarian instincts of Americans and Europeans, Nigeria's ambassadors in Africa were quietly warning of the dangers that could befall the whole continent if one seccession were seen to work, and if political pressures from abroad helped ease Biafra out of the Nigerian fold.

KENNETH E. GRANT SELECTED TO HEAD THE SOIL CONSERVATION SERVICE

Mr. BAYH. Mr. President, in June, 1964, Kenneth E. Grant was transferred from New Hampshire to Indianapolis to take charge of the work of the Soil Conservation Service in Indiana. On the strength of his performance, this man quickly became recognized as one of the outstanding State conservationists in the Nation.

Mr. Grant served us so well in Indiana that in March 1967 he was selected from a list of highly competent career colleagues to become Associate Administrator of the Soil Conservation Service, the No. 2 position in the organization. In that position his record has been so brilliant that it was no surprise to us who know him well when he was named to succeed Don Williams as Administrator of SCS. He is scheduled now to take over the leadership of this important agency early in January when Dr. Williams retires after more than 32 years of faithful and rewarding service to soil and water conservation.

Mr. Grant, who is still only 48 years of age, is well equipped to provide this key agency with outstanding leadership for many years to come. A native of New Hampshire, he earned a B.S. degree in agriculture at the University of New Hampshire in 1941 and a master's degree in public administration later from Harvard University. After serving nearly 4 years in the U.S. Army during World War II, Mr. Grant joined the Soil Conservation Service in 1946 as a junior soil scientist at Keene, N.H.

Kenneth Grant's rise through the SCS ranks was spectacular. He advanced rapidly through various positions in the Service in New Hampshire, becoming State conservationist in his home state in 1962. Only 2 years later he was promoted to the same position in the larger State of Indiana. He had prepared himself for this more responsible assignment by taking a year off in 1963–64 to study public administration at Harvard University which awarded him the master's degree in 1964.

The Department of Agriculture is indeed fortunate to have a man so capable and well prepared to take over the leadership of our national soil and water conservation program as Ken Grant. I am extremely pleased with his appointment, and I am confident that in this new post he will continue to serve the people of this Nation with dedication, foresight and understanding.

ROCHESTER BUSINESS OPPORTUNITIES CORPORATION

Mr. JAVITS. Mr. President, it is now axiomatic among public policy thinkers of all persuasions that U.S. business must engage itself heavily in antipoverty activities if we are to win the race against time in dealing with the housing problems of our urban slums. And for U.S. business, too, the question is no longer whether it must become involved, but rather how.

I believe that an experiment in my own State is extremely promising in this regard and should be very closely examined by my fellow Senators for possible application in their own States. The experiment in Rochester involves economic or business development for minority group members—a subject which is now at the forefront of discussions as to how to revamp the war on poverty. In particular, the Rochester experience bears directly upon the proposed Community Self-Determination Act of 1968, of which I am one of the four principal sponsors, and which seeks to expand minority business opportunities.

The subject of minority entrepreneurship, or "black capitalism" as it is sometimes referred to, is extremely desirable at the present time. But what is lacking is a backlog of experiments which can help us in developing public policy and legislation. The formation of the Rochester Business Opportunities Corp.—RBOC—provides exactly that—a case study of a successful business-based effort in the area of minority entrepreneurship.

The importance of this sector of activity is not simply in the fact that it produces jobs for low-income persons. Perhaps even more important, the growth of business ownership in our inner cities produces a key psychological value: a stake in the economic life of the community for its previously disenfranchised residents. Through business ownership, we can hope to build a stabilizing force in the city slums and work toward the development of an experienced leadership group in the minority communities which can be the basis for future organizational, fund-raising and civic efforts.

RBOC is particularly noteworthy for the manner in which business has been able to bring its enormous power to bear on economic development. By establishing RBOC as a development corporation, the progressive businesses of Rochester were able to evolve a common vehicle into which they could merge their efforts and bring together public and private resources. Of particular importance is the device developed whereby major industry commits itself to give subcontracts to the new inner city businesses as a means of providing them with a guaranteed market during the early vulnerable stages of development. Moreover, as part of the subcontracting commitment, these industries have undertaken to provide technical assistance and training to the new entrepreneurs, assuring at the same time for themselves a type of built-in quality control.

It would be difficult to give adequate praise to all those who have been responsible for this successful experiment. Certainly, substantial credit must be given to the Eastman Kodak Co. and its president, Dr. Louis K. Eilers, which, in November 1967, first advanced the idea of forming a community development corporation using the subcontracting device. It would not be inaccurate to say that the entire first-string business community in Rochester has put its effort and money into this venture, with Xerox Corp. and its president, Mr. C. Peter McColough, and its chairman of the board, Joseph Wilson, the Ritter Pfaudler Corp., and its chief executive officer, Mr. F. Ritter Shumway, Mr. J. Wallace Ely, president of the Security Trust Co., and of the Rochester Chamber of Commerce, and Mr. William J. Maxion, president of the Case-Hoyt Corp. and president of RBOC, meriting special mention and credit.

Finally, I would like to congratulate Mr. John F. Blake, the talented general manager of RBOC who took leave of absence from his job as training coordinator of the Ritter Pfaudler Corp. to give his indispensable talents to the effort. On the community side, credit must be given to the Fight organization, whose efforts to organize the community led to much of the corporate interest in Rochester's innercity and whose particular project, the organization of an industrial plant called Fighton, is one of RBOC's most interesting projects. I would like to insert in the RECORD at the conclusion of my remarks a case study describing in full the formation and workings of RBOC. This case study is one of several excellent publications prepared by the Chamber of Commerce of the United States in its farsighted effort to inform businessmen throughout the country of promising experiments in the private sector's effort to deal with urban problems. The case study was prepared on a consultant basis by Mr. Robert E. Patricelli, who is minority counsel to the Senate Subcommittee on Employment, Manpower, and Poverty.

I ask unanimous consent that the case study be printed in the RECORD.

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

[From the Urban Action Clearinghouse]

CASE STUDY NO. 6—ROCHESTER BUSINESS OPPORTUNITIES CORPORATION HELPS GHETTO DWELLERS OWN BUSINESSES

PROGRAM

Rochester Business Opportunities Corp. (RBOC) Rochester, N.Y.

The Rochester Business Opportunities Corporation is a business-based non-profit corporation designed to assist new and existing businesses owned and operated by minority group persons in Rochester's slum or "inner-city" areas.

ORIGIN

A riot in 1964 could be considered the first overt step in creating RBOC. During the succeeding two years tensions in Rochester continued unabated and in 1966 they focused on a controversy between a militant group, FIGHT, and Eastman Kodak Company, from which specific ideas grew for offering assistance to Negroes to own and operate businesses in ghetto areas.

OBJECTIVES

RBOC seeks to serve as a development corporation through which all elements in the community can channel resources to promote Negro-owned and operated businesses. Its incorporators hope in this manner to help inner-city people develop a stake in the city's economic life as a means of building community stability and as one part of the broader attack on poverty problems. The creation and strengthening of such businesses is also designed to increase opportunities for employment for inner-city people.

RESULTS

RBOC is too new, having come into existence on January 26, 1968, to permit any detailed evaluation. After only six months, however, it has already produced solid preliminary results:

1. Eighty-four cases involving new and existing enterprises have been disposed of or are under active consideration, with the most numerous requests for assistance coming from applicants in the retailing, construction, restaurant, trucking, beauty and barber shop, and light manufacturing fields.

Nine loans have been arranged or made by RBOC to businesses, of which one has already been repaid. Of the nine loans, six were to existing businesses, one was to a new business initiated by the owner who brought his idea to RBOC, and two were for new business opportunities researched and developed by major Rochester corporations for which inner-city owner-operators were then found.

2. RBOC has proven that the business community will become involved in an effort such as this and that it can contribute from within its own resources most of the vital elements needed in the area of business development. In three cases, established businesses have concluded purchasing arrangements with RBOC-aided enterprises, giving those enterprises the vital market outlets they needed; other such purchase arrangements are pending. Several dozen businessmen have signed up to provide business and technical assistance to inner-city entrepreneurs.

3. An initial fund-raising effort among established Rochester companies is nearing completion, with participation running close to 100%. This effort is said to be producing a better understanding in the business community of the problems of inner-city people.

PROGRAM DEVELOPMENT

Early actions

The events leading to the formation of RBOC begin with a riot in Rochester during the summer of 1964. As one business leader puts it, "All of us since then have said 'what can I do?' ". Community tensions continued unresolved, and during 1966 became focused in a controversy between a militant community group, the FIGHT Organization, and the Eastman Kodak company, which is headquartered in Rochester. That initial confrontation, over job training and employment, was resolved in 1967 and led to a series of continuing discussions between FIGHT and Kodak aimed at talking out various community problems.

Kodak had already begun to look into the area of assisting Negro entrepreneurs when that topic was broached in their discussions by FIGHT. The community group suggested Kodak establish a plant in the inner city to be owned and operated by ghetto residents on the model of the Watts Manufacturing Company, established in Los Angeles by Aerojet-General. Kodak felt that such an approach had less applicability to Rochester, where transportation to a job was not a major problem, and after consulting with various outside persons and groups—such as Daniel Moynihan and the National Business League—announced on November 17, 1967, a small business plan of its own. This plan involved the formation of a community development corporation to finance small businesses, with Kodak undertaking to buy products from the new companies and to provide technical assistance. The Kodak proposal identified four new business opportunities which company personnel had identified as workable and from which the company might purchase products or services. (The Kodak plan was reprinted in full in the *Congressional Record;* see Appendix A).

While Kodak was exploring on a confidential basis, the Rochester Chamber of Commerce also was developing a business assistance program. The Chamber had conducted a poll of its membership, modeled after a poll suggested by the U.S. Chamber at the 1967 Annual Meeting, and had found a wide consensus that businessmen should provide leadership in solving community problems. In designing an action program to implement that mandate, the Executive Committee met with a group of inner-city leaders and found high interest in the idea of promoting locally owned small businesses. The Chamber had already formed a committee on business development and had held conferences with local banks when it learned of the Kodak plan, which heretofore had been kept confidential.

Leadership

Chamber officers and Kodak officials met to discuss joining forces, and they subsequently called a luncheon meeting to introduce their plans to leaders of the Rochester business community. Here it was learned that other companies were also working on similar projects. The community development corporation idea appeared to be the proper approach to provide a common vehicle for all the parties to pool their efforts.

A steering committee was formed to select board members, and a 28-member board of trustees was chosen (Appendix B), representing industry, banking, and the Negro business community. A decision was made to exclude representatives of the FIGHT organization on the ground that the new corporation should be "business based."

On January 26, 1968, the trustees met for the first time, elected officers, with Mr. William Maxion of the Case-Hoyt Corporation named as President, and announced the formation of RBOC. At the second meeting, on February 19, a policy statement was issued (see Appendix C). John L. Blake was appointed as RBOC General Manager, and doors were opened for business. Mr. Blake, a Negro, took a leave of absence from his post as training coordinator of the Ritter-Pfaudler Corporation to join RBOC.

The Rochester Chamber has continued to play a key role in RBOC's operations, and has converted its library into an office for the Corporation. Being in the same building, the Chamber staff provides a wide variety of informal technical services for RBOC, and the Executive Vice President, Worth Holder, serves as a key liaison with the business community. That informal liaison is further assisted by the fact that several members of the Executive Committee of the Chamber sit on the RBOC board.

Corporate organization

RBOC is structured as a non-profit membership corporation with no stock issued. Contributions to it are tax deductible as "business expenses", and an affiliated organization—the Rochester Opportunities Foundation, Inc.—has been set up in order that gifts to it from churches, foundations, and other charitable institutions will be tax deductible under New York law. The RBOC charter has purposely been drawn in a flexible manner so that the Corporation could act as a Section 502 development company or as a Small Business Investment Company under the Small Businss Administration law, and thereby take advantage of Federal financial assistance.

Capitalization of the Corporation has been directed by a Finance Committee under C. Peter McColough, President of Xerox Corporation. An initial operating budget and loan fund was fixed at $250,000.00, then a formula was worked out to raise that sum from Rochester's major businesses based on a company contribution of $2.00 for each of its employees. A letter of solicitation from Mr. McColough was sent out on April 3, and each RBOC trustee was assigned 3 or 4 companies on which to follow up, using a simple pledge card (letter and card set forth as Appendix D). This solicitation had the important added effect of spreading the word about RBOC, and has been the only such Corporation mailing to date.

PROGRAM OPERATION

Policy

RBOC serves both new and existing businesses in the inner city. Although a greater economic impact is typically achieved by establishing a new business with a substantial employment and sales potential, the Corporation feels it cannot ignore the "little man" who may have only a mom-and-pop kind of business. In every case, the idea is to produce a fully competitive business, and RBOC officials feel that their program could be damaged in the eyes of the Negro community if it is associated with business failures. The potential or existing entrepreneurs with whom the RBOC deals are certainly among the better educated and more skilled members of the Negro community. It is recognized that this program is no replacement for efforts—in areas such as education, jobs, and housing—which deal directly with the hard-core disadvantaged.

When evaluating a new business opportunity, whether suggested by someone coming in off the street or researched and developed by one of the major corporations, a flexible set of criteria is applied. Typically, the new business must (1) require small initial capital; (2) be labor intensive and have a low engineering content; (3) involve equipment which is not too technical for the kinds of inner-city people who hopefully will be employed; (4) be owned, operated, and staffed by Negroes; (5) be located in the inner city; (6) be able to start operations relatively soon (6–12 months); (7) offer a product or services which will have a broad potential market, including, if possible, the opportunity for industrial accounts which RBOC might arrange; and (8) must not threaten an existing Rochester business. There is no strict requirement that assisted businesses hire hard-core people, but that is certainly encouraged. As one businessman helped by RBOC put it, "I am aware that I have some special responsibilities."

There has been a conscious decision to handle press matters in a low-key fashion, issuing a release only when there is some particular accomplishment to announce. Company officials do not want to oversell the community or raise false expectations concerning what they know will be a long-term project.

Forms of assistance

RBOC assistance takes four principal forms: (1) financial aid; (2) technical assistance and advisory services; (3) purchase commitments by established corporations for products of assisted businesses; and (4) re-

search and development of new business opportunities.

1. Financial aid

RBOC provides financial help to its clients both from its own resources and by helping to arrange bank and SBA loans. From its own capital, the Corporation makes or participates in loans, loan guarantees, and equity investments. Its loans may be for plant, equipment, or working capital and are subordinated to those of other lenders, even to the SBA. Its interest charges are generally set at the going commercial rate. Typically, its equity investments will be given in situations where the owner of a new business does not, himself, have capital of his own; the Corporation would "close the equity gap" by buying stock sufficient to give the new business something approaching a proper investment base. RBOC officials are talking about working out arrangements, in appropriate cases, whereby the Corporation can pass the stock it acquires in a business on to the employees of the business in order to broaden the community stake in the enterprise. The Corporation also helps arrange business and personal insurance protection for inner-city entrepreneurs.

Most often, RBOC will try to arrange a package financing plan involving itself, a bank, the SBA, and, where possible, the individual businessman. By equity investment, technical assistance, and industrial purchases of the borrower's products, RBOC provides the kind of underpinning that allows Rochester's banks to take on these higher risk loans.

One banker identified as the most important element in RBOC the tie-in of major corporations with the future of the assisted business—that these major companies, with established national reputations, had put their prestige on the line and would not allow the borrowers to fail. It is not planned, however, to ask any of the major firms which work with RBOC to provide direct loan or other financial guarantees to assisted businesses. Whatever may be the implicit corporate backup, loan guarantees stand on RBOC's own capital resources.

The involvement of local banks, by having bank presidents on the RBOC board and through close staff relations with RBOC, is crucial. The banks now provide the personnel to do basic financial analysis and to package loans with the SBA. The attitude of local bankers is important—they do not feel that they are being asked to make bad loans, many of which will fail, but rather to take on certain higher risks which are going to be made to work.

In most cases, loans will be given at existing interest rates. The departure from usual practice is that these loans are being made at all, when better prospects are available, and that they are made for longer terms than is commonly allowed. Moreover, it is broadly agreed that the efforts of RBOC have led banks to do more on their own with inner-city clients, where RBOC is not involved.

2. Technical assistance

Advisory and technical services of two basic types are provided on a continuing basis to assist businesses. On the one hand, by working through the Rochester Chamber and existing businesses, and by contacting professional groups like the Harvard Business Club and the CPA association, RBOC has compiled a large list of volunteers who can be brought in on a case. The SBA management counseling program known as SCORE, using the volunteer services of retired businessmen, is also available. If anything, there are more such volunteers than can now be used. For some of these volunteers, such as CPA's, it is expected that the initial relationship with an assisted businessman can grow into a paying client arrangement later on.

Somewhat broader technical assistance is given new business opportunities which have been researched and developed by a major company like Eastman Kodak or Xerox.

For example, in the case of a plastics products company, Kodak did the basic feasibility studies and is now providing in its own facilities the technical training on plastics molding to the owner-operator of the business (who was formerly a chemist at Kodak). In this case, Kodak and the new businessman involved have planned an entire course of technical and business training which Kodak will provide free of charge. The trainee is paid a salary during this process by his own company, which has already been funded and has working capital, although it is not yet operating.

In another case, where the Rochester Urban League is sponsoring the formation of a new business which Kodak researched, the School of Business Administration of the University of Rochester is providing some of the business training.

3. Purchase commitments for products

An innovative type of assistance which is being provided through RBOC is the arrangement of industrial and other purchasing accounts for the products and services of assisted businesses. This kind of guaranteed market for a new or existing business is often the key to getting a project going. Over time, however, the assisted business is expected to branch out to other purchasers, some of which RBOC may help him find.

In many cases, the industrial purchaser will provide technical assistance to the supplier which acts as a kind of quality control for the purchaser. The purchasing arrangements are based on competitive prices—if any subsidy is involved, it comes through the provision of free technical assistance from the purchaser or RBOC to the producer which allows him to absorb higher startup costs without sacrificing competitive pricing.

4. Research in new business opportunities

Thus far, all the established corporations represented on the RBOC Board of Trustees have been asked to examine their purchasing requirements to find possible markets for inner-city suppliers, and most of the new business opportunities developed by these corporations have been based on such a potential purchasing arrangement. RBOC plans shortly to set up a marketing committee which will distribute to the established business community a list of the products and services offered by RBOC-assisted firms in an effort to further strengthen the market for these firms.

Operating procedures

Since RBOC presently has a staff of only three persons—including John Blake, his accounting-trained assistant, and a secretary—much of the actual case work is done on a volunteer basis by participating businesses and banks.

For applicants who come in for assistance on their own initiative—the referrals and "walk-ins"—RBOC staff does an initial feasibility check, often with the help of volunteer CPA's. After this basic data is prepared, the case is referred to the Business Development Committee of the Board of Trustees for a weeding-out process. Typically, the case will be assigned to a member of the Board, who, using the resources of his own firm as necessary, will do a more sophisticated analysis and market study. The Negro members of the Board of Trustees are particularly useful in providing information at this stage on the reliability of the applicant and on business conditions in the inner city.

Cases which pass this initial muster, together with the new business ideas which have been developed by established corporations, are then passed on to the Appraisal and Investment Committee where a further separation takes place and from which a project is taken to the banks for funding. These procedures are highly flexible and are varied on a case-to-case basis as the situation demands.

Brief examples of RBOC cases are set forth as Appendix E in order to better explain how the process works.

Community and government relations

RBOC's community contacts and relations have developed informally and by word of mouth. The only "formal" link with the inner-city community is through the membership on the Board of Trustees of several inner-city businessmen who are, themselves, involved with a number of community service groups. Through these men, and as a result of several newspaper stories which have appeared in the local press, the word has gotten around about the availability of RBOC services.

While no formal ties have been established with community groups, referrals are coming in from the local Urban League and the Human Relations Council; a meeting with local antipoverty agency officials is planned, although RBOC officials already feel they have as much business as they can handle.

Perhaps because of the lack of a formal liaison with community groups, some elements—notably the FIGHT organization—are said to feel that RBOC is a creature and tool of the big corporations. FIGHT would prefer a community development corporation which is inner-city owned and managed and which serves to establish larger manufacturing enterprises which were employee-owned, but thus far FIGHT has not actively opposed RBOC projects.

In fact, FIGHT and the Xerox Corporation in July invited RBOC to participate in establishing a manufacturing company which is being funded in major part by a federal grant under the JOBS (MA–3) program of the Department of Labor (see Appendix E).

Governmental involvement at the state or local levels has been virtually nonexistent, and seems unnecessary. The Federal Government, through the SBA, has been involved as a partner in many of the financing arrangements worked out by RBOC, and an SBA field representative spends one day a week in Rochester working with RBOC clients and referrals (he also spends a second day in the Rochester Chamber working with the public at large). University involvement has thus far been relatively slight, and could probably be expanded.

PROGRAM EVALUATION

Key factors in success

The single greatest success factor in the RBOC equation has undoubtedly been the participation of the business community, including its leading figures, from the very outset. These men have brought their own prestige—and the reputations and resources of their companies—into the effort in a sufficiently massive way to allow RBOC to overcome its problems as they come along. Particularly important in this regard have been the willingness of top business figures to take a leading rather than a supporting role, and their willingness to deal with RBOC affairs themselves rather than delegating problems and attendance at meetings to company subordinates.

A second key factor is the use of the corporate purchasing device which provides the inner-city businessman with a sure market during the initial start-up period and helps him to get bank financing. This device is particularly effective where it is coupled with a kind of on-the-job training for the entrepreneur in the plant of his purchaser-sponsor. This gives the purchaser a built-in quality control and offers the new operator a type of intimate technical and management training that probably cannot be duplicated by the use of volunteers on the basis of a few hours a week.

Other key factors enumerated by different participants are: the involvement of inner-city businessmen on the Board who evaluate

applicants and ideas on the basis of direct experience; the fast start which RBOC got by using initial donations to complete action on several cases within a few weeks of opening its doors (this was thought to have convinced the Negro and business communities that RBOC was a serious effort and to have helped in the solicitation of funds); the large resources of volunteers willing to provide technical assistance; and a press policy of not overplaying initial results or of soliciting applicants before the Corporation was ready for them.

Problems

There have really been no major problems as yet which could not be worked out as the Corporation grew. One potential difficulty is the matter of community relations, especially with the FIGHT organization, but the business community seems largely agreed that the initial decision to exclude FIGHT from the Board was sound, and that the project would not have got going so fast had it been forced to negotiate complex problems of community representation and ownership. As RBOC gets into more equity financing and becomes a part owner of more inner-city businesses, further community relations problems may arise. Other communities may have to handle this matter differently, depending on local factors.

One problem which has already arisen is the difficulty in finding capable inner-city people with the basic qualifications to become entrepreneurs. There are probably more business ideas than eligible businessmen at this point, and training efforts may have to be intensified.

Also, there is said to be a need for RBOC to have more technical staff familiar with bank and SBA requirements, to analyze applicant businesses, although this has been handled initially by personnel from banks and corporations. This "problem" may, in fact, be an important strength in that it makes regular involvement—and communications—with key leaders necessary.

There is also some feeling that RBOC, in giving direct loans itself, is not now getting maximum leverage from its own funds, and that it should take advantage of funding under the SBA development corporation or investment company programs; further study is going on in these areas.

Transferability

There is wide agreement that the RBOC idea is completely transferable to other cities, although each community would obviously have to accommodate the model to suit local variations. Rochester has a particularly cohesive and well-organized business community, and also has a strong industrial base which provides a market for the products of inner-city businesses. These elements are present to a sufficient degree in most areas to allow a similar project to go forward.

Key contacts for additional information

Mr. John L. Blake, General Manager, Rochester Business Opportunities Corporation, 55 St. Paul Street, Rochester, New York 14604.

Mr. Worth D. Holder, Executive Vice President, Rochester Chamber of Commerce, 55 St. Paul Street, Rochester, New York 14604.

Mr. Robert E. Patricelli, Minority Counsel, U.S. Senate, Subcommittee on Employment, Manpower, and Poverty, Room 326C, Old Senate Office Building, Washington, D.C. 20510.

Miss Patricia A. Goldman, Research Associate, Economic Opportunity Programs, Chamber of Commerce of the U.S., 1615 H Street, N.W., Washington, D.C. 20006.

APPENDIX A

(Omitted for purposes of brevity; see CONGRESSIONAL RECORD of November 29.)

APPENDIX B

RBOC BOARD OF TRUSTEES

Peter Barry, president of Monroe County Savings Bank and former Mayor of Rochester;

Orrin K. Carhart, executive vice president of Carhart Photo, Inc.;

Howard F. Carver, president of Gleason Works;

Clayton J. Cottrell, manager of reproductions and presentations for General Dynamics/Electronics;

Wilmot R. Craig, chairman of Lincoln Rochester Trust Company;

Ruben K. Davis, attorney, former City Court judge, and City Commissioner of the Department of Buildings and Property Conservation;

Francis E. Drake, Jr., president of Rochester Gas and Electric Corporation;

Dr. Louis K. Eilers, president of Eastman Kodak Company;

J. Wallace Ely, president of Security Trust Company and Rochester Chamber of Commerce president;

Joseph A. Gioia, secretary-treasurer of Alfonso Gioia and Sons;

James Greene, proprietor of Greene's Beauty and Barber Supply;

Gordon L. Kelso, independent insurance agent;

Andrew A. Langston, special agent for the Prudential Insurance Company of America;

William J. Maxion, president of The Cast-Hoyt Corporation;

Russell C. McCarthy, retired general manager of the Industrial Management Council;

C. Peter McColough, president of Xerox Corporation;

Brendan Meagher, partner of Price Waterhouse and Co.;

Allen H. Neuharth, executive vice president of the Gannett Co.;

Luis Ramos, grocery store owner;

Max M. Schwartz, president of Quality Mart;

F. Ritter Shumway, chairman and chief executive officer of Ritter Pfaudler Corporation;

Mrs. Harry Smith, restaurant proprietor;

Claude E. Tarver, Defense Supply Agency quality assurance representative at Stromberg Carlson Corp. and president of Clay-Cyn Corp. which owns and operates Ebony Press and other business enterprises;

Mrs. Kathryn Terrell, owner-operator of Kathryn's Beauty Bar;

Robert Tucker, president of Rochester Polychrome Press, Inc.;

Gaylord C. Whitaker, chairman of Graflex, Inc.;

George R. Williams, president of Marine Midland Trust Company of Rochester;

Philip Ziegler, general manager of Rochester Products Division of General Motors Corporation.

APPENDIX C

ROCHESTER BUSINESS OPPORTUNITIES CORP. STATEMENT OF OPERATING POLICY, FEBRUARY 19, 1968

Rochester Business Opportunities Corporation (RBOC) was formed to promote and encourage independent business among the people of Rochester's inner city.

It is governed by 28 trustees, 6 of whom are officers as well as members of RBOC's executive committee. Other committees of trustees are responsible for examining certain matters and recommending appropriate action. A general manager is employed full time to coordinate operations.

RBOC assistance to inner city enterprises is four-fold:

(1) Financial—by referral and recommendation or guaranty, RBOC helps the inner city small businessmen to borrow capital from local banks and government agencies. In certain cases, it also can help directly from its own treasury, subscribed by the community.

(2) Advisory—technical, managerial, and all other kinds of business talent are available from Rochester's business community. RBOC's roster of those willing to help can match advisers with those seeking advice.

(3) Buying—wherever possible established businesses are asked to be customers for the products or services of the inner city businesses helped by RBOC.

(4) Business opportunities—by seeking opportunity for business and by finding people who could profit from that opportunity.

RBOC counsel; it does not control.

RBOC strives to assist existing inner city businesses as well as those just beginning. Its help is offered whether the business be in manufacturing or service. Its hope is for ownership in each business by those who work there.

All agencies of the community are invited to work with RBOC, to contribute their ideas, and to carry its message and meaning to all who might profit thereby.

APPENDIX D

ROCHESTER BUSINESS OPPORTUNITIES CORP.,
Rochester, N.Y.

DEAR ———: As you know, Rochester Business Opportunities Corporation (RBOC) is now a going organization ably managed by John Blake as General Manager, with an office at 55 St. Paul Street (off the front lobby of the Chamber of Commerce building).

At the luncheon meeting held on March 25th, a cross-section of the area's business community evidenced cooperation in RBOC's worthy objectives. The basic purpose is to help minority groups establish, or expand, needed businesses in the inner-city. In addition to providing employment, those involved will gain first-hand experience in the problems of managing and operating today's businesses.

Qualified businessmen have volunteered to perform an advisory role, and representatives of our banks will cooperate in making loans, even though the risks are greater than usual.

The existing industrial and business community, and others, are urged to contribute to a fund totaling $250,000.00, to be used in guaranteeing these loans and meeting the costs of operating RBOC. After a careful analysis of different approaches to the matter of a "formula for giving", we have arrived at the conclusion that a contribution of "$2.00 per local employee" would be equitable for most businesses.

If such an approach constitutes a hardship on your firm, let your conscience be your guide, but please be as liberal as you can—realizing that the whole project is basically enlightened self interest. Your contribution will be deductible as a business expense.

Within the next few weeks you will be contacted in person by one of the trustees of RBOC regarding our efforts to raise $250,000.00 from the community. Our plan is to complete the fund raising activity by April 30th.

In the meantime we appreciate your cooperation in considering this appeal.

Sincerely,

C. PETER MCCOLOUGH,
Chairman, Finance Committee.
WILLLIAM J. MAXION,
President.

ROCHESTER BUSINESS OPPORTUNITIES CORP.

I wish to support the program of Rochester Business Opportunities Corporation
Name ----------
Signature ----------
Address ----------
---------- ------ Check ------ Bill
I will contribute ----- ---- Attached ---- Me
Pledge obtained by: ----------

APPENDIX E

RBOC CASE EXAMPLES

1. Ben's Esso Service Station

Ben Miller, manager, is a father of nine children who had previous experience operating a station in Savannah, Georgia, before he moved to the Rochester area several years ago.

Recently he noticed a boarded-up gas station at the corner of Joseph Ave. and Kelly St., but he was unable to satisfy the franchise requirements of the Humble Oil Co. which owns the site because of his poor credit rating and his lack of capital.

RBOC determined the practicality of the station and, with the help of a "resource" person who had operated two service stations for many years, determined what initial equipment would be needed. An arrangement was made between RBOC representatives and the Humble (Esso) Oil Co. whereby the company agreed to extend $4,500 credit with RBOC the guarantor. RBOC also provided an additional $1,500 for operating capital and outstanding obligations.

It was also arranged for Mr. Miller to attend a five-week training session at the Humble Oil school in Buffalo, N.Y.

He now employs five workers at the station and he insists on repaying his initial loan at a rate above that which was stipulated in the original agreement.

A grand opening celebration is scheduled for Friday, June 21. Mr. Miller's business is the first *new* business sponsored by RBOC.

2. Camura Incorporated

This endeavor has been approved by RBOC and funds have been committed to its operation which will soon commence. Known as Camura Incorporated, this business will perform repair service for Eastman Kodak Company's 100, 104, Hawk-Eye F, and R–4 cameras. The annual volume of repair work on these cameras is nearly 45,000.

According to a recent report prepared by the Urban League of Rochester, Inc., cosponsor of the camera repair and initial owner of all stock, Kodak will commit itself for a period of one year commencing after the inception of the new business's operations to purchase repair service at a price of $2.65 for each camera repaired.

On March 8, 1968, a certificate of incorporation was filed under the New York State Business Corporation Law which specifies Camura's primary legal purpose to be:

"To test, repair, service and assemble cameras, photographic instruments and accessories, and other durable goods of any nature or kind and to purchase, sell, let, import, export and generally deal in all parts and supplies for the same."

Initially the business will employ a supervisor-manager who will also be president, and a clerk and eight servicemen.

Forty-thousand dollars is necessary to put this business into operation. Of this amount, RBOC provides $7,000; Urban League, $1,000; Small Business Administration, $24,000, and Lincoln Rochester Trust Co., $8,000.

3. P. A. Plastics, Inc.

Under the presidency and managership of Frank E. McElrath, an organic chemist employed by the Eastman Kodak Company, P. A. Plastics, Inc. will manufacture vacuum-formed thermo-plastic parts for local and out-of-town manufacturers which include the Kodak Park Works.

This inner-city business will be established as a "job shop" designed for short runs, and will be capable of making its own patterns and fixtures.

According to Mr. McElrath, the company should be very competitive in product runs up to 1,000 pieces.

Production is scheduled to begin in November. Five persons, including Mr. McElrath, will be on the payroll. And, as manufacturing volume increases, additional personnel will be added. It is estimated that during the fifth year of the business's operation about 20 persons will be employed in manufacturing products valued at $425,000 yearly.

To begin this undertaking $100,000 is necessary. Of this amount RBOC has put up $20,000; Mr. McElrath, $5,000, and the Central Trust Co., $75,000, SBA to guarantee 90 percent.

4. FIGHTON

RBOC has been asked to participate in the establishment of FIGHTON, a manufacturing enterprise that will employ about 100 inner-city residents.

FIGHTON will be owned and operated by inner-city people. Fight, Inc. will be responsible for staffing and control of the enterprise. The Xerox Corporation will assist in training the management and production workers of FIGHTON, and it will provide technical and managerial support and counseling. In addition, Xerox Corporation will guarantee in excess of half a million dollars in annual purchases, of metal stampings and electrical transformers to be produced by FIGHTON.

RBOC's role will be to acquire and renovate the building, assist FIGHTON in expanding the market for their products, and may participate with a local bank in making working capital available.

The firm will receive in excess of $400,000 from the United States Department of Labor, pursuant to a contract under the JOBS (Job Opportunities in the Business Sector) program.

STATE-FEDERAL PROGRAMS OF MEDICAL ASSISTANCE TO THE NEEDY

Mr. MONRONEY. Mr. President, last week the Senate approved an amendment to H.R. 2767, offered by the junior Senator from Louisiana [Mr. LONG], that would have a disastrous effect on the joint State-Federal programs of medical assistance to the needy.

The amendment would cut by a substantial amount the Federal contribution to States for medical aid programs. In my own State, the amendment would reduce the Federal contribution from 69.61 to 48.46 percent of program cost.

Last year, the Federal share of the Oklahoma medical program amounted to $9.57 million, out of a total of $13.7 million. This program provided medical assistance for 27,593 needy Oklahomans.

The amendment of the Senator from Louisiana [Mr. LONG] would cut the Federal contribution from $9.57 to $6.67 million, requiring an increase of nearly $3 million in State funds to maintain the Oklahoma medical assistance program at its present level. No additional State funds are available this year for this purpose.

Such a sudden cut in Federal funds without adequate time for State governments to raise funds from other sources could only result in the diminution of medical assistance to thousands of Oklahomans and millions of Americans in other States who desperately need the medical care provided by these programs.

The prospect of such a reduction caused a special committee of the Oklahoma Legislature to meet today to consider the threat to the health and well-being of Oklahoma citizens posed by the Long of Louisiana amendment. I believe that the amendment is unwise and unsound and certainly unfair to State governments whose medical programs have been based on the Federal contributions planned for this fiscal year.

H.R. 2767 has been placed back on the Senate Calendar. If it is called up for consideration again this year, I strongly urge the Senate to reconsider its previous action and delete the Long of Louisiana amendment from the bill.

CARL R. LEMKE, WACO, TEX.

Mr. TOWER. Mr. President, on October 12, 1968, the Waco Red Men's Lodge will honor the Honorable Carl Lemke with a testimonial banquet. In recognition of his outstanding life and service, I wish to pay tribute to him on the floor of the Senate today.

I know that Mr. Lemke's friends in Waco and throughout Texas have been influenced by his dedicated and purposeful life. A fitting tribute to Mr. Lemke is for all America to know of his accomplishments. I therefore ask unanimous consent that a biography of Mr. Carl Lemke be printed in the RECORD.

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

CARL R. LEMKE: PATRIOT, GREAT AMERICAN, DYNAMIC LEADER, VIGOROUS EXPONENT OF THE AMERICAN WAY OF LIFE

Carl R. Lemke was born in Waco, Texas on January 17, 1894 the son of Julius and Olga Lemke. Educated in the Public Schools of Waco. Joined his father as a young man in the theatre business and continued in that business until 1958. Married Nina Smith Beatty November 30, 1914. They have two sons, Julius of Waco and Calvin of Ruston, Louisiana.

Was Master of his Masonic Lodge in 1947–1948.

Carl Lemke, an individualist—never ready to follow the crowd, until he is convinced that they are going the right direction. Always ready to destroy "false gods" and wrong thinking. Yet just as ready and anxious to join and assist in all forward looking, progressive ideas.

A dynamic leader—a true patriot and one of America's leading exponents and examples of true devotion and leadership in the American Way of Life.

Joined the Red Men in Waco, Huaco Tribe No. 48, March 12, 1922. Elected Sachem 1923. Became Chief of Records of Huaco Tribe 1923.

Entered the Great Council of Texas in 1924. Elected Great Sachem 1929. Resigned Great Sachem in 1930 and was elected Great Chief of Records of the Great Council of Texas 1930.

Entered the Great Council of the United States 1934. Elected Great Junior Sagamore 1952. Elected Great Senior Sagamore 1954. Elected Great Incohonee 1956.

Elected Great Chief of Records of the Great Council of the United States 1960.

REVIEW OF HALLUCINOGENIC DRUGS

Mr. RIBICOFF. Mr. President, the problems of LSD and other hallucinogenic and dangerous drugs were a matter of great concern to the late Senator Robert Kennedy.

During the 89th Congress, he was acting chairman when the Subcommittee on Executive Reorganization held hearings on the problems of LSD.

Due to his death, he was unable to complete this work.

However, the Subcommittee on Executive Reorganization has continued working in this area. We expect to file a report on these hearings very shortly.

In the meantime, I want to apprise

Senators of our activities in this area and recommendations they may expect in the report.

Our experience with LSD has taught us an important lesson: there is no wall separating the general public and the research scientists.

An open society contains too many channels of communication and distribution to confine knowledge and use of mind-altering drugs to a select few.

We live in an era when many people—young and old alike—seek immediate release from the pressures and anxieties of their lives.

Control of mind-altering drugs is likely to become even more difficult in the near future. Witnesses estimated that in the next 10 years alone, there will be a hundredfold increase in the number and types of drugs capable of affecting the mind.

These developments will confront us with extremely complex scientific and moral questions.

The LSD experience, with its tragic consequences for so many young people, has dramatized the need for sound and reliable information about all the implications of any new development in the area of hallucinogenic and other dangerous drugs.

But we must do more than improve our knowledge about the pharmacology of a drug and its use in the laboratory environment.

We must learn what is likely to happen when any drug is used in a nonlaboratory situation, who is likely to use the drug, how the drug becomes available for misuse, and how we can prevent this abuse.

Accordingly, the report will recommend a full review of our national policies, research programs, and regulatory procedures relating to hallucinogenic and other dangerous drugs.

In all these areas, special concern must be given to our young people.

In the past 3 years a significant number of them have experimented with LSD and similar drugs.

Their use of these drugs manifests more than youthful curiosity. It denotes at least a temporary withdrawal from the responsibilities of organized society.

Preventive and punitive measures must be taken to halt the illicit drug traffic. But these actions alone are not a long-term answer to drug abuse.

Society must channel the tensions, pressures, and anxieties which young people feel into constructive alternatives.

Drugs are no answer to today's problems, especially for the Nation's youth.

Young people must be shown that the challenges and rewards of involvement in the real world are more satisfying than the isolation of the world of drugs.

Some despair over what they call the plight of our younger generation. I have confidence in our young people.

Our young people have great talent and energy. They can be a potent and constructive force to help build a better nation and a better world. Our country has no stronger resource than its youth.

Finally, the problem represented by LSD is not new. It is as old as the relationship of government and science. Each new discovery tests the ingenuity of society to guide the results of invention into useful and constructive paths.

This is a test of men as well as institutions. If we are to master the sometimes menacing product of our increasing scientific knowledge we will need flexible institutions, led by men who can weave the delicate thread that links freedom of inquiry for the individual scientist with enlightened regulation in the public interest.

CRITICAL PROBLEMS OF AIR TRANSPORTATION

Mr. PERCY. Mr. President, the critical problems in air transportation that confront us as a nation were dramatically illustrated last summer by the sudden reduction in aircraft landing and takeoff operations at our major airports. "Operation Safety" was the name given to this concerted activity by the aircraft controllers who effected a huge aerial traffic jam by the simple means of enforcing existing FAA regulations on the separations required between airborne aircraft.

F. Lee Bailey has written an excellent article published in This Week magazine in which he outlines the great public service done by the controllers in bringing to public attention the problems that lie at the heart of our air transportation problems. I ask unanimous consent that it be printed in the RECORD.

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

BETTER LATE THAN DEAD

Suddenly this summer the planes stopped flying. At most of the major air terminals in the United States, air traffic either was grounded or seriously delayed. Passengers circled for hours over the major cities, over the Rocky Mountains and out over the Atlantic and Pacific Oceans.

The wealth of the world—cameras from Germany, wigs from England, shoes from Italy, radios from Scandinavia—lay on the ground at the great airports. Even more important, tens of thousands of bewildered passengers milled about helplessly. They growled and they grumbled—when they *should* have been offering a prayer of thanks. For, "trapped" on the ground as they were, they were *safe*.

Hundreds of these "victims" of the great tie-up might have perished in a colossal mid-air collision between two big airliners. Thousands more on the ground might have been killed or maimed if the flaming wreckage had showered down on a heavily populated city or suburb.

One of the reasons no collision occurred is that the Federal Aviation Administration's air traffic controllers took a long look at safety and decided the time had come to sharply curb dangerous practices that have been used in recent years to handle overflow traffic. Their decision, coming as it did at a time when air traffic bulged with summer travellers, had an impact that no one will soon forget.

The average passenger assumes his airline crew—captain, co-pilot, flight engineer and stewardesses—is solely responsible for moving the airplane. He might well ask, "Who is an air traffic controller?"

A LIMITED VIEW FROM THE COCKPIT

Certainly our airline crews are superb, capable of finding their way to any spot in the world without help from the ground. But, ironically, because the visibility from the cockpit is frequently zero, there is no way for the pilot to see another airliner flying just a few hundred yards away.

The air traffic controller is the man responsible for what is called "separation." (Indeed, in Australia, air traffic controllers are called "separators.") From his position in the control tower or over a radar scope, he watches every airplane in his vicinity. His job is simple to define: *Make sure that no two airplanes ever get to the same spot at the same time.*

This is perhaps the most complex and relentless job in the world today. In the last five years, air traffic has doubled. It would double again in the next three—except that we can't handle the air traffic we have now. New airliners are put into the system every day. Many new private planes are built every day. This tremendous growth has left far behind any corresponding increase in airports, air traffic controllers or radar facilities. Indeed, from 1963 through 1967, while air traffic increased by 80 per cent, *no* air traffic controllers were hired!

The result has been a dramatic increase in the work-load of our controllers. Confronted with as many as 106 planes in the air at one time over a busy airport like Kennedy in New York, a "gung-ho" controller would meet the challenge by winking at FAA safety regulations.

These regulations state that planes in flight, when within 40 miles of an airport traffic pattern, must stay *at least* 1,000 feet, vertically, from the next plane, and keep *at least* three miles between planes. This works out, for jets in clear weather, to about two minutes apart on landings. Remember, this is the *minimum* recommended safety distance—with certain types of slow-landing planes such as private craft or air taxis, and under certain types of poor weather conditions, it could be longer.

But in order to handle the traffic at peak periods—say, around 8 a.m. and 5 p.m., when everybody seems to want to take off or land—controllers began cutting the three-mile gap between landings. At Kennedy, for example, it frequently got down to two or less. The FAA repeatedly "advised" controllers to adhere to the official regulations, but what was a conscientious operator to do—leave those planes and passengers up in the sky while tempers shortened and fuel supplies dwindled? Send some of them along to another, less busy, airport perhaps hundreds of miles away? Pass the word back to the airports from which they were departing, calling for a slowdown in takeoffs there?

The controllers' pride made them reluctant to do any of these.

Instead, quietly and with no official word, they moved more and more airplanes faster and faster. But the faster they moved them, the more their pressure performances were taken for granted. Airlines scheduled more peak-period flights. The peak periods grew longer and longer.

Controllers were put on six-day work weeks and 10 to 12-hour days, often going for hours on end at a control position without so much as a sandwich. Because they were young men who could take a great deal of punishment, they absorbed the first few waves of overload without breakdown or complaint.

But they could see what they called "the gathering storm." They knew that they were burning out much too rapidly, that at age 40 they were going swiftly downhill. They knew that ulcers were running high, that tranquilizers were being consumed by the gross, that hair was turning gray overnight and that, among them, men in their 30s were having heart attacks from the incessant strain.

A CONTROLLER IS ALWAYS ON THE JOB

Virtually all of the more than 2,000 airliners at work today fly under positive control—from the ground—at all times. When an airliner leaves the gate, a *ground* controller directs it to the runway; a *tower* controller clears it for take-off and turns it over to a *departure* controller who picks it up on radar and directs its climb-out to a higher

altitude. It is then "handed off" to an *en route* controller at one of our 28 radar centers in the United States. Each center is broken into many sectors; each sector is *supposed* to be manned by two controllers, one directing the airplane and one acting as a "hand-off man." On approach and landing, the same controls are exercised—in reverse order, of course.

Thus a plane flying six hours, from coast to coast, passes through 40 or 50 air traffic controllers who are directing it every mile of the way. And many of these men—against their better judgment—were beginning to cut corners in a dangerous way.

Their cries and warnings to Washington were unheeded (*see "Crisis In Our Skies" by Evan McLeod Wylie,* THIS WEEK, *October, 1967*). A country wrapped up in a hated war and plagued with strife-torn cities did not hear or understand what they were saying. It did not realize that, even though it had the best and safest airplanes built and the finest crews in the world, the limitations in the growth of its air network were on the ground.

Early this year, a group of top notch air traffic controllers from the New York area met and decided that unless they themselves took some kind of action, conditions might well deteriorate to the point where a giant collision would be impossible to avoid. They formed the Professional Air Traffic Controllers Organization—PATCO for short—and set out to examine the traffic conditions throughout the United States. Their membership grew very rapidly because controllers everywhere felt the need for a sharp improvement in the area of their greatest concern—safety in the skies. In Chicago, at PATCO's first convention, Chairman Michael J. Rock assigned five members of the board of directors to formulate some policy which would call a halt to any dangerous practices that the committee might find to exist.

After painstaking study and interviews with delegates from every major control facility in the country, the safety committee proposed that restrictions be put upon the traffic flow. The formula decided upon was a simple one:

Follow the FAA regulations to the letter; give every airplane the separation its pilot has the right to expect; and stop cutting corners.

This policy was made public on July 3, and communicated to controllers everywhere.

PATCO officials say that what happened, next, at Kennedy also happened at Los Angeles, Chicago, Atlanta and other major airports they surveyed. Controllers began to adhere strictly to the three-mile gap between planes. Figure it out for yourself—under the stepped-up pace, a 21-mile "trail" of air space held 10 planes; now it held seven or less. One third of all the planes that *had* been landing were now left circling in the sky, or stalled back at their take-off point, or were being diverted to some other airport. A gigantic national air traffic jam!

If, as some government officials still like to insist, there had been no violations of the rules in the past, this policy—called "Operation Safety" by the controllers—would not have had any noticeable effect. But the devastating impact that it did have upon traffic at major terminals is now history, and solid evidence that something was very, very wrong!

At first it was thought that the controllers were staging a deliberate slowdown in order to win an increase in pay. Teams of investigators from Washington quickly determined that there was no slowdown at all, but that traffic was moving just as fast as the rules would permit. Disgruntled passengers and public officials, inconvenienced by long delays both on the ground and in the air, began to demand some answers. What they found has left many with the feeling that the air traffic system is the victim of gross neglect.

EXTREMELY DANGEROUS SITUATION

In the words of Senators Thomas McIntyre of New Hampshire, "The members of PATCO found a far better method of bringing public attention to an extremely dangerous situation than by accepting the inevitability of an air catastrophe. The small and dedicated group of Air Traffic Controllers accomplished something that neither the government with all its power, nor the airlines with all their influence, could or would accomplish by themselves.

"With *Operation Safety,* which is nothing more than strict observance of the legal, minimum separation of aircraft, both during flights and during the approach and takeoff patterns at airports, the airlines were forced to reschedule their flights."

Now that the problem has surfaced and has captured public attention, what can be done? Must our great cities be strangled because the public cannot reach or leave them by air?

Sadly, no matter how much money is poured into the system, there will be no substantial relief for several years. Airports which should now be under construction are not even in the planning stages. Air traffic control trainees being hired will not be ready for two, three, or four years. Radar and computers that could greatly relieve problems of congestion and increase air safety are still the subject of experimentation and will not be in service until the early 1970s. It is inevitable that during the next few years, while we try to catch up, there will be less passenger seats available than the country needs.

Some partial relief can be gotten from controlled scheduling within the airlines. Scheduling at the moment is not controlled by anyone, and profit-conscious airline executives tend to plan more flights at peak hours than the controllers can possibly handle, thus assuring delays in many areas. By using each facility at its maximum capacity throughout the 24-hour day, *some* additional airplanes can be accommodated. The controllers are now hard at work with FAA executives, pilots and others in the industry to improve the existing system as much as is possible.

While they deliberate, Alan S. Boyd, Secretary of Transportation, has issued a warning:

If the industry doesn't take steps to eliminate some of its peak-hour flights until such time as our airports can handle them with safety, the federal government may step in and do it for them.

But until public outcry succeeds in winning from the Congress a stepped-up effort to overhaul the system and furnish a realistic budget, the growth of our air traffic must be stymied. Every pilot knows that if he should make a serious mistake, not corrected by his co-pilot, all aboard his airplane will perish. A controller knows that if *he* makes a serious mistake, not one but *two* airplanes will crash! If he can't guarantee that you will have a safe ride because of traffic congestion, he has no choice but to leave you on the ground until it clears.

Nobody likes to be late, but everybody—or so the controllers believe—would rather be late than dead.

AGRICULTURE GAINS WITHOUT USE OF BRACEROS

Mr. WILLIAMS of New Jersey. Mr. President, when Congress allowed Public Law 78, the so-called bracero law, to expire in December 1964, a misguided few claimed that California agriculture would collapse.

Once again, I want to assure Senators along with the distinguished Members of the House—that this gloomy prediction did not materialize. It was 180 degrees wrong.

In fact, all persons involved—farmworkers, agricultural employers, and consumers—have profited from the wise and humane decision of Congress to end this infamous and unjust alien-importation program.

The farm labor situation has developed so smoothly since 1964 that Secretary of Labor Willard Wirtz has reported that California will not require any foreign-contract farmworkers for all of 1968.

It is of great historical significance that this will be the first year since 1942 that California crops have not employed foreign contract workers. From a peak of over 100,000 Mexican nationals a season that labored in the fields, the number of braceros dropped to 25,000 in 1965, 9,000 in 1966, and 5,900 last year.

In the nearly 4 years since the end of the bracero program, domestic farm employment and wages have moved significantly upward, and farm production has shown impressive gains.

This progress for domestic workers and for farmers stands as powerful testimony to the wise decision of Congress to end the mass importation of foreign workers and bring agriculture one step closer to the mainstream of our economic life.

So that every Senator might understand more fully the significance of America's new farm labor policy, I ask unanimous consent that the press release of Secretary of Labor Willard Wirtz be printed in the RECORD.

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

NO FOREIGN CONTRACT WORKERS WILL BE HIRED FOR CALIFORNIA CROPS IN 1968, WIRTZ REPORTS

Labor Secretary Willard Wirtz today said that "not a single foreign contract worker will be employed in California crops in 1968."

This will be the first year since 1942 that the California fruit and vegetable crop has not used foreign contract field hands, Mr. Wirtz said.

"The absence of foreign agricultural workers in 1968," he declared, "represents an historic step toward healing the migrant worker sore in California and in the entire United States."

Mr. Wirtz reported that the spring of 1968 marked the first spring in 27 years that there were no temporary foreign farm workers admitted anywhere in the U.S. for employment.

Last year, he noted, there were no foreign contract workers employed in California crops between January and late September. But by mid-October there were 5,900 working in the state's crops.

Secretary Wirtz said that the termination of Public Law 78 in December 1964 "signaled the eventual demise of the century-old practice of importing foreign farm laborers to the U.S.

"What has happened in the 4 years since the end of this infamous program," he said, "represents an impressive story of progress for domestic farm workers in the State of California."

Mr. Wirtz cited these "heartening developments" since the termination of the mass importation of foreign agricultural workers in California:

A 15.5-percent rise in man-months of domestic farm employment between 1964 and 1968: from 801,000 to 925,000 for the first 8 months of each year. During this period, foreign agricultural employment dropped from 190,000 to zero man-months.

25.2-percent rise in hourly farm wage rates (without room and board) between 1964 and 1968: from $1.35 to $1.69 an hour.

Secretary Wirtz said that in every month of 1968 employment among domestic seasonal farm workers in California has topped employment for these field hands in the 1959–64 period, the last 6 "bracero" years.

In August 1968, he said domestic farm employment in the state reached 168,600, compared with an average of 130,600 for the month in the 1959–64 period.

He gave these month-by-month comparisons showing an increase in domestic farm employment between 1968 and the average of the 1959–64 period:

July, 131,300 to 123,400; June, 144,300 to 126,700; May, 136,100 to 114,000; April, 92,700 to 70,100; March, 79,300 to 56,100; February, 85,900 to 66,300, and January, 87,300 to 79,600.

Despite the increase in farm wages over the past 4 years, the U.S. wholesale price index for fresh and dried fruits and vegetables was lower this July than it was in July 1964, he said.

In July 1968, the wholesale price index for these commodities was 108.2, compared with 108.9 in July 1964, the last year of the mass importation of foreign workers in the U.S.

It is apparent from this, he said, that wages play a small part in determining the prices farmers get for their produce. Increases in retail prices are largely the result of increased processing and distribution costs.

The Secretary also cited "very impressive" increases in the production of several former bracero-using crops between the 1960–64 period and 1968, showing "progress for California farmers."

He pointed out these production gains in former foreign-using crops between the two periods (1968 data is preliminary or indicated):

Tomatoes for processing—up 59.1 percent; strawberries—up 29.8 percent; lettuce—up 27.3 percent; celery—up 12.3 percent.

PROGRAMS FOR NEGRO HISTORY, CULTURE, AND EDUCATION

Mr. SCOTT. Mr. President, in February of this year I introduced a bill to establish a Commission on Negro History and Culture which would coordinate the task of researching, preserving, and disseminating information about the black American's influence upon our society. This proposal has made good progress through Congress. The companion bill (H.R. 12962) passed the House of Representatives. The Senator from Rhode Island [Mr. PELL], chairman of the Special Subcommittee on Arts and Humanities, conducted hearings on my bill, S. 2979, in July and reported it to the Committee on Labor and Public Welfare. It must not rest there, Mr. President. It is my sincere hope that the Committee on Labor and Public Welfare will take action on S. 2979 before the end of this session.

As each day passes, it becomes increasingly evident that the academic community, whose role, after all, is inherent in the Commission on Negro History and Culture, is eagerly awaiting its establishment. Last Friday, when I addressed the Senate on this subject, I said I was encouraged by the stirring within the academic community toward teaching black history. Academic institutions such as the National Endowment for the Humanities and the American Association of State Colleges and Universities are rousing activity in the area of ethnic teaching and knowledge. However, the overview of the task of researching, preserving, and disseminating information about the role of the black American in history shows that this beginning can be greatly spurred by the Commission on Negro History and Culture.

The National Endowment for the Humanities has awarded grants for two Pennsylvania programs: a series of four broadcasts on "The Black Man's Search for Self Through the Arts" to be presented over WQED in Pittsburgh; and a special humanities course at the Camp Hill Reformatory in Pennsylvania being organized by the Pennsylvania State University.

I believe the Commission on Negro History and Culture can coordinate intercultural programs of foundations, educational institutions and the news media and further disseminate them.

The diversity of programs to forward intercultural education is very well illustrated in an article entitled "National Endowment for the Humanities Programs for Negro History, Culture, and Education." I ask unanimous consent that the article and a covering letter from Barnaby C. Keeney, chairman of the National Endowment for the Humanities, be printed in the RECORD.

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

NATIONAL ENDOWMENT FOR THE HUMANITIES,
Washington, D.C., September 25, 1968.

Hon. HUGH SCOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SCOTT: We have sent the attached article to directors of television and radio program series on Negro history and culture as well as to the Negro press. In view of your interest in the subject, we thought you might like to have a copy.

Sincerely,

BARNABY C. KEENEY,
Chairman.

THE NATIONAL ENDOWMENT FOR THE HUMANITIES PROGRAMS FOR NEGRO HISTORY, CULTURE, AND EDUCATION

When, in July of this year, Senator Claiborne Pell held hearings on a bill to "study the means by which all Americans can come to a better understanding of the contribution of the Negro to American life," it became clear that federal interest in this important but neglected field is increasing. This interest parallels efforts by television, radio, and academic institutions to assure that the important and extraordinary chapters of Negro history, so long withheld from students and public alike, will receive their deserved attention. No longer will Americans be denied knowledge of the victories, defeats, and perseverance of Negroes in their pursuit of equal justice and equal recognition. The movement to end this state of national ignorance comes from both the academic and lay sectors of the black community. Responses to this initiative have come from private organizations and the federal government.

One federal agency, the National Endowment for the Humanities has awarded a large proportion of its limited funds—nearly $1 million over the past two years—to projects which promote learning about the Negro and which support the present black generation's efforts to attain full participation in American society. Founded in 1965, the Humanities Endowment is one of the two branches of the National Foundation on the Arts and the Humanities. During its first two years of grant-awarding activity, it had a budget totaling approximately $8 million. For the present fiscal year, Congress has appropriated $3.7 million to it in program funds with an additional $.5 million available for matching private gifts to the Endowment.

The Endowment has sought to rebalance our historical perspective through grants for educational and public projects and through support of research. Among its awards for continuing education, the most important have been grants of up to $10,000 each to seven institutions for support of summer 1968 workshops designed to inform faculty members about materials available in the field of Negro history and culture. The institutions involved were Howard University, Morgan State University, Southern University, Boston University, Duke University, Fisk University, and Cazenovia College. The workshop at Southern University, located in Baton Rouge, Louisiana, concentrated on Negro literature, criticism, and art; the one held at Fisk centered on publications about the Negro in American civilization. Others dealt with library collections in the field, the place of Negro studies in the program of the two-year college, and assistance to those teaching American history. University Microfilms, a Xerox Company, cooperated in these efforts by providing bibliographic materials without charge for the participants' use. It is certain that the influence of the workshops will have a "ripple effect" throughout the nation's institutions of higher education. Already, Miles College in Birmingham, Alabama, the recipient of a planning grant of $18,470, is arranging to hold a summer institute in 1969 on the broad field of Negro history and culture for faculty members of the eight predominantly Negro Alabama colleges. A similar effort, on the secondary school level, will begin this fall in Baltimore. There, teachers from all the public schools together with representatives of the administration and faculty members from Baltimore institutions of higher learning will gather for nine sessions in which Negro history and culture will be discussed and appropriate teaching materials identified for the elementary and secondary school levels. The purpose of this program, whose Endowment support totals $9,970, is to provide teachers with knowledge and materials which they can coordinate with their regular history and humanities curricula.

While institutes and seminars of this type raise faculty and student interest in the study of Negro history and culture, the attainment of specific learning goals is hampered at present by too few books and monographs in the field. Since its inception, the National Endowment for the Humanities has allotted a portion of its funds for research fellowships and grants. Published together in a single volume, the topics of the recipients of many of these awards would constitute a significant contribution to the history of the Negro's experience in America. These titles include, "A History of the Negro Trade in Colonial America," "Southern Negroes, 1861–77," "Antislavery Legacy: From Reconstruction to the NAACP," and "A Chapter in the History of Negro Thought" (a study of the post-World War II period). Also, scholars are working on a biography of Richard Wright and an edition of the papers and correspondence of Booker T. Washington.

In addition to these awards for faculty institutes and support of research, the Humanities Endowment has granted funds to projects which in various ways contribute to student and public knowledge of the Afro-American experience. The Frederick Douglass Institute and Museum of African Art in Washington, D.C., has received $59,100 for support of its educational, library, and display divisions. Part of this sum permits the Museum to prepare traveling exhibitions of African artifacts and of objects illustrating American Negro art and culture. The grant also supports expansion of the Museum's art and photography collections. It should be noted that the award of these funds encouraged private sources to make very substantial contributions to the Institute. An award of $13,500 to the Great Lakes Colleges Association was, in part, used to sponsor a conference in Wisconsin on "The Role and

Nature of the Arts and the Humanities in the Inner City." These meetings resulted in a commitment on the part of each college involved to identify Negro artists and cultural resources in its community. (The GLCA member institutions are Antioch, Kenyon, Oberlin, Earlham, Wabash, Hope, and Kalamazoo colleges and Dension, Ohio Wesleyan, and DePauw universities.) Educational television station WQED in Pittsburgh has received $15,000 to produce four programs on "The Black Man's Search for Self Through the Arts." This series will explore the topic with reference to the black community of the city. DePauw University in Greencastle, Indiana, one of the previously mentioned GLCA members, is also the owner of a collection of 9,000 slides on African art. It has received an Endowment grant of $5,000 to prepare a syllabus based on this unique resource which will be used both there and at other institutions requesting it. Supporting yet another imaginative effort, the Endowment has awarded $46,774 in gifts and matching funds to the well-known Douglass House in the Watts neighborhood of Los Angeles. Founded by Budd Schulberg after the 1965 riot, it has developed a variety of art and education programs and has sponsored branch houses in other cities. Its members have produced three television shows on the National Broadcasting Company network. Finally, Spring Hill College in Mobile, Alabama, has received $12,000 to sponsor a project entitled, "Eye and Ear," College students there will work with youngsters from the inner city to produce short films, the best of which will be shown over a local television station.

The Humanities Endowment also places emphasis on the ward of grants to programs for students at all levels. Very young children will benefit from the "Children's Television Workshop." This is a series sponsored by the Endowment, the Carnegie Corporation, the Ford Foundation, the U.S. Office of Education, the Office of Economic Opportunity, and the National Institute of Child Health and Human Development. It will be broadcast over educational channels and will provide valuable learning experiences for youngsters of nursery school age. The programs will be particularly oriented toward the needs of inner-city children. In the District of Columbia, the Sidwell Friends School has organized a summer enrichment program in the arts and basic learning skills for elementary age pupils from the Washington public schools whose records show that they are in need of supplementary attention. The Endowment's commitment to this project over a two-year period has been $92,000 in gifts and matching funds. In Boston, the Council for Public Schools has organized a book project designed to encourage young children to read, enjoy, and own books. Through it, the Council believes it has found one way to overcome the reading problems common to children who attend crowded city schools. Because of funding limitations, these last two programs have been initiated on a pilot scale only. Their success, however, suggests that they should be duplicated in other cities. In New York City, a grant of $43,030 permits the Hunter College High School to formulate a new curriculum structured around the needs of the multi-racial population of the metropolis. A few miles up the Hudson river, Manhattanville College in Purchase, New York, is in its second year of an experimental program entitled "Project SHARE." Backed by an initial grant of $25,000 the college has accepted twenty-eight girls, Negro and Puerto Rican, from Harlem (the original location of the college) and has devised a special curriculum both for them and for regular Manhattanville freshmen wishing to participate in this educational venture. Stress is placed on making studies relevant to the political, social, and intellectual questions of the decade and field work is incorporated into all phases of the program. It is hoped that many of the SHARE students will wish to enter the teaching and social work professions. In conclusion, Endowment funds totaling $48,410 will be spent behind prison walls to bring a special humanities course to a group of boys at the Camp Hill Reformatory in Pennsylvania. The course is being organized by the Pennsylvania State University and will be offered to inmates enrolled in a high school equivalency program. Because the population at the institution is one-half Negro, the course will include materials relevant to racial considerations, and teachers will ask their students to reflect on questions basic to our society.

The National Endowment for the Humanities offers support for research, fellowships, and a variety of educational and public programs. It has a special mandate from its advisory board, the National Council on the Humanities, to fund projects, such as those described, which are relevant to contemporary social questions. Its Chairman is Barnaby C. Keeney, and he is assisted by three Division Directors, Russell W. Fridley (Education and Public Programs), J. Saunders Redding (Research), and James Blessing (Fellowships). Endowment offices are located at 1800 G Street, N.W., Washington, D.C. 20506.

MACHINIST UNION MEMBERS PUT "FAIR TAXATION" AT TOP OF ISSUES LIST

Mr. HARTKE. Mr. President, the International Association of Machinists recently reported on its third annual poll of members on national issues. Members of the union, taking part in 102 local union meetings, rated 12 issues presented to them by the union's political organization, the Machinists' Non-Partisan Political League. They were asked not only whether they agreed with the organization's stand on the issues but also on what they consider the top issue in importance.

"Fair taxation" took the top issue vote by 55 percent of the members. No other issues drew more than 10 percent of the votes; in second place came repeal of section 14(b) of the Taft-Hartley law—allowing States to prohibit union shop contracts—an issue which might have been expected to rate much higher.

This survey is interesting to me, because it shows the great desire at the grassroots level to see improvement in our Federal income tax system, and in particular through the increase of personal exemptions from $600 to $1,000.

That proposal is one which I made in S. 1615 last year. The unrealistic $600 deduction has persisted for more than 20 years. Its original intent was to provide a tax-free base large enough to provide a minimum standard of living for family members. But since the increase of $500 to $600 in 1948, cost-of-living increases have taken away nearly a third of the exemption's value. If a family of four had an exemption of $2,400 in 1948, it would now take $3,288 to be the inflated equivalent. At the same time, basic living standards have improved, so that for a four-member family anything less than $3,000 per year places them below the poverty line.

As I noted in introducing the bill, the Treasury itself in 1948 said that exemptions "should be at least adequate to cover some minimum essential living costs," and that it should be regarded as essential to "exempt amounts required to maintain the individual and his family in health and efficiency."

Mr. President, I ask unanimous consent that the results of the poll and an editorial on the same subject, as published in the union's weekly newspaper the Machinist, be printed in the RECORD.

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

RESULTS OF POLL: IAM MEMBERS RATE FAIR TAXES TOP ISSUE

A poll of IAM members shows that they believe the top national issues today are the need for fairer Federal taxation, protection against shysters in business, and Federal regulation of auto insurance.

Tabulation of the IAM's third annual poll of members' views on major national issues showed that they support the union's position overwhelmingly on these questions, Don Ellinger, national director of the Machinists Non-Partisan Political League, reported.

MNPL conducted the poll in 102 IAM locals across the USA. The opinion sampling was done at union meetings. This is one of the IAM's methods of giving members the opportunity to express their opinions on the union's stands, Ellinger noted. He also reported that locals are now asking the same questions of Congressional candidates in screening them for endorsement.

The poll showed that the No. 1 issue among members was tax reform, fairer Federal taxation.

Ninety-eight per cent agreed that it is time to raise the outdated $600 personal income tax exemption to $1,000 while plugging the tax loopholes that permit billions of dollars of income for the wealthy to escape taxation. More than half rated tax reform as the most important issue before the nation.

Ninety-eight per cent also agreed that consumer protection—Federal truth-in-lending and antigarnishment legislation—was badly needed. Evidently Congress got the message, because such a law was enacted before the poll could be tabulated.

Ninety-seven per cent of the members approved the union's stand that Federal regulation of auto insurance is needed to hold down skyrocketing rates and prohibit arbitrary cancellation of policies.

Here are the 12 issues posed to the members, their percentages of agreement and disagreement with the union's stand, and their rating of the most important issue:

1. Fair taxation. The outdated $600 personal deduction for Federal income taxes should be raised to $1,000 and the tax loopholes which allow the wealthy to escape taxation should be closed before any increase in income tax rate is voted. Agreed—98%. Disagreed—2%. Top issue—55%.

2. Prevent rising prices and hidden costs. Congress should enact consumer protection legislation including truth-in-lending, a Federal anti-garnishment law, a curb on overpricing prescriptions and drugs and truth-in-packaging. Agreed—98%. Disagreed—2%. Top issue—5%.

3. Doubletime for overtime. All overtime should be at the doubletime rate and the minimum wage should be moved to $2 an hour for all workers. Agreed—90%. Disagreed—10%. Top issue—4%.

4. Better regulated automobile insurance. Federal action is necessary to regulate the rising auto insurance rates over which neither the auto owners nor weak state insurance bodies have any real control, and to prohibit arbitrary cancellation of policies. Agreed—97%. Disagreed—3%. Top issue—4%.

5. Civil rights. The right to hold a job, cast a vote, own a home or secure an education should not be denied to any citizen because of his religion, race or nationality. Agreed—94%. Disagreed—6%. Top issue—4%.

6. Redevelop our major cties. Only massive Federal support can help rebuild our major cities, prevent crime in the streets, make transportation available between home and work place, and clean up the air and water. Agreed—78%. Disagreed—22%. Top issue—1%.

7. Repeal of Sec. 14(b) of Taft-Hartley. The present law encourages states to enact compulsory open shop laws, disturbs labor relations, and further weakens labor unions in the low-income states. Agreed—89%. Disagreed—11%. Top issue—10%.

8. Full educational rights for all. Federal aid to primary, secondary and college education could be provided to every qualified person through a four-year college term by means of scohlarships, grants, and loans. Agreed—87%. Disagreed—13%. Top issue—2%.

9. Restrain Communist expansion. The President's program of opposition to Communist aggression or subversion, as in Vietnam, is the best hope for peace in the long run. Agreed—88%. Disagreed—12%. Top issue—5%.

10. Improve Social Security, Railroad Retirement and Medicare. Automatic cost-of-living increase in benefits should be provided and the minimum raised to at least $100. Medicare benefits should be provided for widows and orphans and disabled now receiving Social Security benefits. Agreed—92%. Disagreed—8%. Top issue—3%.

11. Equality for government employees. Those working for Federal, state or local government should receive pay, fringe benefits and working conditions at least comparable to those in effect in the most progressive private industry employment. Agreed—84%. Disagreed—16%. Top issue—1%.

12. Oppose compulsory arbitration. Government intervention requiring compulsory arbitration kills collective bargaining, impairs the freedom of American workers, and results in lower wages and poorer working conditions. Agreed 89%. Disagreed—11%. Top issue—6%.

TAXES

If IAM members are any indication, the magic issue in this year's national election is not Vietnam; it is not the rebuilding of our cities; it is not even the repeal of Section 14–B of the Taft–Hartley Act (the section that makes those Right-to-Work laws legal).

Important as those issues are, the growing bite that taxes take out of our wages before we get them, is a greater concern. All those deductions for Federal income tax, state income tax, city taxes and social security add up to an onerous burden.

FAMILY RESPONSIBILITY

More than half those who answered the MNPL questionnaire about this year's election issues (see page 3) checked tax reform as the single most urgent problem this year.

Since those questions were answered, the Federal income tax has gone up another 10 per cent. That surtax must have intensified the feeling.

Of course, there are some who think we shouldn't concern ourselves with such mundane matters. But when taxes begin to interfere with our ability to pay our bills, they become more important than the broader problems. Other people have the responsibility for our big problems. Paying the family's bills is our problem.

Trade union members know that they must pay their share of the cost of government. We believe our government, by and large, is the best in the world. We are proud to do our part.

What galls most trade union members is the fact that under Federal income tax law the very wealthy pay less and less in proportion, while the vast middle income group pays more and more to support the government.

With a smart lawyer and a slick accountant who know the loopholes a man can have an income of $1,000,000 without paying one penny in Federal income taxes. It happens every year—including this year.

TEN PERCENT OF NOTHING

The recent surtax must have made those millionaires laugh and laugh and laugh. Their taxes went up 10 per cent like everyone else's but 10 per cent of nothing is nothing.

Those loopholes for the wealthy are unfair to the middle income taxpayer. So is the $600 personal exemption in the Federal income tax law. That living allowance hasn't been increased for more than 20 years despite increases in living costs.

Tax reform deserves more this year than the lip service it usually gets in the party platforms.

Candidates should be prepared this year for the questions they will get on tax loopholes, depletion allowances, income splitting, tax exempt bonds, and on the personal exemption.

This issue of tax reform will have real magic this year for any candidate who dares to take up the sword.

THE AIRLINES BATTLE THE BOOM

Mr. CASE. Mr. President, in 3 years or less the commercial supersonic age literally will come banging into our lives.

At about that time the first British-French supersonic transport—SST—the Concorde, will enter commercial service. Barring further design delays, the first American SST may roll off production lines by 1975 or 1976. Not one, but whole fleets of these superplanes will be built.

Because of the sonic booms these aircraft generate everywhere along their flight paths, they will add a new, disruptive sound to an increasingly noisy environment.

Evidence on hand indicates that the sonic booms, in addition to being a loud nuisance, also can be destructive to property and a danger to health.

Development of the SST, in my judgment, ranks very low on the Nation's priorities scale, especially in a time of financial stringency such as the present. But beyond this and as a matter of prime concern is the intrusive sonic boom. As the Reader's Digest points out in its October issue, the public wants protection against the boom before—and not after—the SST's begin creating a daily din over our country.

My concern about the boom is intensified by the failure of the Federal Aviation Administration, the chief developer of the SST, to prohibit boom-creating supersonic transports from flying over territorial areas of the United States.

Has the FAA failed to impose such a ban because it would limit the number of SST's that could be sold and thus turn the agency's pet project into an economic failure?

Economics must not determine whether there will be overland SST flights at supersonic speeds. The determining factors must be whether the public health and welfare and environmental quality can stand the continuous bombardment of sonic booms.

And, the decision on permitting overland supersonic flights must not be made by the FAA, which has at least a potential conflict of interest in the matter. The decision must be made by the Congress because it is the only institution which can meld all the needs of society into such a profound policy decision.

As the Reader's Digest article states, I have introduced proposed legislation—S. 3399—to put the decision on overland supersonic flights in the hands of Congress. With the first commercial SST service only a few years away, it is urgent that the public be afforded protection in advance of the sonic boom. My bill provides for that protection.

The Reader's Digest article, written by Mr. James H. Winchester, is a most perceptive piece on the SST-sonic boom issue. It should be widely read because the sonic boom will disrupt millions of lives. I ask unanimous consent that Mr. Winchester's article be printed in the RECORD.

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

THE AIRLINES BATTLE THE BOOM

(By James H. Winchester)

On August 5, 1959, at Ottawa, Canada, a demonstration of a Lockheed F–104 Starfighter was taking place over the almost-completed stunning glass-and-stainless-steel terminal building at Uplands Airport. "Can you buzz the field?" an official radioed the pilot.

Low and level, the plane shot across the runways at over 1000 miles an hour. Like a bullet it was gone.

Boom!

The terminal was a shambles. Glass and walls were smashed. Tiles and insulating materials fell to the floor. Doors, window frames and small structural beams were twisted. Damage: $300,000.

The expensive repercussions of that fast fly-by are symbolic of the major problem now faced by the airline industry. When a jet plane flies faster than the speed of sound, it creates a sonic boom. A decade ago, these booms were regarded as little more than attention-getting stunts. Today they threaten to cripple the future of commercial supersonic flight.

Technically, there's nothing to block the take-off of the faster-than-sound airliners, due in commercial service in the mid-1970s. With engines producing two thirds the thrust of the rocket that orbited America's first space satellite, the SSTs promise to revolutionize air travel as they slice through the deepening darkness of almost weatherless skies a dozen miles above the earth, outspeeding sound and sun at half-a-mile a second. No place in the world will be more than 12 hours away.

The economic implications are enormous. By 1990, it's projected, the world's airlines will need at least 500 supersonic airliners, costing more than $20 billion and creating 250,000 jobs. Says Maj. Gen. Jewell C. Maxwell, director of supersonic transport for the Federal Aviation Administration: "The aviation industry provides the kind of high-skill jobs which give this country national pride and enables us to compete effectively in the world market. The SSTs must be built to provide more jobs of this nature for more Americans." Balance of payments is also deeply involved.

These superplanes can be superbusts, however, if the sonic boom cannot be tamed. Increasing opposition hovers over their future. Sen. William Proxmire of Wisconsin speaks for many when he likens them to "an infernal machine that dooms us to live out our lives in an immense drop-forge foundry."

THE VILLAIN EXPLAINED

Any airplane—even a paper one—pushes air aside as it moves. Ordinarily, this isn't a problem. The air gets out of the way at the speed of sound, which is about 760 miles an hour at sea level. But trouble starts when the plane goes supersonic, or faster than the speed of sound. The air, unable to move that fast, can't get out of the way. The molecules are pushed together and pile up in a wall.

As the plane butts its nose into this barrier, the air gives way, exactly as water parts in front of a moving boat. Sweeping backward on either side, shock waves form into the shape of a cone that's pulled along behind the plane. In the case of a supersonic airliner flying at 60,000 feet, the bottom of this spreading cone of air would reach about 30 miles back of the plane and be about 60 miles across as it touches the ground.

There is a popular misconception that a sonic boom is created when the plane goes through some invisible barrier, much like a baseball crashing through a window. This is not true. It is created by the cone, which exists at all speeds above the speed of sound.

Everywhere the cone goes it displaces the regular air through which it is pulled. The increase of air pressure resulting from the displacement at the bow of the plane causes vibrations which are transmitted along the cone to the ground and are detected there by the ear as sound, a nerve-jangling bang that is often as startling as a heavy blast of dynamite next door.

As the walls of the cone move on, a momentary weak vacuum is left behind the plane. The old air rushes back in to refill the space. The suddenness of the rush causes additional vibrations, resulting in a second boom. The two booms occur so close together that they are heard as one sound. The cone creates a continuous strip of sound moving along the ground; people behind have already heard it, those ahead soon will. Says an aerodynamicist: "It's like an unrolling carpet."

SUPERBOOMS

Normally, those directly below the plane hear the loudest boom, although sonic booms also occur at great distances to either side of a flight path, sometimes as far as 50 to 60 miles away. A Boeing SST is expected to produce a sound about like a sudden clap of thunder. But all booms aren't alike. Some—called "superbooms"—can be several times stronger than others.

Local meteorological conditions—different temperatures, humidity, winds, even dust—can occasionally reflect or bend the shock waves out of shape and result in unpredictable monsters, distorting the waves into jigsaw patterns which may skip one area entirely, only to hit down many miles away. Low-level flights, maneuvers and rapid acceleration can also cause superbooms, as happened recently when the pilot of an F–105 Thunderchief, flying at approximately 150 feet above the ground, cut in his afterburner to get a boost in speed during a dedication ceremony at the U.S. Air Force Academy in Colorado. The sonic boom shattered windows and some plaster in cadet quarters, causing $50,000 in damages and injuring 15 persons by flying glass.

Warm, turbulent air causes more distortion than cooler, stable air. More than likely, booms are less noisy in the early-morning hours than in midafternoon, after the sun has heated up the air; they are louder in summer than in winter. The shape of what's under a pressure-wave cone is also important. Those that bounce off rock, concrete or asphalt aren't absorbed as much as those off cleared level ground.

The loudest boom recorded to date was produced by shock waves measuring 144 pounds per square foot over normal air pressure. By comparison, over-pressures due to moderate thunderstorms create pressure on the ground of only one-half pound per square foot above normal.

Tests show that it takes sonic boom pressures of at least four to five pounds per square foot on the ground to damage properly installed windows or create cracks in plaster. Supersonic transports, in normal flight at 60,000 feet, are expected to produce pressures on the average of one-and-a-half to two pounds per square foot on the ground directly beneath their flight path.

BOOM TIMES

Since 1956, the U.S. Air Force, in flying an estimated 300,000 hours at supersonic speeds, has paid out some $1,500,000 for sonic-boom damages, and another $2,500,000 in claims were filed in fiscal 1968. Aside from damaging older buildings, the supersonic shakes also threaten natural formations. One Oklahoma City homeowner claimed that flights caused the bedrock to shift along a geological fault beneath his new $90,000 house. Concrete floors and foundations, reinforced with one-inch steel rods, were cracked. (A court awarded $10,000 damages.) Officials at Idaho's Sun Valley say that sonic booms create avalanche dangers along the resort's ski slopes, and the U.S. Department of the Interior claims that military planes regularly shake tons of earth from prehistoric cliff dwellings and formations in the West.

Accounts of the prowess of booms have also come in from abroad. Three workers were killed in France last year when a sonic boom collapsed the weakened main beam in an old farmhouse kitchen, spilling down eight tons of grain from an attic storeroom.

Because of controversy over the actual physical effects of sonic boom, the National Academy of Science set up a special committee to evaluate all test flights to date. A subcommittee recently concluded that material damage to well-maintained structures from sonic booms created by commercial SSTs operating in a normal manner within acceptable human toleration levels would probably be small. Nevertheless, the panel stressed the need for further study because there are still areas of uncertainty.

HOLD THE FORTE

But there is no doubt at all over the fact that many people resent sonic booms. In 1964, tests were carried on for six months over Oklahoma City, Okla., to determine the effects of sonic booms on people as well as places. A poll taken near the end of the tests showed that about one quarter of the city's population felt that they'd never get used to them. A French study found that a quarter of all people exposed to sonic booms there find them bothersome. A British study found two thirds of the residents in the Bristol area "frightened, startled or annoyed" by booms.

On the other hand, others contend that the sonic-boom noise can be tolerated. "Steam locomotives and automobiles were denounced at first as making too much noise," argues the Air Line Pilots Association. "People will accept the noise generated by sonic booms once they get used to it."

Amid this continuing controversy, many questions remain to be answered. One bad characteristic of sonic boom is that there is no warning. This suddenness, according to Dr. William H. Stewart, Surgeon General of the U.S. Public Health Service, could produce a stress phenomenon, contributing to ulcers, heart ailments and mental disturbances. Moreover, some misgivings have been raised about damage to the inner ear.

Until sonic booms are made tolerable, supersonic flights are almost certain to be banned over populated areas. For over-ocean flights, the planes would not start flying faster than the speed of sound until they were far at sea, and they would slow down for landing when land was still ahead.

But will the airlines be content to limit supersonic flights to overseas routes forever? "No," predicts the Citizens League Against the Sonic Boom, which wants to ban supersonic flights altogether. "Before long they'll demand to be flying all over the country. If that happens, each cross-country trip will boom ten million people."

LESS BANG FOR A BUCK

Aeronautical engineers believe that they will eventually be able to design planes with a tolerable boom level for overland flight. By the time the SST is flying in the mid-1970s, the present boom over-pressures could be reduced as much as 30 percent. NASA feels that, with the current state of technology, a more acceptable boom level of 1 to 1.3 pounds pressure could be obtained. But even if these pressures can be realized, there are some people who will still not accept them.

Because of the many years necessary for development, building and testing, blueprints for the first supersonic transports are already largely determined. Except for minor modifications, they can't be changed. The second generation of SSTs, due in the late 1980s, is something else: radical changes in design may be expected.

Working in wind tunnels with miniature models, some of them only a quarter-of-an-inch long, NASA aerodynamicists at Langley, Va., are determining how different airplane sizes and shapes affect the intensity of sonic booms. One finding is that while a blunt-nosed design on airplanes the size and weight of present-day supersonic aircraft creates greater initial pressures than slender shapes, these strong shocks somehow decrease more rapidly and are comparatively weak by the time they reach the ground. So far, this design has too much drag to be regarded as practical. Another discovery is that a properly shaped, very long airplane provides a gradual rather than an abrupt change in pressure which could entirely eliminate the noise associated with the sonic boom. But this finding is also impractical, reports Harry Carlson of NASA's Langley Research Division. The SST design would have to be in excess of 600 feet, with an overall weight no greater than the present 300-foot-long U.S. SST.

Scientists have considered using electrical forces, lasers and air jets to condition the air ahead of a supersonic plane so that shock waves are prevented or reduced in size, but so far they haven't found anything of significant value. They're also experimenting with stronger, new fiber-reinforced structural materials that promise to reduce the overall weight of supersonic airliners: weight is directly related to the intensity of the boom, because it influences the size and angle of attack of the wings.

Despite such future promise, there is increasing pressure to spare people from the boom today. In London last May, delegates from 25 nations to the 1968 International Congress for Noise Abatement adopted a resolution urging their governments to prohibit supersonic flights to prevent "physical and mental disturbances." Canada already has such a law. Switzerland, West Germany and Austria are ready to adopt curbs.

Earlier this year, Sen. Clifford P. Case of New Jersey introduced a bill which would ban all overland flights at supersonic speeds by non-military planes in the United States. This bill, which has received support from newspapers and conservation groups such as the Sierra Club, also provides for a broad, two-year study of the SST sonic boom. Based on its findings, Congress would then decide whether to allow supersonic flights over land areas and, if so, under what conditons. While Senator Case was not successful in an effort to attach the measure to a recently enacted aircraft noise and sonic control bill, he believes the battle to protect the public against the sonic boom can be won in due course, and plans to reintroduce his bill in the Congress beginning in January. "I believe we are moving from blind idolization of technology to recognition that we must also be concerned with its effects on the quality of life," says Case.

Most people are not against supersonic transport as such. They recognize that it is bound to come. What they do want, though, is protection for their eardrums, their health and their homes *now*—while they wait for advanced technology to provide a quieter tomorrow.

THE BLESSINGS WE SHARE—SECRETARY FOWLER REVIEWS THE 1960'S

Mr. HARTKE. Mr. President, Secretary of the Treasury Henry H. Fowler has been at the helm of our key Cabinet post in financial affairs since 1965. The years of this decade have been filled with both crises and accomplishments. Today, with 92 months of sustained economic growth behind us, many of our younger people can remember no period when we had less than a considerable degree of prosperity. Indeed, in looking at these last few years and assessing them in the field of economic affairs, Secretary Fowler recently pointed up the contrast between our situation today and that of the past.

I ask unanimous consent that the address by Secretary Fowler before the National Industrial Conference Board on September 20 be printed in the RECORD.

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

ADDRESS OF HON. HENRY H. FOWLER, SECRETARY OF THE TREASURY, BEFORE THE NATIONAL INDUSTRIAL CONFERENCE BOARD, SEPTEMBER 20, 1968

In this closing session permit me to speak in a more direct and personal vein than usual in availing myself of this last of the pleasant privileges the National Industrial Conference Board has given me to meet with you in an official capacity.

Having just turned sixty and in the process of completing my eighth and final year at the Treasury window, I will demonstrate conclusively that there is a generation gap.

Indeed, in many ways, I am proud of it.

I am more than a little sick of hearing that America is a "sick" society.

I am tired of hearing about what is wrong with our country.

It is time somebody talked about what is right with the United States.

Let me do my part in the area with which I am most familiar by saying that the U.S. economy—with its free enterprise system and a working partnership between business, labor and government—is providing more prosperity, more opportunity, more sharing in abundance, more educational and health and cultural advances, than any society since the world began, and at a much higher and more sustained pace than ever before in its history.

We must not permit the sustained economic progress on which this is based to be undermined by a loss of confidence in ourselves and our country. But that can happen here if our total emphasis is on racial strife, student revolt and compus unrest, crime, and dissent over U.S. involvement in the maintenance of free world security and development.

Of course, these problems exist, like the inflationary pressures today that afflict our current economy. These problems must and are being tackled but we should not be deluded into believing that they reflect some ailment peculiar to the United States—some strange virus that surely will bring our system down.

Indeed, these tensions are observable over the Free World wherever liberty and opportunity permit the eye to see and ear to hear and the voice to speak out. They exist even in areas where totalitarian order is maintained by repression and tyranny over the individual.

These tensions exist all over the world where young people of different races live under the same flag or where young people of relative affluence and opportunity enjoy the heady wine of university life and are confronted with the age-old problem of sorting out liberty from license.

Where, since Cain slaughtered his brother Abel, has history recorded a crime-free society?

Whenever did a country stand up for the rights of others, however far away or close by, at the cost of some blood or treasure, that a large group within it didn't urge that, in the words of the parable of the Good Samaritan "We pass by on the other side?"

The principal difference between the United States and most of the rest of the world, in the perspective of these problems, is that the United States is tackling racial discrimination, student alienation and crime—and doing so within a framework of democracy, justice and order.

And the United States Government is subjected to outspoken dissent on foreign affairs for two reasons: first, the nation believes in the right of dissent and, second, the United States is doing its share, with many other nations defaulting, in providing the security from aggression that peoples everywhere thought was guaranteed under the Charter of the United Nations.

And the United States is doing all this in the broad daylight of a free press and national TV networks aided by communications satellites working hard to give the world the news about the United States which, under the accepted definition of news, accentuates conflict rather than accomplishment—what is wrong rather than what is right.

Consider what Australia's Prime Minister Gorton recently said:

"I wonder if anybody has thought what the situation of comparatively small nations would be if there were not in existence a United States—with a heritage of democracy and a willingness to see that small nations who otherwise might not be able to protect themselves are given some shield. Imagine what the situation in the world would be if there were not a great and giant country prepared to make those sacrifices."

Let those who advocate a return to isolationism ponder what would have happened to freedom and self-determination in Western Europe, in Iran, in Greece, in Turkey, in Korea, in Lebanon, in Taiwan, in The Congo, in India, in the Middle East, and in Southeast Asia if United States foreign policy had acceded to the views of dissenters—the neoisolationists and those who would passively watch Communist totalitarianism roll over freedom and self-determination at will.

The recognition of these sources of divisiveness in our society makes it all the more important to emphasize and conserve the blessings we share in this good land which is our heritage.

Before I attempt this emphasis in the field of economic affairs, may I invite other chroniclers to do the same in cultural affairs, in social welfare, in religious activities, in private charities, in recreation, and in the youth movements we used to hear about. That may not be the road to winning a Pulitzer or Nobel prize, but it can give one the satisfaction of helping to "tell it like it is".

Conserving that which is good is as important as changing that which is undesirable. Continuity as well as changes are essential to constructive economic life and progressive evolution in political and social affairs.

Against that background let us examine the contours of unparalleled economic progress of recent years, its social side effects, the proven tools that have been employed, and some necessary projections of these proven policies and programs in 1969. Otherwise, they may be overcome or lost in the sea of change or threatened change that characteristically engulfs our commonwealth every four years under our constitutional system.

NINETY-TWO MONTHS OF SUSTAINED AND ADEQUATE ECONOMIC GROWTH

Some eight years ago the American economy was sliding into recession—its third within a span of a half-dozen years. The growth rate had been anemic during this period, unemployment was trending higher in each recession, and private investment incentives were inadequate.

In 1960, in the Report of President Eisenhower's Commission on National Goals, appointed as a nonpartisan body to set goals for vital areas of our national life, there was the following recommendation on economic growth:

"The economy should grow at the maximum rate consistent with primary dependence upon free enterprise and the avoidance of marked inflation. Increased investment in the public sector is comparable with this goal.

"Such growth is essential to move toward our goal of full employment, to provide jobs for the approximately 13,500,000 net new additions to the work force during the next ten years; to improve the standard of living; and to assure United States competitive strength.

"Public policies, particularly an overhaul of the tax system, including depreciation allowances, should seek to improve the climate for new investment and the balancing of investment with consumption. We should give attention to policies favoring completely new ventures which involve a high degree of risk and growth potential."

The time had come to forge new policies, adapt old ones, and restore the sustained and adequate growth to a U.S. economy that was essential to domestic progress and our international position.

That task was undertaken by President Kennedy, executed by President Johnson, with the support of both political parties in the Congress and the leaders of business, labor and finance.

The economic malaise of the 1950's is almost forgotten after the 92 months of sustained and adequate economic growth which has followed. This remarkable achievement has disposed of the boast of Soviet Premier Khrushchev that he would "bury us" economically, the concern over the increasing frequency and length of recessions and the upward drift in the U.S. of unemployment, the technological gap, the educational gap, the gloomy prediction that automation and technological advances would leave a sizable proportion of our work force permanently unemployed. These questions have disappeared in large part because of the astounding performance of the U.S. economy. In short, while the American people certainly still face problems, the economic gloom of the Fifties is not one of them.

True, old social problems have taken on a new urgency as part of a rising tide of expectations induced by this economic progress. The magnitude of these problems—and the emotions they sometimes arouse—may seem at times to obscure the achievements of good economic policies. But we would do well to recall that the American economy has been, and can continue to be, a mighty engine of social progress.

The lesson of the 1960's is the enormous difference that public policies can make in creating an atmosphere within which the private economy can flourish. Whatever our political persuasion or allegiance, this is a lesson we cannot safely ignore in meeting the challenges that lie ahead.

Domestic economic and financial developments

It is hardly necessary to remind this audience that the decade of the 1960's has been a period of domestic economic advance without parallel in our previous experience.

By mid-1965 the current expansion was already the longest and strongest peacetime expansion on record. Most remarkable of all, it had been achieved with near stability in costs and prices. A stubborn balance of payments problem which had emerged in 1958 seemed near solution.

After mid-1965 and the intensification of the Vietnam effort, economic policy could no longer be determined on the basis of economic considerations alone. The going became tougher. Still, the economy has weathered a difficult adjustment with less price inflation than during earlier defense buildups, without resort to controls, and without tailing off into recession. Our balance of payments problem, while still very much with us, has been reduced to manageable proportions. This, I submit, is a good record by any standard.

The current expansion is certainly not without its blemishes domestically. Prices and costs have recently been rising far too rapidly for our continued economic health. Interest rates zoomed to undesirable highs. Some sectors of the economy have had very difficult adjustments to make in the past few years. But despite these problems, there has been no lasting interruption to the enormous productive achievements of the American economy. Furthermore, with fiscal restraints now in place and the Federal finances moving toward balance, the most serious immediate threat to continued expansion has been removed.

Rapid and sustained growth was not just a happy accident in the 1960's. It resulted from a considered decision to employ certain policy tools more actively and imaginatively than before. Recognition of the need for more active resort to policy tools—particularly in the fiscal area—grew out of the relatively disappointing economic performance of the late 1950's.

There will, of course, be differences of opinion as to the relative effectiveness and timing of the policy measures that have been taken. Much can, and should, be learned from our inadequacies as well as our successes. But there should no longer be any fencing about "growthmanship" or gloomy questioning whether the U.S. economy can realize its full potential. Experience in this decade has contradicted the pessimism of those who would have set our sights too low and sentenced the American people to another decade of slow growth and rising unemployment.

How much difference has faster growth made in the current decade? From early 1961 to the present, the national growth rate—in terms of real gross national product—has averaged more than 5 percent per annum. In the previous eight years, it averaged only a little more than a sluggish 2 percent. Yet, the average rate of price increase in the two periods is about the same.

What did it mean to more than double the rate of advance in real national output to over 5 percent during the more recent period?

Instead of the 4 million new jobs created between 1953 and 1960 there has been a 10½ million rise in civilian employment during the current expansion. Vigorous growth has made automation and technical progress forces for productivity, not threats to employment.

Instead of the 9 percent rise of the 1953–1960 period an average income per person after all taxes and after allowance for price increases there has been a rise of 29 percent. This, despite the claim by some that taxes and inflation have been pulling us down.

In terms of current prices, the value of the amount added to our Gross National Product since early 1961 is nearly $350 billion. This increase in the value of our production approximates the total national product of the European Economic Community or the Soviet Union in 1967.

To be sure, our prices have risen in the past eight years, and have risen too rapidly under the increasing pressures of the war in Southeast Asia since mid-1965. But, among the industrialized nations which make up the Organization for Economic Coopertion and Development, the United States has had the best record of price stability since 1960. On the average, the 21 other nations experienced a 46 percent increase in consumer prices since 1960—nearly three times the increase in this country.

And, the recent record compares very favorably with our own record of 1953–1960 when our growth was much slower:

Wholesale prices rose by 7½ percent, compared with a 9 percent increase in the previous seven and one-quarter years.

Consumer prices rose 16 percent in the more recent period, 11 percent in the earlier period.

The most comprehensive price index, the "GNP deflator," rose 16 percent in the most recent period and 18 percent in the earlier.

A table attached to the prepared text of my remarks presents further comparisons between the two periods. So much for the domestic record.

International economic and financial developments

In an interdependent world economy, the better U.S. economic performance of the 1960's has also had dramatic effect internationally. The growth of the entire Free World has picked up in this decade and the volume of trade has increased impressively. Just as economic growth has not solved all of our domestic problems, it still leaves unfinished tasks abroad. The international gap between affluence and poverty is still too wide. But a dynamic international economy, coupled with adequate flows of development finance, can help the less developed countries to break out of the vicious circle of poverty and inadequate investment.

I look back with pride to the fact that in 1961 I was a member of the United States delegation to the then new Organization for Economic Cooperation and Development. We startled that meeting by proposing that the member nations adopt a common goal of 50 percent economic growth during the 1960's. It is scarcely surprising that our cables home indicated that the response of some of our European friends was somewhat patronizing in view of the sluggish United States performance from 1953 through 1960, when the growth rate of the European member countries of OECD averaged 4.8 percent a year—more than double our own growth rate. But the ambitious 50 percent target was accepted by OECD despite the other countries doubts about the U.S.

When the OECD conducted its mid-decade review of growth performance in 1966, it found that real output in the 21 member countries had risen by 27 percent in the period 1960–1965—an average rate of expansion of nearly 5 percent a year. Excluding Japan (which was not an OECD member in 1961) the output expansion was 4.7 percent—well above the 4.1 percent rate required to meet the 1970 objective that had seemed so ambitious in 1961. As the OECD mid-decade report stated: ". . . faster expansion in the United States, which accounts for more than one-half of the GNP in the OECD area, played an overwhelming part in raising the rate for the whole area."

Stronger growth among the member nations of the OECD and the entire world economy amounts to more than simple addition of the separate achievements of individual nations. The whole *is* more than the sum of its parts. A rising volume of trade because of growth stimulates still further growth. Expansion in each country means greater trade opportunities for all others. As the world's largest trade nation the United States obviously plays a key role. For example, the United States absorbed almost one-fifth of the total exports among OECD countries in 1965.

The mutual interaction of growth at home and trade abroad is basic to continued international economic progress. Recognition of this fact goes back to the Reciprocal Trade Agreements Act of the 1930's and has found recent expression in the reciprocal reduction of tariff barriers in the "Kennedy Round" of trade negotiations.

World Trade, as measured by imports, has increased at an annual average rate of 7.6 percent since 1950. It has advanced from $58 billion in 1950 to over $200 billion in 1967, an increase of about 246 percent, or about 2½ times.

The increase in the national product of the Free World has been commensurate, and in real terms has more than doubled since 1950. For the post war period as a whole it is estmiated to have grown two to three times.

But the big flaw in this record is the disparity between the advance of the so-called developed countries and the less developed countries—and even between some of the latter who have been successful in moving their economies to the "take-off" stage and those which have not.

ECONOMIC GROWTH AND SOCIAL PROGRESS

Economic growth alone will not solve all our problems. But the recent record demonstrates clearly that vigorous economic growth remains the most powerful social weapon at our disposal. Consider the benefits that have accrued domestically as a result of the vigorous growth of recent years, from 1960 to 1967:

Thirteen million Americans have moved out of the poverty category.

Eleven million more families achieved yearly incomes above $10,000, 2½ times the number in 1960.

Five million more Americans own stock than in 1963, 23 million more have savings accounts.

Home ownership has risen to 37 million from 33 million in 1960.

Economic growth does not insure social justice or end the practice of discrimination. But, the more rapid economic growth of recent years is bringing substantial gains to minority groups and giving an added degree of dignity and security to millions of Americans. As President Johnson has pointed out, more Negroes and other nonwhites have risen above poverty in the last two years than in all the previous six years of the decade. Between 1960 and 1967:

The proportion of nonwhite families earning over $8,000 (adjusted for price changes) more than doubled—from 13 to 27 percent.

The number of nonwhite white-collar workers, craftsmen, and operators jumped 47 percent. One-half of all nonwhite workers now hold these better paying jobs.

And, most significantly for the future, the education gap between young whites and nonwhites as measured by years of school experience, has been cut to less than one-half year (12.2 years for nonwhites compared to 12.6 for whites). Statistics show that a U.S. Negro is more likely to go on to college than any citizen in a West European country except for France.

While racial strife and discontent have received the glare of publicity in recent years, vast economic gains have been made by previously disadvantaged groups. This is one of the real domestic "success stories" of the 1960's: the widening of economic opportunities for all of our citizens. The vehicle for social reform has been the expansion of the whole economy, not the redistribution of existing income. We have not reduced the living standard of the middle-income and upper-income families to raise the living standard of the poor. Instead all groups have gained together. The task of future years will be to continue, and even accelerate, the process which has already given millions of Americans new hope.

Sheer economic growth does not assure advances in the field of education and health any more than insuring social justice. But

the record is clear, the enormous income we have earned in the past eight years has provided unprecedented advances in these areas. Of course, we have lived quite a bit better—our expenditures on personal consumption have expanded by about 41 percent. But growth has made possible an allocation of substantially increased amounts to education and health. Our total public and private expenditures on education have increased from $27 billion to $52 billion today. Our total public and private expenditures on health have increased from $27 billion in 1960 to $50 billion today.

The impressive record of economic growth which the United States has registered in recent years is not only important for the domestic advantages it has yielded. In addition, the expansion of our economy has provided benefits for the developing nations of the world in their struggle for self-sufficiency, self-respect and a better life.

PROVEN TOOLS OF ECONOMIC PROGRESS

The experience of the past seven and one-half years, and earlier experience as well, has proven the value of the use of a range of key policy tools in the pursuits of economic progress. Fortunately, such use is no longer the subject of acrimonious political debate—and it should not be. Differences of emphasis and interpretation still remain but there is a widening and significant area of agreement.

For present purposes, the key elements in our economic strategy can be grouped under four main headings. These are: structural policies, flexible and coordinated fiscal and monetary policies, cooperation between labor, management, and government, and international policy coordination and cooperation. Each has made, and can continue to make, a distinctive contribution to the promotion of our economic welfare. I will comment briefly on each, before turning to the crucial question of how continuity of proven policies and programs can be provided in 1969.

Structural policies

One of the first steps taken by the incoming Kennedy Administration was to redouble the incentives for greater private domestic investment in new plant and equipment. The Revenue Act of 1962 granted a tax credit of 7 percent on new investment in machinery and equipment, and in that same year the Treasury reformed and liberalized the tax treatment of depreciation. Together with the cut in the corporate tax rate contained in the Revenue Act of 1964, these measures raised the profitability of a typical investment in new equipment by more than one-third. Because of the Vietnam situation, it proved necessary to suspend the investment tax credit temporarily and also impose the current surcharge. However, the bulk of that extra incentive remains with the lifting of the suspension and the use of tax reduction to stimulate investment incentives and unleash the productive energies of the private sector has been amply demonstrated.

For example, our total annual investment in plant and equipment—the creative capital goods area which is the key to both growth and productivity—has rapidly increased from a level of approximately $35 billion in 1960 to approximately $65 billion today. Our total annual investment in manufacturing has increased from $14.5 billion in 1960 to about $28 billion today.

The reductions in Federal taxes in 1962, 1964 and 1965 amounted to approximately $24 billion in terms of 1967 income. Even with the recently enacted temporary surcharge on income taxes less than one-half of these tax reductions have been borrowed back, and income tax rates are much lower than they were in 1960.

Despite the fact that state and local taxes have consistently increased during this period, the reductions in Federal taxes have kept the United States in the category of industrial nations with the lowest percentage of gross national product being drawn off through public taxation.

The Federal tax system must be kept fair and equitable in the light of changing conditions. We have, in the last eight years, clearly recognized this challenge. The Revenue Acts of 1962 and 1964 contributed more to tax revision in the interest of fairness than the total of all measures since the revisions of World War II. In 1965 the excise tax revisions swept away the jumble of discriminatory measures that had been a legacy of past needs to raise revenues in war-time situations. Since then the Treasury has recommended action in a number of areas, such as foundations, acquisitions of businesses by tax-exempt organizations, revision of the tax treatment of the elderly, and the abuse of industrial development bonds. The Congress has taken action in some matters such as industrial development bonds and in other areas the problems are still on the legislative docket.

The combination of sustained and substantial growth in personal and corporate income, tax reduction, and higher returns on savings have had a dynamic effect on capital savings. The savings of the American people were $399 billion in 1960 and are $677 billion today. The net working capital of our nonbanking business institutions came to $132 billion in 1960 and is $205 billion today. The resources of our commercial banks, savings and loan institutions and mutual savings banks were $370 billion in 1960 and are $666 billion today.

New initiative, new policies and new resources devoted to manpower training and the provision of economic opportunities have assumed significance as an important structural economic policy as well as a means of showing compassion for those who lack adequate or equal economic opportunity. In recent years, the development of intensified public policy and imaginative efforts in private industry in manpower training have constituted an attack on structural unemployment. This makes taxpayers out of tax consumers, reduces the trade-off point between unemployment and inflation, and lessens the risk of dependence on excessive demand as an answer to the unemploymet problem.

Sizable investment in these activities and the underlying educative capacity that makes manpower training meaningful, coupled with the investment in tools of production, have become recognized as essential to the successful pursuit of the economics of growth.

Flexible and coordinated fiscal and monetary policies

The adjustment and coordination of fiscal and monetary policies to assure a stable, balanced, and dynamic economy will be an underlying fundamental for economic life in the years ahead—as it has been in the years just past. During the first two-thirds of the current expansion, fiscal and monetary policy were geared together to stimulate the domestic economy while keeping short-term interest rates reasonably aligned with key rates abroad. The more active use of fiscal policy enabled monetary policy to remain in an accommodating posture, without the sharp swings from ease to tightness that had been characteristic of the 1950's.

Since mid-1965 fiscal and monetary policy have faced further difficult tasks. While there was a difference of opinion in late 1965 as to the appropriate timing of monetary action, fiscal and monetary policies have continued to be coordinated in the interest of domestic stability and the balance of payments. The long legislative delay in enactment of the recent fiscal restraint package was obviously unfortunate. However, fiscal policy has once again assumed a major role in stabilization policy.

During recent years, it has been demonstrated that fiscal policy can be used to stimulate and to restrain. Combined with a flexible and responsive monetary policy, fiscal action can help insure that growth in total spending and productive capacity will be kept in reasonable correspondence. Without a close degree of coordination between fiscal and monetary policy, we run the risk of returning to the old cycle of expansion and contraction—boom and bust. But, the lesson of recent years is that the economy can be kept in steady expansion.

Cooperation between labor, management, and Government

A remarkable degree of cooperation, understanding and mutual confidence between business and labor and government has gradually emerged in recent years. As we have pursued policies to fashion a better balance between the public and private sectors, business and labor and government have moved together in a growing partnership for progress. They have discovered that by pulling together they can achieve much more than by pulling apart.

A key problem remains to be solved: wage-price stability at high levels of employment. Even with sound monetary and fiscal policies, wage-price stability depends upon the determination of American business and American labor to avoid wage rises that outdistance our gains in productivity and take the national interest into account in pricing decisions. Wage and price stability is vital to both our balance of payments and our domestic progress—business and labor and government have a joint responsibility to cooperate in its achievement.

International policy coordination and cooperation in economic and financial areas

Recent years have seen an unprecedented degree of cooperation in the international economic and financial fields. Let me note just a few areas of cooperation:

The General Arrangements to Borrow that give a much needed backstop to the resources of the International Monetary Fund.

The huge currency swap networks, now totalling almost $10 billion, that provide a first line of defense against disruptive currency speculation.

The cooperative arrangements to offset the foreign exchange costs of our military deployments that have protected our balance of payments from larger drains.

The expansion of multilateral aid to developing nations through the Inter-American Development Bank and the International Development Association, and the creation of the Asian Development Bank.

The cooperative efforts to assist nations that have found themselves in temporary monetary difficulties—Canada, the United Kingdom, Italy, and, more recently, France.

I must take particular note of the agreement on drawing rights. This historic development, at U.S. initiative, took years of patient negotiation and study. It holds out promise for the first time that eventually the world economy can be freed from dependence upon increases in monetary gold stocks and balance of payments deficits of reserve currency countries. It means that the world now has a way to expand trade and finance among nations with confidence that monetary reserves will grow sufficiently to make this flow of trade and finance possible.

The progress in all these areas has occurred during a period of formidable pressures on the international financial system and on our own balance of payments. Even though there is a period of relative calm, let no one assume that we have solved our own balance of payments problems or completed the work of improving the international monetary system. This is far from being true. But as a Nation we have come to grips with the problem: the President laid down a forceful corrective program on January 1, the Congress has responded with action for fiscal responsibility, and a substantial part of the remaining elements of the program is in effect and yielding results.

Cooperation is the common thread running through these and other accomplishments internationally. Increasingly, the advanced countries of the world are sharing the responsibility on a multilateral Free World scale for an improved trade and payments system, mutual security arrangements that are soundly and fairly financed, and an expanding system of development aid and finance.

PROVIDING CONTINUITY OF PROVEN POLICIES AND PROGRAMS IN 1969

Now the future requires our attention. Even in a political year, there is much upon which men of good will can agree. As a nation we are committed to the defense of freedom and the enlargement of opportunity—at home and abroad. Great tasks lie before us. We must keep the economy growing and productive, the Nation's finances in reasonable balance, and the dollar sound and respected.

Our basic economic objectives include: an adequate rate of growth, reasonably full employment, and reasonable price stability. Because of the special role of the United States economy and the dollar in the Free World monetary system, a fourth fundamental objective has emerged—the achievement and maintenance of equilibrium in our international balance of payments.

All are agreed that the foundation of all our national efforts will be an economy moving towards these objectives, providing ever new opportunities and an ample scope for individual, corporate and collective initiative.

There will be substantial differences as to the choice of means designed to achieve these objectives. These differences will reflect certain philosophical or pragmatic preferences.

But all should agree that the immediate task is to provide for continuity of proven policies and programs in 1969, so that the incoming administration—whether Democratic or Republican—can press ahead with the Nation's business, while fashioning the innovations and initiatives that seem desirable.

There are a number of areas in which continuity will be essential, and others in which continuity appears to be desirable until and unless suitable alternatives are devised and accepted.

First, the immediate problem for 1969 will be to adapt the fiscal and monetary mix to meaningful changes in the international situation and the process of achieving that degree of dis-inflation at home that will move the economy steadily toward reasonable price stability without too much of or too long a sacrifice in the rate of growth and job creation.

The current policy of fiscal and monetary restraint is directed toward restoring a reasonable degree of price stability by a moderation of the rate of growth from the excessive levels of the past year or so.

The task of monetary policy, now conjoined to the massive shift from fiscal stimulus to fiscal restraint provided by the recently enacted revenue act and the increases in social security taxes, scheduled for January 1, was indicated in the recently published June statement of the Federal Reserve Open Market Committee: ". . . it is the policy of the Federal Open Market Committee to foster financial conditions conducive to resistance of inflationary pressures and attainment of reasonable equilibrium in the country's balance of payments, while taking account of the potential impact of developments with respect to fiscal legislation."

Apart from the utilization of timely monetary policy, fiscal policy options which will be available to the new administration and the new Congress in the first six months of calendar 1969 are:

(a) The extent to which there will be a fuller funding of pressing domestic programs, as well as provisions for built-in or unavoidable Federal spending increases for social security and salary adjustments for Federal employees already voted,

(b) The decision, unavoidable by reason of the fact the recently enacted 10 percent surcharge expires on June 30, that tax must be extended, reduced or allowed to terminate.

I will content myself for the present by noting that these extremely important—even crucial—decisions will have to be made very early next year and take into account the state of the private economy and the outlook for defense expenditures, both important variables which have a disconcerting way of defying precise prediction well in advance.

Flexibility is the watch word in this area, as it has been since 1965.

A second area where continuity of policy will be highly important in 1969, but is far from being mastered, is the coupling of auxiliary or supplementary policies to complete the process of dis-inflation, now the prime target of the fiscal-monetary mix to restore reasonable price stability.

Effective price competition, a return to a closer relationship between increases in wages and productivity, some temporary absorption of increased costs out of profits, attacks on some of the structural areas such as construction and medical costs now being charted by the Cabinet Committe on Price Stability, should be important elements of program follow-through in 1969.

These programs for restoring price stability are also fundamental to the achievement of a healthy, enduring equilibrium in our international balance of payments based on competitive capacity in markets at home and abroad.

The association of inflation with low levels of unemployment is clearly an unsolved problem of the first magnitude. Every major Western nation has recognized the unemployment-inflation problem and has experimented with instruments of restraint. Our own experience with the wage-price guideposts developed by the Council of Economic Advisers was very encouraging until 1966, when excessive demand and lower rates of productivity resulting in increased prices and unit labor costs disrupted the previous even pattern of expansion.

Now that the problem of excessive demand has been tackled, the focus of scrutiny of the Cabinet Committee on Price Stability is how to effect a return to a workable pattern of wage-price stability.

Appropriate monetary and fiscal policies are, of course, absolutely indispensable in the achievement of rapid economic growth with reasonably full employment without inflation. But many ask: Can we not achieve these objectives merely through finer tuning of our monetary and fiscal restraints? Unfortunately, the answer is "no." The world would be much simpler were it otherwise. And, there was a time when many of us were confident that monetary and fiscal policy could do the job alone. But both American economic history and the experience of every Western nation speak eloquently that monetary and fiscal policy, alone, are not enough.

This Administration did not discover this dilemma, nor is it a partisan issue. After having grappled with it for seven years, President Eisenhower observed in his 1960 Economic Report:

"Fiscal and monetary policies, which are powerful instruments for preventing the development of inflationary pressures, can effectively reinforce one another.

"But these Government policies must be supplemented by appropriate private actions, especially with respect to profits and wages. In our system of free competitive enterprise and shared responsibility, we do not rely on Government alone for the achievement of inflation-free economic growth. On the contrary, that achievement requires a blending of suitable private actions and public policies. Our success in realizing the opportunities that lie ahead will therefore depend in large part upon the ways in which business management, labor leaders, and consumers perform their own economic functions."

A 1961 report to the Economic Policy Committee of the OECD noted that "most governments have now come to believe that, under conditions of full employment, management of the general level of demand will often need to be supplemented by more specific measures for promoting price stability." The report specified policies designed to prevent acute excess-demand conditions in particular sectors; policies designed to speed the adaption of supply in excess-demand conditions; and policies designed to influence determination of incomes and prices.

The guideposts of the Council of Economic Advisers explicitly treated the problem of discretionary power in the market place. They were a plea for abstention—in money terms, an appeal to accept less than is within their power to take. If we are free to decide, we must be content to live with our decisions and to be judged on them. But standards are necessary if the judgment is to be fair and constructive. The guideposts were an attempt to develop such standards. Can we devise better standards? Can we create institutions that implement them more effectively? Questions like these have been raised in all the major Western capitals. Hard as they are, they cannot be avoided in 1969.

A third area for policy continuity in 1969 is tax reform. After the reforms of the Revenue Acts of 1962 and 1964 and 1965, the Treasury Department undertook a major effort to prepare tax reform proposals of a comprehensive nature in 1966 and 1967. The plan was to launch a major legislative effort on the heels of the enactment of the temporary surcharge legislation. Because of the delays in enacting the surcharge legislation and the fact that substantial tax reform requires extensive legislative consideration, there was no suitable opportunity to push these proposals on to the legislative calendar.

It is clear that tax reform must be a matter of high priority as respects tax policy and the work of the Congress. I and my associates in the Treasury have called attention to some of the areas that we feel should be given consideration. As one example, there is the impact of our present tax system on those in poverty. A country concerned about the plight of the poor should certainly be concerned about not imposing an income tax burden on them, and indeed the Revenue Act of 1968 made this principle clear by not imposing the 10 percent surcharge on low income taxpayers. At the other end of the scale is the serious problem of those taxpayers with very high annual incomes who make little or no contribution to the Federal Government because of the use, singly or in combination, of many of the tax preferences adopted for particular purposes. There is also need for an extensive, searching review of the rules under the estate and gift taxes and the associated question of the treatment of transfers of appreciated assets at death under the income tax.

The two cardinal principles should guide us in considering tax reform. One is that the standards of equity and fairness and desirability must be applied in the context of the world today. Tax provisions adopted to serve certain needs in the past must constantly be tested to see if they are still appropriate. We must ask what is the net benefit to the nation from such a provision in terms of the present cost—what is the efficiency and effectiveness of the tax provision as contrasted with other forms of Government assistance that may not have the side-effects of income tax liberality to individuals or corporations that accompany the use of the tax route?

The second principle is that change from yesterday's rule to today's new need must be orderly and fair, so that those who had planned their businesses or lives on the basis of the earlier provisions may have an orderly transition to the new standards. But it is orderly transition that I am emphasizing and not stagnation or indefinite postponement of

any change, for tax preferences should not be a hereditary matter handed down from one generation to the next.

A fourth area where a beginning has been made and more needs to be done is in manpower training and the encouragement to civilian technology and education. There is still a relatively untapped resource in those of our citizens who are unemployed and underemployed. The wastes of unemployment are obvious. In addition, in far too many cases people are working in unskilled jobs and failing to utilize their full potential. Technological change has an unsatiable appetite for higher and higher job skills, and before many more decades have passed there may be little demand and only meagre compensation for the services of the underskilled or the uneducated.

One of the great challenges of our time is to harness the great capacity of the private sector to our system of public education and training, so as to make it possible for all of our population to share in the opportunities now available for the more fortunate. That challenge will not be finally met within 1969. But, the stakes are so high that there should be no interruption of the national effort in this area.

A fifth area for policy and program continuity is the re-establishment and maintenance of stable equilibrium in the U.S. balance of payments. This calls for a vigorous follow-through on all elements of President Johnson's New Year's Day program, rather than a dismantling of some parts, as some suggest. This program encompasses a series of direct action measures on specific accounts as well as use of fiscal restraint by the government and voluntary restraint by management and labor in price-wage and work stoppages affecting foreign trade.

The President's program—a stern and stiff one—won no cheers in an election year. It called for increased taxes, a hold-down in domestic spending and decreased government overseas expenditures or their neutralization by compensating measures. It urged less spending by Americans touring foreign lands and restrained money flows from the United States for U.S. investment and loans abroad, while encouraging combined public and private effort to encourage foreign tourism and investment in the United States.

Part of this program has been executed and in those areas it is working. Indeed, some of the results could lead to public overconfidence.

The last report on our balance of payments covering the second quarter of 1968 showed a small deficit of $150 million on a liquidity basis and a sizable surplus in the official settlement basis. This result was in sharp contrast to the large and unacceptable deficits in the previous quarter on both bases.

The progress achieved was in the movements of capital and not the current account which deteriorated with a declining trade surplus and a big tourist deficit. Welcome as it is, this progress was unbalanced, and some elements cannot be relied upon consistently. Some parts of the program, such as those designed to restore a healthy trade surplus, are only getting under way, and those dealing with the travel deficit have not been approved by the Congress.

The entire program must be applied. If it is not applied in its entirety this year, it will have to be applied next year regardless of what national administration is in power. It is, quite simply, a problem beyond politics.

The national objective embodied in the program must be pursued in full bipartisanship if the nation is to assure the strength of the dollar and the international monetary system.

The hard, gritty work of continuing to reduce our government expenditures abroad, or neutralize them through arrangements bilaterally negotiated, should continue unabated.

The nation must carry through to the full the workable programs of combining private and public effort to increase foreign investment and travel in the United States which have been submitted.

Our exports must be helped to rise—by responsible labor and management decisions on wages and prices, by continued negotiation of reduction of non-tariff barriers of our goods abroad, and by following through on the special measures for financing and promotion of American exports that have been initiated.

By doing less than a complete job in these areas of long term significance, we would be gambling with the future of our own prosperity and that of the free world and delaying the time when the temporary restraints in capital flows can be eliminated.

A sixth key area for policy continuity concerns the persistent and steady effort to provide leadership for and participation in international financial cooperation designed to improve constantly the working of the international monetary system to encourage trade and economic development.

This means in the monetary field the activation in 1969 of the Special Drawing Rights machinery to provide by deliberate decision over the years ahead new reserve assets, supplemental to gold and dollars. This activation should provide the degree of liquidity needed to accommodate a growing free world and facilitate the working of the adjustment process in an environment where monetary authorities of surplus countries are reluctant to lose reserves steadily.

In addition to activating the Special Drawing Rights, continuity of U.S. policy in 1969 should look to participation in any official multilateral studies for improving the international monetary system in a world which includes Special Drawing Rights.

Another area of international financial cooperation calls not merely for continuity of policy but for an acceleration of effort to improve and increase the role and effectiveness of multilateral development finance institutions and private investment in meeting foreign exchange and developmental needs of the less developed countries. Action in this area should go forward to a far greater degree than has been the case thus far in the Sixties.

As a group, the developing countries have, during the 1960's, achieved an average growth of 4.5% per year—impressive, but not significantly improved from the record of growth during the decade of the 1950's, and still slightly below the U.N. Development Decade target of an annual 5% increase in gross national product. Moreover, half of the growth which was achieved was absorbed by the population increases in the developing nations, so that on a per capita basis economic growth has averaged only 2.3% per year for the developing world as a whole.

But it can be misleading to try to generalize about the area covering all of Africa, Asia and Latin America which accounts for two-thirds of the world's population. These averages mask wide variations in the performance of the different countries and regions.

A number of those countries which are counted among the wealthier and more highly developed of the developing nations have made further rapid strides in recent years. For example, Greece and Israel have achieved an average growth rate of about 8½% a year or so since 1960, a rate which would double their national production in 8½ years.

There have also been major success stories by some of the poorer of the less developed nations. Among those with per capita income of less than $600 per year, there are six countries—Taiwan, Jordan, Panama, Nicaragua, Korea and Thailand—which have achieved high growth rates during the '60's, varying from 9.7% per year for Taiwan, to 7.2% for Thailand. This means that those six countries can double their 1960 GNP within the decade if they maintain their rate of advance.

These "success stories" represent in population less than 10% of the total. The remainder have seen no such spectacular results and for many the history of the 60's has been only one of grim disappointment. The whole of underdeveloped Africa has during this decade recorded a per capita economic growth of only 1% a year. South Asia with a population larger than the Continent of Africa and Latin America combined has recorded per capita growth of only one-half of 1% a year. Advancement for many countries has been depressingly slow and some have achieved no growth at all.

It is perhaps noteworthy that most countries which have achieved rapid growth have benefited from sound economic planning, good budgetary and monetary policies and a strong currency that has encouraged domestic savings and attracted foreign investment. And, importantly, it is apparent that those developing countries who have grown most rapidly have benefited from very large amounts of foreign assistance or other capital inflows from abroad.

Against this backdrop, an acceptance of the drastic proposed reduction in appropriations for foreign aid and a continued failure of the Congress to provide the United States share of a replenishment of the funds of the International Development Association of the World Bank would be tragic. It would destroy world-wide hopes for significant progress in multilateral development finance in 1969 and signal a dismal retreat from the realities of the struggle for continued economic progress.

CONCLUSION

Now summing up, in the period just ahead there will be a transition and a time of change, irrespective of which political party wins in November. But there should also be a continuity in economic policy and in established national economic objectives. Proven tools of economic and social progress are not the exclusive property of any administration or political party. In the economic and financial areas, we must all work together responsibly to insure that there is continuity, as well as change.

Indicator	1961–I (or February 1961) to 1968–II (or June 1968)		1953–I (or February 1953) to 1960–II (or June 1960)	
	Absolute change [1]	Percent change	Absolute change [1]	Percent change
Gross national product:				
Current prices	+$349,000,000,000	+69.4	+$141,000,000,000	+38.6
1968–II prices	+$268,000,000,000	+46	+$94,000,000,000	+19
Industrial production		+59.5		+18.7
Employment	+$10,456,000	+15.9	+$4,283,000	+6.9
Unemployment rate	down from 6.9 to 3.8 percent		up from 2.6 to 5.4 percent	
Number of months below 4 percent	30 months		19 months	
Personal income	+$272,000,000,000	+66.8	+$116,000,000,000	+40.8
After tax personal income	+$232,000,000,000	+65.2	+$101,000,000,000	+40.6
After tax personal income for family of 4	+$3,908	+50.3	+$1,488	+23.7
Per capita disposable personal income (1958 prices)	+$603	+32.2	+$171	+9.9
After tax corporate profits	+$26,000,000,000	+107.8	+$6,000,000,000	+28.1
Net farm income	+$210,000,000,000	+15.6	−$1,400,000,000	−10.4
Number of recessions	None		3	

[1] Current prices except as indicated.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

REPORT OF SMALL BUSINESS ADMINISTRATION

A letter from the Administrator, Small Business Administration, transmitting, pursuant to law, a report on the financial, management, and procurement assistance activities of the Administration throughout 1967 (with an accompanying report); to the Committee on Banking and Currency.

PROPOSED AMENDMENT OF INTERNATIONAL TRAVEL ACT OF 1961

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend the International Travel Act of 1961, as amended, in order to improve the balance of payments by further promoting travel to the United States, and for other purposes (with accompanying papers); to the Committee on Commerce.

PROPOSED ADDITIONAL ASSISTANT SECRETARY IN THE TREASURY DEPARTMENT

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize an additional assistant secretaryship in the Treasury Department (with an accompanying paper); to the Committee on Finance.

REPORT FOR THE AMERICAN SYMPHONY ORCHESTRA LEAGUE, INC.

A letter from George H. Jones, Jr., certified public accountant, transmitting, pursuant to law, the audit report for the American Symphony Orchestra League, Inc., for the year ended May 31, 1968 (with an accompanying report); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 551. An act to authorize the establishment of the Biscayne National Monument in the State of Florida, and for other purposes (Rept. No. 1597); and

H.R. 17787. An act to authorize the appropriation of funds for Padre Island National Seashore in the State of Texas, and for other purposes (Rept. No. 1598).

By Mr. PELL, from the Committee on Rules and Administration, with amendments:

S. 3174. A bill to establish a National Memorial to Woodrow Wilson in the Smithsonian Institution (Rept. No. 1599).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

Two hundred seventy-three postmaster nominations.

By Mr. MAGNUSON, from the Committee on Commerce:

Clarence F. Pautzke, of Washington, to be Assistant Secretary for Fish and Wildlife, Department of the Interior; and

Albert Bushong Brooke, Jr., of Maryland, to be a member of the Federal Power Commission.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Parker T. Hart, of Illinois, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State;

William Benton, of Connecticut, Alvin Christian Eurich, of Colorado, Katie Scofield Louchheim, of the District of Columbia, James H. McCrocklin, of Texas, and Frederick Seitz, of Illinois, to be representatives of the United States of America to the 15th session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization; and

Robert H. B. Wade, of Maryland, Marietta Moody Brooks, of Texas, Elizabeth Ann Brown, of Oregon, Morton Keller, of Massachusetts, and George E. Taylor, of Washington, to be alternate representatives of the United States of America to the 15th session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

BILLS INTRODUCED

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

By Mr. BREWSTER:

S. 4105. A bill for the relief of Benjamin Sedico Lopez; and

S. 4106. A bill for the relief of Belen O. Bunag; to the Committee on the Judiciary.

By Mr. NELSON:

S. 4107. A bill for the relief of Dr. Inocenico B. Cabatbat;

S. 4108. A bill for the relief of Apostole Bourexis;

S. 4109. A bill for the relief of Narciso Valentinelli; and

S. 4110. A bill for the relief of Tak On Li, Lai Hon Yau, Lun Sang Wong, Chun King Hau, Carmelo Tomasello, Kam Chun Li, Chi Chong Tau, Ip Wai Yung; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 4111. A bill to amend the Internal Revenue Code of 1954 to provide a deduction from gross income for certain nonreimbursable expenses incurred by volunteer firemen; to the Committee on Finance.

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

By Mr. JAVITS:

S. 4112. A bill to provide Federal assistance to States for establishing and strengthening consumer protection programs; to the Committee on Commerce.

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

By Mr. YARBOROUGH:

S. 4113. A bill for the relief of Francesco Rando; to the Committee on the Judiciary.

By Mr. CLARK:

S. 4114. A bill for the relief of Ilias Stavros Giannos; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey (for himself, Mr. MILLER, Mr. MONDALE, Mr. MORSE, Mr. MOSS, Mr. YARBOROUGH, and Mr. RANDOLPH):

S. 4115. A bill to provide for the establishment of an Institute on Retirement Income which shall conduct studies and make recommendations designed to enable retired individuals to enjoy an adequate retirement income; to the Committee on Government Operations.

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

S. 4111—INTRODUCTION OF BILL TO PROVIDE A DEDUCTION FROM GROSS INCOME FOR CERTAIN NONREIMBURSABLE EXPENSES INCURRED BY VOLUNTEER FIREMEN

Mr. RIBICOFF. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 to provide a deduction from the gross income for certain nonreimbursable expenses incurred by volunteer firemen.

Mr. President, there is a compelling need in America today to improve firefighting techniques and to expand local fire departments. Communities tend to take for granted the excellent protection that the firemen provide all of us. This is a tribute to the competent job firemen do without fanfare.

But despite the excellent work of local fire departments the death toll and property loss from fires grows each year. In the last year for which national statistics are available—1965—12,000 persons died in fires. Furthermore, $1.7 billion was lost in fire damage.

The National Fire Prevention Association reports that of 25,000 fire departments in the United States, only about 100 are adequately staffed and capable of handling almost any firefighting situation.

The unsung hero in many communities is the volunteer fireman. He is the one who must be prepared to leave his job—his family—his home—at any time of the day or night when the alarm goes off. He risks life and limb for the protection of others. He is the cornerstone of much of our firefighting services and needs all the encouragement we can give him.

Besides giving of his time and risking his life, the volunteer fireman incurs expenses for uniforms, automobile accessories, and other items as well as maintaining an automobile and buying gasoline for the performance of his duties. Often he is not reimbursed for these expenses. Since he is a volunteer, they are not deductible as a job expense on his tax return. I have, therefore, introduced this bill to provide volunteer firemen an income tax deduction for these items when he is not reimbursed.

This deduction is deserved in fairness and in recognition of the services performed by volunteer firemen throughout our Nation.

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

The bill (S. 4111) to amend the Internal Revenue Code of 1954 to provide a deduction from gross income for certain nonreimbursable expenses incurred by volunteer firemen, introduced by Mr. RIBICOFF, was received, read twice by its title, and referred to the Committee on Finance.

S. 4112—INTRODUCTION OF BILL—CONSUMER PROTECTIVE ASSISTANCE ACT

Mr. JAVITS. Mr. President, on behalf of myself and my colleague [Mr. GOODELL], I introduce a bill, the Consumer Protective Assistance Act. This is a bill companion to one which will be introduced in the other body by Representatives BUTTON, HALPERN, KUPFERMAN, REID, and WIDLER, all of New York.

The Consumer Protective Assistance Act would provide Federal grants to the States to cover up to 50 percent of the cost of the State's consumer protection

plan. To be eligible, the State plan would have to be approved by the Secretary of Commerce and must include:

First. A consumer protection office within the State to deal with dishonest practices;

Second. Programs to license or otherwise regulate business activities including, but not limited to household appliance repairmen, motor vehicle repairmen, home movers, travel agents, and home improvement contractors, in order to provide consumer protection. State regulation may include, but not be limited to, protection against false advertising, failure to perform the work or service as advertised, performing unnecessary and unrequested work or services, failure to perform work or services as represented to the consumer and for which the consumer was billed; and

Third. Consumer education programs to assist consumers residing in urban areas with high concentration of low income individuals, and to encourage the introduction of consumer education courses in public school curriculums.

Every one of us is a consumer. Yet, we sometimes drag our feet when it comes to protecting the public from the unethical practices which are indicative of a small segment of our business community. The advancing technology and increased sophistication of modern consumer goods have turned the once fair exchange between the parties often into a one-way street.

Yesterday's rather unsophisticated hand-operated can opener is today's all electric machine which not only opens the can and removes the top, but also sharpens knives and crushes ice. Advances are not confined to the consumer's home. With the fantastic increase in the number of people who travel, the traveler also must place a greater degree of reliance on the travel agent. Many tourists upon their arrival have found an alleged first-class hotel to resemble a campsite.

With the refining of the internal combustion engine, repairs can only be made by highly specialized mechanics. Again the reliance must be placed on those who sell and service today's automobiles.

The home moving field is another area in which the homeowner finds himself at a disadvantage. The estimated 2-hour move often turns into a full day and even week affair.

For the American consumer, today's sales pitch and full-blown advertising campaigns can be all too convincing.

I therefore propose the enactment of a Consumer Protective Assistance Act, the intent of which is to weed out those relatively few in the business community who thrive on deception and intimidation and to provide such regulation as will allow the consumer to deal on an even level with the salesman and repairman.

The problems faced are quite diverse and complex. In the past year, some steps—although small ones—have been taken to come to grips with the consumer problem. The action taken by the executive branch in creating a consumer affairs division has been a movement in the right direction. There is a real problem, however, at the grassroots level. It is there that immediate and forceful action is most needed and it is for this reason that my proposal provides for the channeling of funds to the individual States. The recently enacted Consumer Credit Protection Act—the so-called truth-in-lending bill—is a major development in dealing with the problems of installment sales financing. However, the problem goes much further, and the protection must begin before the goods have been contracted for and continue after the price has been paid.

This bill, therefore, seeks to tap the most effective resources by placing primary reliance on State action, with Federal funds being used essentially as a lever to move the State into consumer protection programs. For when Federal funds are used in conjunction with, and to stimulate State efforts, funds can have a multiplier effect and hence a far greater impact.

The State consumer protection office as conceived by this bill may be in such department or agency as the individual State may determine. The office would take such steps as consultation, mediation, and where necessary, litigation in order to provide the consumer with an effective remedy.

As an example of what can be accomplished through such offices, it is hoped that States will look to the work which has been done in my own State of New York under the outstanding leadership of Attorney General Louis J. Lefkowitz.

The consumer protection office within the attorney general's office has made great strides in bringing about a decrease in the number of unscrupulous practices. The focusing on the problem by one office allows for more immediate and direct action and it gives the public an agency to which to bring its complaints. Under the auspices of the New York City office of the attorney general, through mediation and court action, $766,486.02 was returned to the public in money, goods, and/or services in 1967. This is an example of what the States can do if given the chance.

Practices such as inflated pricing, "deceptive" giveaways, bait and switch or other forms of false advertising which cause many people to sign contracts for unwanted and unneeded merchandise are within the scope of this act. It is expressly intended that when the consumer is confronted with such high pressure tactics, he should have an avenue of recourse. Where the goods offered for sale or sold are not equivalent to what was advertised, the State under appropriate statutes should take steps to provide the consumer with civil relief and exact penalties.

The repair of our consumer goods is another area sorely in need of regulation. Under this bill, a State is expressly authorized to enact licensing programs which will set up standards to which all home appliance repairmen, motor vehicle repairmen, and similar tradesmen shall conform.

The increase in home improvement frauds is another area of concern. The home improvement industry is a $15 billion annual enterprise. The services it performs and the new materials and techniques it has introduced have greatly contributed to the material well-being of millions of American families. Yet, the industry's performance and reputation have been scarred by those operating on the fringe. The products and services these unscrupulous sellers offer are numerous—siding, fire alarm systems, furnace repairs, to name a few.

It is the express intent of this bill that all such tactics to bilk the public including bogus contests, fictitious bargains, and misrepresentations of guarantees will be subject to its penalties.

Protection for the consumer after the fact is an important and effective step. A far better solution, however, is in the education of the consumer. My proposal gives authorization to the States to establish consumer education programs and also recommends that courses be established within the curriculum of the public schools to give today's consumer an awareness of the problem and tomorrow's consumer the understanding to deal in the marketplace intelligently.

It is hoped that the enactment of this measure into law and specific regulations under it will provide the public with the safeguards which will allow the public to deal with confidence in the marketplace.

Mr President, I strongly urge that Senators give consideration to similar programs in their States which would be enormously encouraged by Federal legislation such as I am introducing today.

I would also like to commend a young law student, Richard Solomon, who was an intern in my office this summer, for his excellent contribution to this bill. Mr. Solomon volunteered his time even after returning to school to assist in this project, and I am most grateful for his help.

Mr. President, I send the bill to the desk for appropriate reference and ask that its text be printed in the RECORD.

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

The bill (S. 4112) to provide Federal assistance to States for establishing and strengthening consumer protection programs, introduced by Mr. JAVITS, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 4112

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 "Consumer Protection Assistance Act".

AUTHORIZATION

SEC. 2. For the purpose of assisting the States to develop, establish, and strengthen State consumer protection programs, the Secretary of Commerce (hereinafter referred to as the "Secretary") is authorized to make grants pursuant to the provisions of this Act.

(b) For the purpose of making such grants there is hereby authorized to be appropriated $10 million for the fiscal year ending June 30, 1969, and $15 million for the fiscal year ending June 30, 1970.

ALLOTMENTS

SEC. 3. (a) From the sums appropriated pursuant to the preceding section for each

fiscal year the Secretary shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount to the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands, according to their respective needs. From the remainder of such sums, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the population of such State bears to the population of all the States. For the purposes of this subsection the term "State" shall not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Island.

(b) The amount any State's allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Secretary may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year from funds appropriated pursuant to the preceding section shall be deemed part of its allotment under subsection (a) for such year.

USES OF ALLOTTED FUNDS

SEC. 4. Grants under this Act may be used, in accordance with State plans approved under section 5, for—

(1) the establishment or strengthening of a consumer protection office which, in the case of the establishment of such an office, shall be located in such department or agency of the State as the chief executive or the legislature of the State determines;

(2) the establishment, operation and expansion of programs to license, or otherwise regulate, household appliance repairmen, motor vehicle repairmen, travel agents, and home improvement contractors in order to provide improved consumer protection, including protection against—

(A) false advertising;

(B) failure to perform the work or service as advertised;

(C) performing unnecessary and unrequested work or services;

(D) failure to perform work or services as represented to the consumer and for which the consumer was billed; and

(3) the establishment and expansion of consumer education programs, with particular emphasis upon projects which give promise of assisting persons who reside in urban areas of high concentration of unemployed or low-income individuals and the encouraging of the introduction of consumer education courses in public school curriculums.

STATE PLANS

SEC. 5. (a) Any State desiring to participate in the grant program under this Act shall designate or create an appropriate State agency for the purpose of this section, and submit, through such State agency a State plan which shall—

(1) set forth a program under which funds paid to the State from its allotment under section 3 will be expended solely for the purposes described in the preceding section;

(2) provide for the proper and efficient administration of such plan by such State agency, and in the case of programs to carry out the purposes described in paragraph (2) of the preceding section, the proper and efficient administration of such plan by such agency or any other appropriate State agency designated in such plan;

(3) provide for cooperation and coordination with State and local legal services programs and other consumer oriented programs carried out by the community action agencies under the Economic Opportunity Act of 1964;

(4) provide assurances that the State will pay from non-Federal sources the remaining cost of such plan;

(5) set forth policies and procedures designed to assure that Federal funds made available under this Act will be so used as not to supplant State funds, but to increase the amounts of such funds that would in the absence of such Federal funds be made available for the purposes set forth in the preceding section;

(6) provide that such State agency will make such reports in such form and containing such information as the Secretary may reasonably require; and

(7) provide such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting of funds received under this Act.

(b) The Secretary shall approve any State plan and any modifications thereof which comply with the provisions of subsection (a).

PAYMENTS

SEC. 6. (a) From the amounts allotted to each State under section 3, the Secretary shall pay to each State which has a plan approved under section 5(b) an amount equal to the Federal share of the amount needed for the purposes set forth in such plan.

(b) For the purposes of subsection (a), the Federal share for each State shall be 50 per centum for each fiscal year.

(c) Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL REVIEW

SEC. 7. (a) Whenever the Secretary after reasonable notice and opportunity for hearing to the State agency administering a State plan approved under this Act, finds that—

(1) the State plan has been so changed that it no longer complies with the provision of section 5, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Secretary shall notify such State agency that no further payments will be made to the State under this Act (or in his discretion, that further payments to the State will be limited to programs or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this Act (or payment shall be limited to programs or portions of the State plan not affected by such failure).

(b) A State agency dissatisfied with a final action of the Secretary under section 5 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

REPORT

SEC. 8. The Secretary shall prepare and submit, as part of the annual report of the Department of Commerce, a report on the administration of this Act, including an evaluation of the impact of Federal financial assistance upon the improvement of consumer protection programs in the United States.

S. 4115—INTRODUCTION OF BILL TO ESTABLISH AN INSTITUTE ON RETIREMENT INCOME

Mr. WILLIAMS of New Jersey. Mr. President, many Americans, as they grow older and spend less time at work, move deeper and deeper into the shadows of our economy, until finally they are forced to exist at or near the poverty level. Retirement often means a drastic reduction in income and, for millions of elderly Americans, it also means financial hardship and deprivation.

Income maintenance is the No. 1 problem facing America's senior citizens. It dominates our concern, and it dictates the ways we will be able to handle the other critical issues related to aging. The hard truth is this: if older Americans are forced to exist on inadequate incomes, far below the standard of younger men and women, they are not going to be able to take advantage of any program of social progress or community service.

Because income is so important, and because the problems associated with income maintenance for the elderly are so complex, I am today introducing legislation to create an Institute on Retirement Income—which would be charged with the task of planning, and implementing, programs to meet the needs of retirement.

The Institute would be a think tank agency, designed to carry out intensive study and make specific recommendations. It would touch on all aspects of retirement income—private pensions, social security, and other systems of retirement assistance—and would plan action to improve these plans. Finally, the Institute would propose new ways to meet the demand for adequate retirement income, ways not necessarily limited to existing plans or programs. A model for this Institute already exists—in the Institute on Urban Affairs, already at work.

These new approaches are needed because the traditional means of providing retirement income cannot keep pace with the problem. Increases in social security, while welcome, will require new funding mechanisms possibly out of general revenue funds, if they are to have

major effect. Pension plans cover some 27 million workers, but this is only about 45 percent of the work force; moreover, workers in the higher income brackets have far greater participation in pension plans than those in the lower brackets—those who need it more. Pensions, in fact, are based on income levels which were adequate during the working years, but which fail to provide for sufficient income during retirement. These statements are documented in the latest annual report of the Senate Special Committee on Aging, on which I serve as chairman. One of the major recommendations in that report was the creation of this Institute.

I am aware that since we are late in the second session of this Congress, action on my proposal cannot be expected this year. Nevertheless, I think that the matter is important enough to bring it to the attention of Members of the Senate, and to state my intention to press for prompt and thorough consideration during the 91st Congress.

Mr. President, millions of older Americans are waiting for a solution to their problem. The longer we make them wait, the wider will grow the gap between the income levels for worker and retiree. If we mean what we say about older Americans, and if we intend to help them find a place as productive members of society, we will have to act on this critical deficiency. I urge the Senate to give the matter its early and active attention.

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

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

The bill (S. 4115) to provide for the establishment of an Institute on Retirement Income which shall conduct studies and make recommendations designed to enable retired individuals to enjoy an adequate retirement income, introduced by Mr. WILLIAMS of New Jersey (for himself and other Senators), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 4115

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 "Institute on Retirement Income Act."

SEC. 2. (a) In order to conduct studies, demonstrations, and research of the income needs of retired individuals with a view to devising and recommending methods by which such income needs may be met by such individuals, the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") is authorized to enter into an agreement with any public or nonprofit private agency or organization (either existing or organized expressly to enter into the agreement authorized by this Act) for the payment by the United States of all or part of the costs of the establishment and operation, including equipment but not construction, of an Institute on Retirement Income.

(b) Before entering into the agreement provided for in subsection (a), the Secretary shall consult with the Secretaries of Defense and Labor, the Administrator of the Veterans' Administration, the Chairman of the Civil Service Commission, the Director of the Office of Economic Opportunity, and with such other officers of the Executive Branch of the Government as he may choose who have a responsibility for retirement incomes, with reference to the terms to be included in such agreement and the effectiveness of the plan to establish and operate an Institute on Retirement Income.

(c) Any agency or organization desiring to enter into such an agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed by the Secretary. In considering such proposals, the Secretary shall give preference to those proposals which give promise of ability to achieve the purposes of this Act with minimum expense and maximum effectiveness, including ability to attract and retain personnel who are well qualified to study problems and opportunities relating to retirement income and ability to find and recommend appropriate solutions to such problems independent of coercion from individuals outside the Institute.

(d) The agreement shall—

(1) provide that Federal funds paid to the agency or organization for the Institute will be used only for purposes for which paid and in accordance with the applicable provisions of this Act and the agreement made pursuant thereto;

(2) provide that the agency or organization making the agreement will make an annual report to the Secretary, which the Secretary in turn shall transmit to the Congress with such comments and recommendations as he may deem appropriate; and

(3) include such other conditions as the Secretary deems necessary to carry out the purposes of this Act.

SEC. 3. It shall be the duty and function of the Institute to study all aspects of the problems and opportunities relating to the attainment of adequate retirement income, including, but not limited to, the following:

(a) possible methods whereby increased retirement benefits may be paid on a fiscally sound basis by Federal retirement programs such as the social security retirement program, the railroad retirement program, the civil service retirement program, and the military retirement programs;

(b) means whereby the coverage of workers by private pension programs can be increased and means whereby such programs can be encouraged and assisted to provide more adequately retirement incomes for aged individuals;

(c) actions that might be taken by the Federal Government to assist State and local governments in paying increased retirement benefits to their employees, or in making such employees eligible for retirement and health insurance benefits under the Social Security Act;

(d) actions which might be taken by the Federal Government to encourage and assist young and middle-aged wage earners more adequately to meet their retirement needs through systematic savings;

(e) actions that the Federal Government might take to encourage and assist young and middle-aged persons to contribute to needy elderly relatives;

(f) actions that the Federal Government might take to increase opportunities for full-time or part-time employment for elderly individuals who desire to supplement inadequate retirement income by working;

(g) actions which the Federal Government might take to cause existing Federal programs combatting poverty more adequately to meet the needs of aged persons for adequate retirement income; and

(h) actions the Federal Government might take to assist elderly individuals in establishing and operating small businesses to provide services in locations where such services otherwise would not be provided.

SEC. 4. There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out the provisions of this Act.

ADDITIONAL COSPONSOR OF BILL AND JOINT RESOLUTION

Mr. METCALF. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Oregon [Mr. HATFIELD] be added as a cosponsor of the bill (S. 4059) to amend the Internal Revenue Code of 1954 so as to limit the amount of deductions attributable to the business of farming which may be used to offset nonfarm income.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Wisconsin [Mr. NELSON], I ask unanimous consent that, at its next printing, the name of the distinguished Senator from New Jersey [Mr. WILLIAMS] be added as a cosponsor of the joint resolution (S.J. Res. 200) to establish a temporary Commission on Nominations for President and Vice President.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, October 1, 1968, he presented to the President of the United States the enrolled bill (S. 1578) to authorize the appropriation for the contribution by the United States for the support of the International Union for the Publication of Customs Tariffs.

PROTECTION OF THE PUBLIC HEALTH FROM RADIATION EMISSIONS—AMENDMENT

AMENDMENT NO. 1009

Mr. FANNIN submitted an amendment, intended to be proposed by him to the amendment (No. 984) intended to be proposed by Mr. YARBOROUGH (for himself and other Senators) to the bill (H.R. 10790) to amend the Public Health Servict Act to provide for the protection of the public health from radiation emissions from electronic products, which was ordered to lie on the table and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO LIMITATION ON AMOUNT OF DEDUCTIONS ATTRIBUTABLE TO THE BUSINESS OF FARMING—AMENDMENTS

AMENDMENT NO. 1010

Mr. BURDICK submitted amendments, intended to be proposed by him, to the bill (S. 4059) to amend the Internal Revenue Code of 1954 so as to limit the amount of deductions attributable to the business of farming which may be used to offset nonfarm income, which were referred to the Committee on Finance and ordered to be printed.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1969—AMENDMENTS

AMENDMENT NO. 1011

Mr. CLARK submitted an amendment, intended to be proposed by him, to the bill (H.R. 18707) making appropriations for the Department of Defense for the fiscal year ending June 30, 1969, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 1012

Mr. JAVITS. Mr. President, on behalf of myself and Mr. GOODELL, I submit an amendment to H.R. 18707, the Defense appropriations bill. The amendment would prohibit the expenditure of any funds appropriated under this bill to repair naval vessels at places other than their home ports, unless the contracts for repair of the vessels were awarded on the basis of competitive bidding open to drydock or other repair facilities located within 1,000 miles of the home port of the vessel. I ask unanimous consent that the amendment be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 1012) is as follows:

On page 44, between lines 21 and 22, insert the following:

"SEC. 542. Notwithstanding any other provision of this Act, none of the funds appropriated herein shall be used for the purpose of repairing any naval vessel at any place other than the home port of such vessel unless the contract for the repair of such vessel has been awarded on the basis of competitive bidding, pursuant to chapter 137 of title 10, United States Code, open to all drydock or other repair facilities which are (1) located within 1,000 miles of the home port of such vessel, and (2) capable of performing the repair work involved."

On page 44, line 22, strike out "SEC. 542" and insert in lieu thereof "SEC. 543".

Mr. JAVITS. Mr. President, for some time I have been engaged in discussion with the Department of the Navy concerning the ship repair policy followed by the Navy. Under present regulations, naval ships are generally repaired in their home ports. The purpose of that policy, as I understand it, is to allow the crews of the vessels to be together with their families during the time the vessel is being repaired. That part of the policy is quite understandable and nothing in the amendment I have introduced today would require any change in it.

However, present regulations also provide that when for some reason a naval vessel cannot be repaired in its home port, it must be repaired at a facility located in the same naval district that the home port is located in.

This policy has no rational justification in terms of the convenience of crew members. Because of the way the naval district lines are drawn geographically, it is possible, under existing regulations for a vessel home ported in Baltimore, Md., to be repaired in Norfolk, Va., 200 miles away, but not in New York or Philadelphia, both of which are closer to Baltimore. Moreover, recently the Navy has ordered ships home ported in Narragansett, R.I., to be repaired in Baltimore, Md., without even giving repair yards in New York a chance to bid for the work. To make matters worse very few ships are home ported in the Third Naval District, in which New York is located. Hence this policy has resulted in the ship repair facilities in New York obtaining a minute portion of the total naval ship repair work done on the east coast.

Because of this wholly arbitrary, irrational policy followed under existing Navy regulations, the private shipyards in the Port of New York are threatened with extinction even though their combined drydock capacity still available exceeds 168,000 tons, which is greater than the combined capacity of any other port in the United States. The problem which faces the Port of New York is set forth in detail in the statement of Arthur J. Grymes before the Second Annual Port of New York Congressional Breakfast in Washington, D.C., on March 28, 1968, and I ask unanimous consent that Mr. Grymes' statement be printed in the RECORD at this point.

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

NAVY SHIP REPAIR POLICY CAUSES FURTHER DECLINE OF NEW YORK PORT SHIPYARDS

(Statement of Arthur J. Grymes before the Second Annual Port of New York Congressional Breakfast, Washington, D.C., March 28, 1968)

Mr. Chairman and Distinguished Guests: I first would like to thank each of you for taking time from your busy schedule to attend this meeting in order to discuss some of the major problems confronting the Port of New York. In the next few minutes we would like to talk with you concerning the need of the Port shipyards to obtain a better proportion of Navy ship repair work.

I represent the New York and New Jersey Dry Dock Association which is an organization composed of ten companies operating ship repair yards in the Port of New York. These shipyards, which except for occasional small vessels do no ship construction, have the capacity to perform nearly all types and kinds of repair and conversion work. We have attached to our statement a list of dry dock companies in the Port together with the respective capacity of each (Appendix A).

Although unstable conditions have caused the closing of four major private shipyards in the New York Port during the last several years, the combined dry dock capacity still availbale exceeds 168,000 tons. This is greater than the combined capacity of any other port in the United States.

When operating at efficient levels, the New York Port repair yards can employ 25,000 workers. However, during the past 25 years, our yards have sustained a loss in employment from a peak of over 40,000 in World War II and about 10,000 at the height of the Korean conflict to about 4,000 today in the midst of the Viet Nam crisis. It should be pointed out that during the same period total employment in at least one other Atlantic Coast port has grown by approximately the amount of New York loss.

The decline of the Port ship repair industry is largely attributable to a reduction in the amount of Navy repair work made available to the Port. During World War II, about 60 percent of Navy repair work on the Atlantic Coast was accomplished in the New York Port shipyards.* In fiscal year 1966, the latest year for which the figures are available, the value of Navy repair contracts awarded to the New York Port shipyards was only slightly over $5,000,000. This represents only 3.78 percent of the $132,198,000 value of contracts awarded on the Atlantic Coast (First, Third, Fourth, Fifth and Sixth Naval Districts). It represents only 1.97 percent of the $255,690,000 value of Navy repair contracts awarded in 1966 to private shipyards throughout the United States.

Attached to our statement (Appendix B) is a list of the total values of Navy ship repair contracts awarded to each port on the Atlantic Coast in fiscal year 1966. This shows the disproportionately small share of work being made available to the shipyards in the New York Port.

It is true that Navy ship repair expenditures in recent years have included substantial amounts for the overhaul of nuclear submarines and that the New York Port shipyards have not been qualified to do nuclear work. However, the servicing of the conventionally-powered surface fleet constitutes by far the greater portion of Navy repair work. Even deducting the nuclear submarine work, which is performed at the private yards in Groton, Connecticut and Newport News, Virginia, the New York Port in fiscal 1966 got only 7.04 percent of the Atlantic Coast conventional Navy repair work. In 1965, this figure was 9.61 percent, in 1964, 14.20 percent; and in 1963, 17.70 percent. Appendix B–1 annexed to our statement shows how the percentage of naval work, excluding the overhauling of nuclear submarines, has been either growing or remaining stable in other Atlantic Coast ports while thus rapidly declining in the New York Port.

It is noteworthy that in 1955 Senator John Marshall Butler of Maryland is reported to have complained to the Secretary of the Navy that the New York Port shipyards were receiving half again as much Navy repair work as the Baltimore shipyards. Today the situation has been exactly reversed. Although the New York Port shipyards have a combined dry dock capacity over 20,000 tons greater than the two shipyards in Baltimore, the latter in fiscal 1966 received Navy conventional repair contract awards totaling over $8,500,000 as against the $5,048,000 awarded to New York.

Similarly, the Port of Jacksonville which has a total combined dry docking capacity of little more than one-half that of the New York Port received over twice as much naval repair work.

It appears that the dramatic reduction in the allocation to the New York Port is scheduled to continue during the next few years. For the balance of fiscal 1968, only two small Navy vessels are scheduled to be repaired in the Port. Only one vessel is scheduled for repair in the Port in each of fiscal years 1969 and 1970. Clearly, action to change this course is required if the remaining New York shipyards are to be preserved.

Our requests for conferences with Navy Department officials either have been rejected or if held have proven fruitless. The Department repeatedly has informed us that its "home port" repair policy has been precluding the allocation of work to the New York Port. This home port policy, which is established by Navy Directive No. OP Nav. Instr. 04700.7D (the Navy has refused to provide us with a copy), apparently requires that bidding on naval repair work must be restricted to the Naval District in which the ship involved is home ported. Since most Atlantic Fleet vessels in recent years have been home ported in the Fifth and Sixth Naval Districts, the repairing and overhaul of such vessels is restricted to shipyards in the ports of those districts. (A map showing the Naval Districts is attached as Appendix C. Appendix C not printed in the RECORD.)

We are told that the home porting policy is necesary in order to maintain the morale of the ship crews, since many crewmen reside in the home port vicinity.

*The Brooklyn Navy Yard, which was closed in 1966, did chiefly ship construction and conversion rather than repair work.

The major fallacy of this rationale is that under the present policy naval vessels are not always overhauled or repaired in their home ports. As we have noted, the Navy has been restricting bids not only to the actual home port but to the entire Naval District in which the home port is located. Thus, a ship home ported in Norfolk, Virginia, could be laid up for repairs in Baltimore, Maryland, a distance of well over 200 miles. Similarly, a ship conceivably home ported in Wilmington, North Carolina, could be dry docked in Tampa, Florida, a distance of approximately 700 miles. It is difficult to comprehend how the crew of a vessel can get to their home on a regular basis when the ship is dry docked at such a distance. Indeed, in some instances if the vessel were dry docked in New York it actually might be closer to the home port.

Furthermore, we do not understand why it is necessary to home port the bulk of the Atlantic Fleet in southern waters. Attached to our statement is a table (Appendix D) compiled in 1965 which shows that the largest share of naval personnel from the East Coast States are drawn from New York and Pennsylvania. In fact, these two States are exceeded only by California in their numerical contribution to Navy personnel. If morale is a major factor, then the question should be raised why more vessels are not home ported where the greater share of the personnel originated.

We frequently are advised that the Federal Government is interested in our repair and conversion capacities for mobilization purposes. We cannot maintain capacities and skilled manpower sufficient to meet national emergency requirements unless the Navy Department in periods of non-hostility allocates its repair and conversion work on a more equitable basis. In this connection, it is to be noted that during World War II tactical requirements outweighed any "morale" considerations in determining that most Navy repairs had to be obtained in the New York Port.

We urge you as representatives of the Port area to take action to correct the inequities which we have just outlined to you. Your efforts at this time could be especially fruitful since the Center for Naval Analysis, the Navy's research organization, currently is conducting a study of the criteria for decisions to convert and repair naval vessels.

As part of this effort, we ask you to join with us in meeting with the Assistant Secretary of the Navy charged with responsibility in this area and with Admiral Thomas J. Moorer, Chief of Naval Operations. Congressman John M. Murphy has been attempting to arrange such a meeting and we shall advise you of the time and place when it is established.

We desperately need your assistance to correct this situation which threatens not only to cost the loss of the pre-eminent position of the New York Port ship repair industry, but also to destroy our very existence as a vital segment of the Port. Thank you.

APPENDIX A

PORT OF NEW YORK DRY DOCK COMPANIES AND CAPACITIES, JULY 1967

	Drydocks	Largest length (in feet)	Drydock width (in feet)	Lifting capacity (in tons)
Bethlehem Steel Corp.,[1] Hoboken, N.J.	4	615	101	25,000
Brewer Dry Dock Co., Staten Island, N.Y.	4	410	87	8,250
Ira S. Bushey and Sons, Inc., Brooklyn, N.Y.	4	382	72	7,500
Caddell Dry Dock & Repair Co., Staten Island, N.Y.	3	280	49	1,600
Coastal Dry Dock & Repair Corp. Staten Island, N.Y.	4	250	60	1,700
Gallagher Bros. Repair Yards, Inc., Jersey City, N.J.	2	130	46	700
Jersey City Dry Docks Co., Jersey City, N.J.	2	217	75	1,600
Reynolds Shipyard Corp., Staten Island, N.Y.	1	216	85	2,000
Perth Amboy Dry Dock Co., Perth Amboy, N.J.	3	352	71	5,400
Rodermond Industries, Inc., Jersey City, N.J.	4	290	62	2,500
Todd Shipyards Corp., Brooklyn Division, Brooklyn, N.Y.	4	755	100	25,000

[1] Not a member of the New York and New Jersey Dry Dock Association.

APPENDIX B

Dollar value of naval ship repair contract awards—Fiscal year 1966

Port	Awards
Boston, Mass. (East Boston, South Chelsea, Burlington)	$7,785,514
Fairhaven, Mass.	102,098
Newport, R.I.	800,734
Groton-New London, Conn.	42,079,618
New York (Brooklyn, Hoboken, Staten Island, Perth Amboy)	5,048,598
Philadelphia - Camden - Wilmington	4,763,956
Annapolis-Baltimore	8,501,020
Newport News-Norfolk	42,548,454

APPENDIX B—Continued

Dollar value of naval ship repair contract awards—Fiscal year 1966—Continued

Port	Awards
Elipabeth City, N.C.	$198,486
New Bern, N.C.	2,610,099
Morehead City, N.C.	29,102
Wilmington, N.C.	384,787
Charleston-Wanto-Mount Pleasant, S.C.	4,776,307
Savannah, Ga.	735,901
Jacksonville-Fort George, Fla.	11,094,766
Dania, Fla.	63,685
Miami, Fla.	152,178
Tampa, Fla.	3,976

PERCENTAGES OF TOTAL ATLANTIC COAST[1] NAVY SHIP REPAIR CONTRACT AWARDS TO MAJOR PORTS, FISCAL YEARS 1963-66

(Excludes overhaul of nuclear submarines)

Port	1966	1965	1964	1963
Total	($71,145,000)	($44,766,000)	($64,647,000)	($43,664,000)
Boston (East Boston, South Chelsea, Burlington, Quincy)	11	7	14	22
New York (Brooklyn, Hoboken, Staten Island, Perth Amboy)	7	10	14	18
Philadelphia-Chester-Wilmington (Del.)	7	3	6	9
Baltimore	12	8	7	8
Newport News-Norfolk, Va.	31	34	25	9
New Bern, N.C.	4	4	4	4
Charleston, S.C. (Wando-Mount Pleasant)	7	6	3	7
Savannah, Ga.	1	3	1	4
Jacksonville (Atlantic Beach, Fort George, Mayport)	16	2	9	5
Others	4	23	17	14
Total	100	100	100	100

[1] 1st, 3d, 4th, 5th, and 6th Naval Districts.

APPENDIX D

Number and percentage of total U.S. naval personnel by east coast States having naval shipyards

	Percent
New York (37,276)	6.4
Pennsylvania (36,693)	6.3
Massachusetts (16,908)	2.7
Virginia (12,469)	2.2
South Carolina (8,165)	1.4

(Total U.S. naval personnel, 585,596.)

Mr. JAVITS. Mr. President, last May, the entire New York congressional delegation met with Adm. Edward J. Fahy, Commander of the Naval Ship Systems Command, and Assistant Secretary of the Navy Barry J. Shillito to discuss this problem. Unfortunately, at that meeting Admiral Fahy and Assistant Secretary Shillito were adamant that existing naval policy could not be changed. This attitude has persisted throughout an exchange of correspondence which I have had with Admiral Fahy and Assistant Secretary Shillito. I ask unanimous consent that my correspondence with these gentlemen be printed at this point in my remarks.

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

MAY 29, 1968.

Adm. EDWARD J. FAHY,
Commander, Naval Ship Systems Command, Department of the Navy, Washington, D.C.

DEAR ADMIRAL FAHY: I appreciate very much your meeting with the Port of New York Steering Committee on May 9. As a follow-up to our discussion at the meeting I should like your comments on the following questions:

(1) Since the root of the trouble stems from the Navy's "home port" policy, why cannot the Navy designate New York as the home port of enough ships to insure that New York gets its fair share of repair work?

(2) The Navy's home port policy provides that repairs may be made anywhere within the district within which the home port is located. In view of the fact that this policy sometimes results in ships being repaired hundreds of miles from their actual home port, would it not be consistent with the rationale of the home port repair policy to alter the regulations to provide that where it is impossible to repair a ship at its actual home port the repair job will be open to bidding by all repair yards within the home port district or the adjoining districts or even along the entire coast?

(3) I would also appreciate your best advice on any other measures that could be taken to alleviate the problem of naval ship repair that the Port of New York faces.

With best wishes,

Sincerely,

JACOB K. JAVITS

JUNE 4, 1968.

Hon. BARRY J. SHILLITO,
Assistant Secretary of the Navy, Department of the Navy, Washington, D.C.

DEAR MR. SHILLITO: I appreciate very much your meeting with the Port of New York Steering Committee on May 9. As a follow-up to our discussion at the meeting I should like your comments on the following questions:

(1) Since the root of the trouble stems from the Navy's "home port" policy, why cannot the Navy designate New York as the home port of enough ships to insure that New York gets its fair share of repair work?

(2) The Navy's home port policy provides that repairs may be made anywhere within the district within which the home port is

located. In view of the fact that this policy sometimes results in ships being repaired hundreds of miles from their actual home port, would it not be consistent with the rationale of the home port repair policy to alter the regulations to provide that where it is impossible to repair a ship at its actual home port the repair job will be open to bidding by all repair yards within the home port district or the adjoining districts or even along the entire coast?

(3) I would also appreciate your best advice on any other measures that could be taken to alleviate the problem of naval ship repair that the Port of New York faces.

With best wishes.

Sincerely,

JACOB K. JAVITS.

DEPARTMENT OF THE NAVY,
NAVAL SHIP SYSTEMS COMMAND,
Washington, D.C., June 10, 1968.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR JAVITS: This will acknowledge receipt of your letter of May 29, 1968, concerning ship repair work in New York discussed in our recent meeting.

This matter is under consideration and you may expect a further reply shortly.

Sincerely yours,

R. DEF. CLEVERLY,
Director of Public Affairs and Congressional Relations.

NEW YORK CONGRESSIONAL DELEGATION,
Washington, D.C. June 18, 1968.

To All Members of the New York Congressional Delegation:

The Steering Committee, on earlier notice to all delegation members, held a meeting with Assistant Secretary of the Navy Shillito and Rear Admiral Fahy on May 9 to go into the matter of needed naval ship repair work for the New York Port area.

Attached you will find Navy's May 31 reply. Copy of this is being sent to interested labor and management groups in New York for solicitation of comments before responding to the Navy's reasons for failing to give the New York area its fair share of work.

EMANUEL CELLER,
Chairman.

DEPARTMENT OF THE NAVY,
NAVAL SHIP SYSTEMS COMMAND,
Washington, D.C.

Hon. EMANUEL CELLER,
Chairman, New York Congressional Delegation, House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reference to the recent meeting that Assistant Secretary Shillito and I had with the New York and New Jersey Congressional Delegations concerning naval shipbuilding and repair work in the Third Naval District. At this meeting, certain additional information was requested, which it is the purpose of this letter to supply.

The first request was for a breakdown of Navy shipwork done in private yards in the various continental United States Naval Districts. The enclosed chart shows the dollar values of the work awarded during the current fiscal year.

Secondly, a statistical analysis of the geographical origin of people in the Navy was requested. In this regard, naval personnel originally come from all over the country in numbers roughly proportionate to the population of the various geographical areas. The Navy and Congress have encouraged this proportion by the appointment system pertaining to the United States Naval Academy, the State selection system applicable to the Naval Reserve Officers Training Corps (in colleges), and the quota system by regions established for enlistees. For example, in Fiscal Year 1967, the Far West (California, Oregon, Washington) supplied approximately 13% of the new entrants to the Navy, as did the Midwest/Great Lakes region. The Mid-Atlantic region, including New York and New Jersey, supplied about 10%, as did both the South East and the Great Plains/Rocky Mountain regions.

With regard to the third request, seeking statistics as to the proportion of married people in the Navy, approximately 85–90 percent of "career" Navy men are married. Regular officers and those enlisted personnel who are eligible for a second re-enlistment are considered career men. They are the people whom the Navy particularly wants to retain because of its investment in their training and experience. However, if all the 18–19 years old and other "novices" are counted, the proportion of married people is about 35 percent.

The fourth request asked to whom Basic Allowance for Quarters is paid. Presently all personnel for whom Government quarters are not available draw Basic Allowance for Quarters. In this connection, bachelor personnel assigned aboard ship are considered to be furnished Government quarters.

The statement of Mr. Arthur J. Grymes before the Second Annual Port of New York Congressional Breakfast, concerning the decline of naval repair work to the New York Port area, has been received and reviewed. The statistical data contained in this statement are substantially correct, as is the statement of the Navy's "home port repair policy." Mr. Grymes asserted that the home port policy is established by OPNAV INSTRUCTION 04700.7D and that the Navy has refused to provide a copy of that document. It should be noted in this connection that this instruction, which covers all aspects of maintenance of ships, is classified CONFIDENTIAL and therefore cannot be released to the public. However, the cited instruction did not establish the mentioned policy, but merely repeats it. Attached is a copy of OPNAV INSTRUCTION 3111.16, which did establish the Navy's policy on home port time. As that instruction prescribes, it is the Navy's normal policy to assign repair and other work on ships to activities in, or close to, home ports as much as possible, in order that the ships' forces will have maximum opportunity for extended visits with their families. This policy, long in use, has become even more significant to crew morale in recent years with the short periods that the ships spend in port because of increased deployment times. The distribution of naval ship work is made in accordance with this policy if consistent with operational commitments and workload considerations.

Sincerely yours,

EDWARD J. FAHY,
Rear Admiral, USN Commander, Naval Ship Systems Command.

DOLLAR VALUE OF NEW CONSTRUCTION AND REPAIR CONTRACTS AWARDED JULY 1967–MARCH 1968

Naval District	New construction and conversion	Repair and overhaul	MSTS repair	Total
1st	$103,038,000	$2,708,000	$1,140	[1] $105,747,140
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Total	782,691,000	123,073,000	21,068,460	926,802,640

[1] Includes Bath and Quincy.
[2] Total for 3d Naval District.
[3] Includes Newport News and Baltimore.
[4] Includes Jacksonville.

DEPARTMENT OF THE NAVY, OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, D.C., August 23, 1963.

OPNAV Instruction 3111.16
From: Chief of Naval Operations.
To: Distribution List.
Subject: Increase of Ship Home Port Time.
Ref (a) Review of Management of the Department of the Navy (NAVEXOS P-2426A)—15 December 1962.

1. *Purpose.* This instruction sets forth the policy of the United States Navy with reference to home port time.

2. *Discussion.* The Secretary of the Navy, on 9 February 1963, reviewed reference (a) and generally approved the recommendations therein. Included in these recommendations is the following:

"That the Chief of Naval Operations should initiate action, both within and outside the Navy, to allow ships to be in or close to home ports as great a time as is possible. Overhaul locations, special operations, celebrations, holiday appearances, and daily operations which do not add to combat readiness should be evaluated from this viewpoint. (Recommendation No. 67)"

The Chief of Naval Operations is aware that the increase of home port time has long been a matter of continuing command attention. This goal is consistent with the interest in the morale of fleet personnel and their dependents, fleet operating funds, and reduction in the tempo of operations. Accordingly, the Chief of Naval Operations is in accord with the intent of this recommendation.

3. *Action.* In view of the foregoing, the following action with reference to fleet detailed planning is prescribed:

a. Scheduling authorities will review their scheduling procedures in the interest of enhancing home port time for units under their control.

b. Overhauls, availabilities, and other upkeep periods will be scheduled in, or as close to, home ports as much as is possible.

c. Daily operations will be scheduled from home ports consistent with the availability of training services and other operational considerations.

d. Special operations, celebrations, and holiday appearances, which cannot be categorized either as contributing to combat readiness or as convenient to normal fleet operations, will be reduced in so far as possible.

4. *Implementation.* This instruction becomes effective for planning purposes upon

receipt and for scheduling fleet movements beginning with the Second Quarter of FY 1964.

5. *Publicity.* This policy may be announced within and outside of the Navy when supporting operation schedules are approved by existing authorities.

L. P. RAMAGE,
Deputy Chief of Naval Operations (Fleet Operations and Readiness).

JULY 1, 1968.

Hon. JACOB K. JAVITS
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR JAVITS: This is in further reply to your recent letters addressed to me and to Rear Admiral Fahy concerning our recent discussion of ship repair work in the Port of New York area.

With regard to the question in paragraph (1) of your letter ("Why cannot the Navy designate New York as the home port of enough ships to insure that New York gets its fair share of repair work?") you realize, I am sure, that many factors must be considered in assigning a ship to a home port. Because of their specialized missions we do have several ships homeported in the New York area. These are Naval Reserve Training Ships which are assigned in the area to meet the needs of area reservists: the USS COMPASS ISLAND is berthed at the former New York Naval Shipyard, and two ammunition ships are at Bayonne. Some considerations which make New York somewhat less desirable than other East Coast ports for homeporting Atlantic Fleet ships are the following:

a. Long channel (21 miles) plus distance to Narragansett Bay operating areas (67 miles) or Norfolk operating areas (168 miles) resulting in excessive transit time and uneconomical ship employment for most warships.

b. Lack of training facilities and schools for shorebased training.

c. Additional cost of tug and pilot services (usually required because of complexity of harbor and density of traffic).

d. Difficulty in obtaining suitable housing for families of ships' crews in terms of cost and proximity to ships' berthing area (commuting problem).

I assure you that the Navy gives serious and deliberate consideration to the selection of each ship's home port. In the final analysis, the decision must be based on operational requirements of the Navy and the morale and family welfare of the Navy men who man the ship.

In paragraph (2) of your letter you asked if it would be consistent with the rationale of the home-port repair policy to alter the regulations to provide that where it is impossible to repair a ship at its actual home port, the repair job will be open to bidding by all repair yards within the home-port district, or the adjoining district, or even along the entire coast. It is believed that sufficient latitude in this connection exists under the current regulations. There are two basic types of repair work—scheduled and unscheduled. Scheduled overhauls and unscheduled work on combatant ships are normally performed at a naval shipyard in or near the home port. For non-combatant ships, scheduled overhauls are normally made available for award on a competitive basis to private yards throughout the naval district to which the ships are assigned: unscheduled work in also bid competitively throughout the district when possible. Further restrictions to a particular geographical area within a district are imposed only when necessitated by operational commitments or military requirements. One of the reasons for this rule is that restricting the geographical area may severely limit competition and result in higher prices for the work to be done.

The present regulations also provide for extending the bidding area beyond the borders of a single naval district in certain circumstances. There have been occasions when solicitation outside a naval district (in some cases coast-wide) resulted in substantial monetary savings. Accordingly, when the contracting officer determining that restricting the bidding to a single district or area within a district will prevent the obtaining of adequate competition or that the results will be unduly costly, he may recommend that the area of competition be extended. In two instances during 1967, extensions of the bidding area resulted in the performance of work on First Naval District ships in the Third Naval District.

Other special considerations may condition or limit the list of firms for solicitation on a particular procurement. For example, when work must be performed during a restricted availability, the list of firms to be solicited may have to be limited to those which are in geographical proximity to the ship or have sufficient capacity to perform the job within the prescribed time limits. This requirement is even more pertinent in the case of emergency voyage repairs, where contracting with a single firm may be necessary in order that the repaired ship may continue on mission without having to change its operating schedule. Moreover, when the performance of repair or overhaul work includes access to material classified *confidential* or higher, the solicitation must be limited to those firms which possess the necessary security clearance.

Since only a relatively few ship-repair firms possess adequate dry-dock facilities (thereby limiting competition for such work) dry-dock work in a particular ship is frequently bid separately from "topside" work. This procedure, called "split-bidding," permits maximum competition on the topside work package, thus enabling small firms to obtain some ship-repair work.

Because of these many variables involved in repair and overhaul assignments, and given the alternatives presently available, a change in policy such as you have suggested is not considered feasible at this time.

In view of the foregoing, I regret that I am unable to offer an answer to your request for advice, in paragraph (3) of your letter, on any other measures that could be taken to alleviate the problem of lack of ship-repair work that the Port of New York faces.

Sincerely,

———— ————.

JULY 22, 1968.

Mr. BARRY J. SHILLITO,
Assistant Secretary of the Navy, Department of the Navy, Office of the Secretary, Washington, D.C.

DEAR MR. SHILLITO: Thank you for your recent letter in response to my letter of June 4, 1968, to you concerning the Navy's home port repair policy. While I can understand, up to a point, that there may be some problem in designating New York as the home port of a number of ships, I frankly do not understand your response to the second suggestion made in my letter, i.e., that where the actual home port is unavailable for the repair work, bidding should be thrown open to repair facilities in adjoining districts, or along the entire coast. According to your letter, this apparently has been done in certain circumstances, particularly where substantial monetary savings resulted. How is the Navy to know whether substantial monetary savings can be achieved unless it opens up the bidding to other districts? Furthermore, insofar as there may be special considerations applicable in certain cases, I do not understand why they could not be treated simply as exceptions from the general rule I have suggested.

With best wishes.

Sincerely,

JACOB K. JAVITS.

NEW YORK AND NEW JERSEY
DRY DOCK ASSOCIATION,
New York, N.Y., July 26, 1968.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: We are enclosing herewith a copy of a letter addressed to Representative Emanuel Celler, as Chairman of the New York Congressional Delegation, in response to a previous letter from Admiral Fahy following our May meeting with Navy officials.

We appreciate your continuing interest in the problems which the Navy Department's ship repair policy is causing the Port of New York and your recent assurance that you will follow up in the matter. We believe that your efforts on behalf of the New York Port ship repair companies and shipyard workers will be particularly helpful.

Very truly yours,

JAMES E. REYNOLDS, Jr.,
President.

NEW YORK AND NEW JERSEY
DRY DOCK ASSOCIATION,
New York, N.Y., July 16, 1968.

Hon. EMANUEL CELLER,
Chairman, New York Congressional Delegation, Rayburn House Office Building, Washington, D.C.

MY DEAR MR. CELLER: The members of the New York and New Jersey Dry Dock Association have carefully reviewed the reply letter from Rear Admiral Edward J. Fahy enclosed with your letter of June 17, 1968.

We are greatly disappointed that Admiral Fahy, following the May 9, 1968 meeting with leading members of the New York and New Jersey Congressional delegations, has not proposed any steps to resolve the serious imbalance of Navy contract awards to private shipyards on the Atlantic Coast. His letter indicates that Navy Department intends to continue diverting repair and overhaul work from the New York Port to shipyards in other states, justifying such action on the basis of "the Navy's policy on home port time".

Said policy apparently first was implemented on August 23, 1963 (see OPNAV Instruction 3111.16, enclosed with Admiral Fahy's letter). Prior to such time, the Navy's primary concern was "to apportion ship repair work among the various naval districts, for award to private yards on a competitive basis, *in direct relation to expected mobilization requirements for private repair yards* in those districts." (Emphasis added) (January 22, 1960 letter from Rear Admiral R. L. Moore, Jr. to the Honorable John H. Ray, M. C., copy of which is enclosed). Under such former policy the private shipyards in the New York Port could expect a relatively stable volume of Navy repair work, since they undoubtedly would be called upon to perform a major service in the event of a national emergency. (During World War II, the Port shipyards performed over 60 percent of Navy repairs on the Atlantic Coast).[1]

The Navy Department's new "home port" repair policy totally ignores the nation's need for well dispersed ship repair facilities and centers completely on the alleged morale requirements of a small percentage of Navy personnel.

Moreover, it seems improbable that the home port repair policy as presently implemented can uniformly accomplish the stated morale objective. The Navy Department restricts bids on repair work not just to the

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[1] It is our understanding that Admiral Fahy, in addition to serving as Commander of the Naval Ships Systems Command, is Coordinator for Ship Repair and Conversion, Department of Defense and Department of Commerce. The function of such office includes maintaining statistics in connection with ship repair capacities on a national basis for mobilization purposes.

home port but to the entire Naval District in which the home port is located. Since Naval Districts encompass a large geographic area (there are only five on the Atlantic Coast), a successful bidder may be located in a port within the home district which is several hundred miles from the actual home port. Under such circumstances, as Senator Javits noted at the May 9, 1968 meeting, it is difficult to conceive how a crewman can get home "four or five nights a week" while his ship is in dry dock, as then suggested by Admiral Fahy.

In addition to changing its ship repair policy, the Navy Department in recent years has been gradually transferring numerous vessels from the New York Port to home ports in other states, principally in the Fifth and Sixth Naval Districts. Since bidding on the repair and overhaul of such vessels then is restricted to private shipyards within those districts, the New York Port shipyards have been effectively eliminated from a substantial amount of Navy work.

As a result, we have previously noted that the percentage of Navy Atlantic Coast repair contracts awarded to the New York Port has declined from over 60 percent during World War II to approximately 3.78 percent in fiscal year 1966. Four major private shipyards in the New York Port have been forced to close during the last several years. A loss has been sustained in local private shipyard employment from a peak of over 40,000 during World War II and about 10,000 in the 1950's to about 4,000 today.

Although the New York Port still has more ship repair companies with a combined dry dock capacity greater than any other port in the country, the decline of our industry is likely to continue unless something is done to change Navy policies. Indeed, the Navy Department has scheduled even fewer vessels for overhaul and repair here in the next few fiscal years.

Admiral Fahy's letter does not respond to the suggestion of several members of the New York delegation that more vessels should be home ported in New York. As you will recall, the Admiral asserted at the May 9 meeting that home ports are determined by deployment requirements. It certainly would seem that tactical considerations require deployment of Navy vessels in the North Atlantic area, and that the great harbor of New York should serve as the natural home port of such vessels.

In this connection, we note that it is now proposed that the federal government will retain several piers at the Brooklyn Navy Yard which have substantial capacity for berthing naval vessels. In addition, it is our understanding that the facilities of the Brooklyn Naval Station, including an Officers Club, health and dental clinics and communications center, are not involved in the proposed transfer of the property to the City and that said facilities will continue to be operated by the Navy Department.

Furthermore, there presently are substantial berthing facilities for naval vessels at the Military Ocean Terminal in Bayonne, New Jersey, and other excellent facilities for ship forces to fill their housing, commissary, recreational and medical needs can be made readily available in the New York Port area at Fort Hamilton, Fort Hancock, Fort Totten, Fort Wadsworth, Fort Dix, Camp Kilmer, Miller Field, Earle Naval Depot, and St. Albans Naval Hospital.

Admiral Fahy has enclosed with his letter a schedule which purports to show the breakdown of Navy ship work done in private yards in the various continental United States Naval Districts during the period July, 1967 to March, 1968. The schedule indicates that during the said period the New York Port was awarded repair and overhaul contracts valued at a maximum of $7,032,000. This constitutes, for the nation's greatest seaport, only 5.6 percent of the $123,073,000 shown as awarded to private yards on a national basis, and only 9.9 percent of the work awarded on the Atlantic Coast (First, Third, Fourth, Fifth and Sixth Naval Districts).

By comparison, private shipyards in the Port of Norfolk-Newport News-Baltimore (Fifth Naval District) received repair and overhaul awards valued at $37,572,000 or more than five times the value of such contracts awarded to the New York Port.

It is our understanding that the Administration recently has directed that preference in Federal procurements should be given to firms located in areas of substantial unemployment. In this connection, we note that during the period referred to above New York Port area cities (New York City, Jersey City, Newark, New Brunswick-Perth Amboy, and Patterson-Clifton-Passaic) had 306,500 persons unemployed, while cities in the Norfolk-Newport News Port area (Newport News-Hampton, Norfolk-Portsmouth, Richmond, and Baltimore) had only 40,000 persons unemployed.[2] Thus, although the New York Port area had more than 7 times as many unemployed persons as the Port of Norfolk-Newport News-Baltimore, it received only about one-fifth of the amount of Navy repair and overhaul work.

While we can understand the Navy Department's concern for the morale of its career men, we believe that it should be equally concerned about the morale of the nation's career shipyard workers. The lives of many such workers in the New York Port have been seriously disrupted by their inability to obtain steady employment due to the Navy Department's diversion of work to other ports.

The situation is becoming worse and is likely to result in the closing of additional New York Port shipyards unless immediate action is taken.

We suggest that the following steps should be taken at the earliest possible moment by the Congressional Delegations representing the New York Port:

1. A further meeting with Assistant Secretary Shillito and Admiral Fahy should be scheduled to determine whether the Navy Department will either:

(a) Restore New York as a major home port for naval vessels, or

(b) Permit the New York Port shipyards to repair and overhaul vessels regularly homeported in other Naval Districts.

We suggest that the Secretary of the Navy and Admiral Thomas J. Moorer, Chief of Naval Operations, also be requested to attend said meeting.

2. If the Navy Department indicates that it will not or cannot do either of the above, then legislation should be introduced requiring that more naval vessels be homeported in the New York Port and that the Navy Department apportion ship repair work to private yards in direct relation to expected mobilization requirements for private repair yards.

Please advise us as to any further information needed or alternative action which you may wish to recommend.

We shall appreciate your further urgent attention to this critical situation confronting the New York Port ship repair industry.

We are sending copies of this letter together with Admiral Fahy's May 31, 1968 letter to members of the New York and New Jersey Congressional Delegations.

Sincerely yours,

JAMES E. REYNOLDS, Jr.,
President.

[2] As of January, 1968. *Area Trends in Employment and Unemployment*, U.S. Department of Labor, Manpower Administrator, May, 1968, pages 34–36.

JANUARY 22, 1960.

Hon. JOHN H. RAY,
House of Representatives,
Washington, D.C.

MY DEAR MR. RAY: This is in reply to your letter dated 13 January 1960 in which you referred to the distribution among naval districts of work on the forthcoming inactivation of twenty-two ships by the Navy. You questioned the relationship of this distribution to expected mobilization requirements for repair yards in the New York, Philadelphia and Norfolk areas.

The policy outlined in the Bureau's letter of 12 January 1960 to you is applicable to Navy ship repair work awarded to private yards. The Navy endeavors, on a *long-range basis*, to apportion ship repair work among the various naval districts, for award to private yards on a competitive basis, in direct relation to expected mobilization requirements for private repair yards in those districts. As indicated in our earlier letter, three of the above-mentioned twenty-two ships are to be inactivated in private yards in the Philadelphia area (located in the Fourth Naval District), as compared to one ship to be inactivated in the New York area (located in the Third Naval District). None of these ships are to be inactivated in private yards in the Norfolk area (located in the Fifth Naval District). However, it should be noted that dollar estimates of Navy repair work awarded to private yards in the Third, Fourth and Fifth Naval Districts during calendar 1959 are $14,749,714; $2,397,066; and $11,090,410, respectively.

The submarine which, according to our earlier letter, had been assigned to the Norfolk Naval Shipyard now has been reassigned to the Portsmouth Naval Shipyard.

I trust that the foregoing satisfactorily answers your inquiry.

With kindest regards,

Sincerely yours,

R. L. MOORE, Jr.,
Rear Admiral, USN, Acting Chief of Bureau.

DEPARTMENT OF THE NAVY,
NAVAL SHIP SYSTEMS COMMAND,
Washington, D.C., May 31, 1968.

Hon. EMANUEL CELLER,
Chairman, New York Congressional Delegation, House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reference to the recent meeting that Assistant Secretary Shillito and I had with the New York and New Jersey Congressional Delegations concerning naval shipbuilding and repair work in the Third Naval District. At this meeting, certain additional information was requested, which it is the purpose of this letter to supply.

The first request was for a breakdown of Navy shipwork done in private yards in the various continental United States Naval Districts. The enclosed chart shows the dollar values of the work awarded during the current fiscal year.

Secondly, a statistical analysis of the geographical origin of people in the Navy was requested. In this regard, naval personnel originally come from all over the country in numbers roughly proportionate to the population of the various geographical areas. The Navy and Congress have encouraged this proportion by the appointment system pertaining to the United States Naval Academy, the State selection system applicable to the Naval Reserve Officers Training Corps (in colleges), and the quota system by regions established for enlistees. For example, in Fiscal year 1967, the Far West (California, Oregon, Washington) supplied approximately 13% of the new entrants to the Navy, as did the Midwest/Great Lakes region. The Mid-Atlantic region, including New York and

New Jersey, supplied about 10%, as did both the South East and the Great Plains/Rocky Mountain regions.

With regard to the third request, seeking statistics as to the proportion of married people in the Navy, approximately 85–90 percent of "career" Navy men are married. Regular officers and those enlisted personnel who are eligible for a second re-enlistment are considered career men. They are the people whom the Navy particularly wants to retain because of its investment in their training and experience. However, if all the 18–19 year olds and other "novices" are counted, the proportion of married people is about 35 percent.

The fourth request asked to whom Basic Allowance for Quarters is paid. Presently all personnel for whom Government quarters are not available draw Basic Allowance for Quarters. In this connection, bachelor personnel assigned aboard ship are considered to be furnished Government quarters.

The statement of Mr. Arthur J. Grymes before the Second Annual Port of New York Congressional Breakfast, concerning the decline of naval repair work to the New York Port area, has been received and reviewed. The statistical data contained in this statement are substantially correct, as is the statement of the Navy's "home port repair policy." Mr. Grymes asserted that the home port policy is established by OPNAV instruction 04700.7D and that the Navy has refused to provide a copy of that document. It should be noted in this connection that this instruction, which covers all aspects of maintenance of ships, is classified *confidential* and therefore cannot be released to the public. However, the cited instruction did not establish the mentioned policy, but merely repeats it. Attached is a copy of OPNAV INSTRUCTION 3111.16, which did establish the Navy's policy on home port time. As that instruction prescribes, it is the Navy's normal policy to assign repair and other work on ships to activities in, or close to, home ports as much as possible, in order that the ships' forces will have maximum opportunity for extended visits with their families. This policy, long in use, has become even more significant to crew morale in recent years with the short periods that the ships spend in port because of increased deployment times. The distribution of naval ship work is made in accordance with this policy if consistent with operational commitments and workload considerations.

Sincerely yours,

EDWARD J. FAHY,
Rear Admiral, USN, Commander, Naval Ship Systems Command.

DOLLAR VALUE OF NEW CONSTRUCTION AND REPAIR CONTRACTS AWARDED JULY 1967–MARCH 1968

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[1] Includes Bath and Quincy.
[2] Total for 3d Naval District.
[3] Includes Newport News and Baltimore.
[4] Includes Jacksonville.

DEPARTMENT OF THE NAVY, OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, D.C., August 23, 1963.
OPNAV INSTRUCTION 3111.16

From: Chief of Naval Operations.
To: Distribution list.
Subject: Increase of ship home port time.
Reference: (a) *Review of management of the Department of the Navy* (NAVEXOS P–2426A)—15 December 1962.

1. *Purpose.* This instruction sets forth the policy of the United States Navy with reference to home port time.

2. *Discussion.* The Secretary of the Navy, on 9 February 1963, reviewed reference (a) and generally approved the recommendations therein. Included in these recommendations is the following:

"That the Chief of Naval Operations should initiate action, both within and outside the Navy, to allow ships to be in or close to home ports as great a time as is possible. Overhaul locations, special operations, celebrations, holiday appearances, and daily operations which do not add to combat readiness should be evaluated from this viewpoint. (Recommendation No. 67.)"

The Chief of Naval Operations is aware that the increase of home port time has long been a matter of continuing command attention. This goal is consistent with the interest in the morale of fleet personnel and their dependents, fleet operating funds, and reduction in the tempo of operations. Accordingly, the Chief of Naval Operations is in accord with the intent of this recommendation.

3. *Action.* In view of the foregoing, the following action with reference to fleet detailed planning is prescribed:

a. Scheduling authorities will review their scheduling procedures in the interest of enhancing home port time for units under their control.

b. Overhauls, availabilities, and other upkeep periods will be scheduled in, or as close to, home ports as much as is possible.

c. Daily operations will be scheduled from home ports consistent with the availability of training services and other operational considerations.

d. Special operations, celebrations, and holiday appearances, which cannot be categorized either as contributing to combat readiness or as convenient to normal fleet operations, will be reduced in so far as possible.

4. *Implementation.* This instruction becomes effective for planning purposes upon receipt and for scheduling fleet movements beginning with the Second Quarter of FY 1964.

5. *Publicity.* This policy may be announced within and outside of the Navy when supporting operation schedules are approved by existing authorities.

L. P. RAMAGE,
Deputy Chief of Naval Operations.

DEPARTMENT OF THE NAVY,
NAVAL SHIP SYSTEMS COMMAND,
Washington, D.C., August 1, 1968.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR JAVITS: This will acknowledge your letter of 22 July 1968 to the Assistant Secretary of the Navy (Installations and Logistics) concerning ship repair work in the Port of New York area.

Prompt attention is being given to your letter. You may expect a further reply within the next two weeks.

Sincerely yours,

R. DE F. CLEVERLY,
Director of Public Affairs and Congressional Relations.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., August 14, 1968.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR JAVITS: This is in further reply to your letter of July 22, 1968, concerning ship repair work in the Port of New York area.

You referred to our previous exchange of correspondence on this subject and requested clarification of my response to your suggestion that the Navy extend the bidding on ship repair work to repair facilities in adjoining Naval Districts, or along the entire coast, when the ship's homeport is unavailable for the work. You further asked "How is the Navy to know whether substantial monetary savings can be achieved unless it opens up the bidding to other districts?"

As indicated in my letter to you of July 11, 1968, Navy regulations do provide for extending the bidding area for ship repair work outside District boundaries in certain instances. Where the contracting officer determines that geographical restrictions would prevent the obtaining of adequate competition and that excessive costs would result, he may recommend that the area of competition be extended. For example, if a contracting officer is faced with a sole source situation, or any other constraints to adequate price competition for the work to be solicited, the bidding is extended in order to obtain additional competition, providing the Fleet Commander concurs with such an extension. Of course, there is no guarantee that the shipyards in the adjoining Naval Districts, or along the entire coast, would bid to perform the work at less cost. However, each case is evaluated in light of the conditions existing at the time of repair or overhaul.

With respect to your question as to monetary savings to be achieved, the contracting officers (local Supervisors of Shipbuilding, Conversion and Repair) are generally aware of the adequacy of the price competition for the work to be performed in their respective Naval Districts by reason of their intimate knowledge of the capabilities of the contractors in the Districts to perform the work, the workload of the Districts, and their day-to-day dealings and overall knowledge of the ship repair situation.

It is hoped that the foregoing will be of assistance to you.

Sincerely,

BARRY J. SHILLITO,
Assistant Secretary of the Navy, Installations and Logistics.

SEPTEMBER 16, 1968.

Mr. BARRY SHILLITO,
Assistant Secretary of the Navy, Department of the Navy, Office of the Secretary, Washington, D.C.

DEAR MR. SHILLITO: Thank you for your recent further letter concerning ship repair

work in the New York area. I regret that I do not find your letter a satisfactory response to the questions raised in my previous letters to you. I repeat what I have said earlier: I can understand and accept, up to a point, the Navy's policy of having ships repaired in their home ports. If, however, it is not possible or desirable to have a ship repaired in its home port then I am still completely at a loss as to why bidding cannot be thrown open to ports in other districts, as well as other ports in the same district as the home port.

It seems to me that the Navy could and should evince a great deal more interest than it has in maintaining the ship repair capability of the port of New York, as well as other ports which have been receiving little or no ship repair work from the Navy. The people of New York have already sustained, with a great deal of hardship and suffering, the closing of the Brooklyn Navy Yard and the Brooklyn Army Terminal in recent years. It seems to me that the closing of most of the ship repair yards, which is what will occur if the Navy continues to follow its present policy, is another blow which New York should not have to sustain, particularly since it will also be a blow to the defense capability of the nation.

With best wishes,

Sincerely,

JACOB K. JAVITS.

SEPTEMBER 26, 1968.

Mr. BARRY SHILLITO,

Assistant Secretary of the Navy, Department of the Navy, Office of the Secretary, Washington, D.C.

DEAR MR. SHILLITO: Further to our recent correspondence, I enclose a letter I have recently received from Mr. James E. Reynolds, President of the New York and New Jersey Dry Dock Association. I would appreciate an immediate and full report on the matters discussed by Mr. Reynolds.

With best wishes,

Sincerely,

JACOB K. JAVITS.

NEW YORK AND NEW JERSEY DRY DOCK ASSOCIATION,

New York, N.Y., September 20, 1968.

Re Navy ship repair policies.

Hon. JACOB K. JAVITS,

U.S. Senate Building, Washington, D.C.

DEAR SENATOR JAVITS: As you know, the directive from the Chief of Naval Operations dated August 23, 1963, which established the Navy's policy on increased ship home port time, provides that, "Overhauls, availabilities, and other upkeep periods will be scheduled in, or as close to, home ports as much as is possible." (See attached copy of OPNAV Instruction 3111.16, par. 3(b).) The Naval Ship Systems Command in attempting to implement this directive has adopted a practice of restricting maintenance work bidding to private shipyards located within the same Navy District in which the ship involved is home ported.

As we previously have noted, this practice permits shipyards located in Baltimore, Maryland, to bid on work on naval vessels home ported in Norfolk, Virginia, a distance of well over 200 miles.[1]

However, because of this practice of restricting bids within the confines of a single Naval District, the New York Port shipyards are not ordinarily permitted to bid on Navy vessels home ported in Narragansett Bay, Rhode Island, which is located only about 180 miles from New York, and on vessels home ported in Philadelphia, Pennsylvania, a distance of only 90 miles.

Narragansett Bay reportedly is one of the major Navy home ports and operating areas on the Atlantic Coast. Bidding on maintenance work for ships home ported there, under the practice adopted by the Naval Ship Systems Command, ordinarily is restricted to shipyards located in the First Naval District (Maine, New Hampshire, Massachusetts and Rhode Island).[2]

We are aware of only one major and three smaller dry dock companies in the entire First Naval District which bid on and are awarded contracts for such work. The resultant overflow work apparently often is assigned to private shipyards in the Fifth Naval District. For example, within the past month the Naval Ship Systems Command has awarded dry docking work on the USS ARCADIA, a ship home ported in Narragansett Bay, to the Maryland Shipbuilding and Dry Dock Company, Baltimore. A contract for topside repair work on the same vessel has been awarded to the Metro Machine Corporation, Norfolk. The New York shipyards, which obviously are much closer to the ARCADIA's home port, were not even given the opportunity to bid on such work.

Similarly, the New York shipyards ordinarily are not permitted to bid on maintenance work on the several naval vessels home ported in Philadelphia, since Philadelphia is located within the Fourth Naval District. We are aware of only one major Atlantic Coast dry dock company in the Fourth Naval District, and said company because of other business reportedly at present has little interest in obtaining Navy repair and overhaul contracts.

It appears that the resultant overflow work from Philadelphia also often is assigned to private shipyards in the Fifth Naval District. The Navy recently has awarded a contract for work on the USS HANK, home ported in Philadelphia, to the Metro Machine Corporation, Norfolk. The New York Port shipyards, although closer to the home port of the HANK, again were not given an opportunity to compete for said contract.

We urgently request that you direct an inquiry to the Secretary of the Navy as to the circumstances surrounding the awarding of contracts involving such vessels as the ARCADIA and the HANK to private shipyards in the Fifth Naval District when shipyards located in New York are much closer to the home ports. This certainly seems contrary to the Navy's announced policy on home port time.

Furthermore, we suggest that you demand on behalf of the New York Port that local shipyards should be regularly permitted to bid on maintenance contracts for Navy vessels home ported in Narragansett Bay and Philadelphia. This would provide a significant amount of work on a permanent basis to alleviate the serious work shortage problem confronting our shipyards. It also would provide a means of relieving the hard-core unemployment problem which, according to Labor Department statistics, is much more severe in the New York Port area than in any other Atlantic Coast port.

Moreover, permitting the five major New York Port dry dock companies to compete on bids with the few companies in the First and Fourth Naval Districts certainly would be consistent with the Navy Department's proclaimed efforts to reduce Fiscal Year 1969 expenditures. It thus also would be welcomed by American taxpayers.

The mere fact that imaginary lines defining the Naval Districts have been drawn between New York and Narragansett Bay and New York and Philadelphia should not be permitted to bar these essential objectives. As previously indicated, the Chief of Naval Operations' directive dated 23 August 1963 does not require restricting maintenance bids within the confines of a single Navy District; it requires only that such work be done "in, or as close to, home ports as much as is possible." Certainly, if the Naval Ships Systems Command feels that it is complying with said directive by permitting ships home ported in Norfolk to be repaired in Baltimore, it should have no hesitation whatsoever in permitting bids by New York shipyards on vessels home ported in Narragansett Bay and Philadelphia, where the distance between such shipyards and the home ports is much less.

We greatly appreciate your continued efforts on behalf of the New York Port ship repair companies and shipyard workers. We commend also the study and attention given to this matter by your worthy assistant, Mr. Gene Mittelman.

We look forward to hearing from you in regard to the foregoing at the earliest possible date.

Very truly yours,

JAMES E. REYNOLDS, JR.,
President.

Mr. JAVITS. Mr. President, I regret that it should be necessary to introduce this amendment. But it is apparent that I have exhausted all other means available by which Navy policy could possibly be made more rational. I would like to emphasize that the amendment I introduce today does not in fact require any naval ship repair work to be awarded to New York. Nor does it require any vessel to be repaired at a place other than its home port. It merely requires that when a ship is repaired at a place other than its home port, the contractor be selected by competitive bidding open to all drydock or repair facilities within 1,000 miles of the vessel's home port.

AMENDMENT NO. 1013

Mr. COOPER. Mr. President, I send to the desk an amendment, on behalf of myself, and the senior Senator from Michigan [Mr. HART], intended to be proposed to House bill 18707, and ask that it be printed. I further ask unanimous consent that other Senators who may wish to do so during the remainder of the day be permitted to join as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be received and printed, and it will lie on the table.

Mr. COOPER. The purpose of this amendment is to defer deployment of the Sentinel ABM system until June 1969. The amendment in no way would inhibit a vigorous research and development program from proceeding.

While many of the reasons for the postponement of the deployment of the Sentinel system have been expressed before on the floor, and most recently during the debates on the Department of Defense authorization bill, it is of the greatest importance that the basic issues be thoroughly examined and clarified, for once the Congress approves the appropriations included in the bill for the actual construction of components and the deployment of the Sentinel system, it is probable it will have taken an irre-

[1] Both Baltimore and Norfolk are located within the Fifth Naval District. (A map showing the various Naval Districts is enclosed herewith for reference.) Thus, Baltimore, which serves as a home port for only a few small Navy vessels, in fiscal year 1966 received Navy ship repair contract awards valued at over $8,500,000, as compared with the approximately $5,000,000 awarded to New York. (The Naval Ship Systems Command has refused to provide us with the dollar value of contract awards for the years following 1966. See attached copy of letter dated 20 August 1968.)

[2] New York is located in the Third Naval District.

versible step toward the expenditure of $40 to $70 billion or more. This vast expenditure will not contribute to our defense and security, but will only accelerate the nuclear arms race and greatly increase the danger of nuclear catastrophe.

When the amendment is called up, Senator HART and I, and others, will attempt to secure answers to critical questions, and if it is not possible to do so in open session because of the use of classified material, we will invoke rule 35 and ask for a closed session. We must be able to make a reasoned judgment whether to vote for or against the deployment of the Sentinel ABM system.

Subsequently, the names of Senators CASE, CLARK, MCGOVERN, MCCARTHY, MONDALE, METCALF, NELSON, YOUNG of Ohio, PERCY, and RANDOLPH were added to the amendment (No. 1013).

RECESS UNTIL 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 45 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, October 2, 1968, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate October 1 (legislative day of September 24), 1968:

U.S. DISTRICT JUDGE

William M. Byrne, Jr., of California, to be U.S. district judge for the central district of California vice Peirson M. Hall, who requested retirement effective September 30, 1968.

BOARD OF PAROLE

William F. Howland, Jr., of Virginia, to be a member of the Board of Parole for the term expiring September 30, 1972 (reappointment).

Emory P. Roberts, of Maryland, to be a member of the Board of Parole for the term expiring September 30, 1974, vice James A. Carr, Jr.

Homer Lester Benson, of Indiana, to be a member of the Board of Parole for a term expiring September 30, 1974 (reappointment).

POSTMASTERS

The following-named persons to be postmasters.

ALABAMA

Virginia S. Hicks, Thomaston, Ala., in place of M. N. Skinner, retired.

CALIFORNIA

Frederic J. Rupp, Sacramento, Calif., in place of K. R. Hammaker, retired.

FLORIDA

Dorothy M. Kongas, Long Key, Fla., in place of D. L. Layton, resigned.

GEORGIA

Emmie L. Bassett, Juniper, Ga., in place of I. R. Bulloch, retired.

Sam C. Alley, Lakemont, Ga., in place of F. W. Smith, deceased.

INDIANA

Paul M. McGinley, Lebanon, Ind., in place of B. W. Smith, retired.

IOWA

Harold O. Persons, Sheffield, Iowa, in place of H. J. Stoffer, resigned.

KANSAS

Willis H. Miller, Howard, Kans., in place of A. H. Kling, retired.

KENTUCKY

Ralph Ford, Bardwell, Ky., in place of P. D. Moore, retired.

LaVerne E. Doores, Kirksey, Ky., in place of V. M. Clark, retired.

MAINE

Frederick E. Lovering, Litchfield, Maine, in place of C. A. Lewis, retired.

MINNESOTA

Donald L. Turner, Chatfield, Minn., in place of A. M. Manahan, retired.

MISSISSIPPI

Brister C. Cosnahan, Summit, Miss., in place of B. B. Ball, retired.

MISSOURI

Jackie J. Warren, Fairview, Mo., in place of M. E. Coffee, retired.

Warren H. Davis, Lebanon, Mo., in place of J. W. Jones, retired.

NEW YORK

Barbara C. Grimm, Cropseyville, N.Y., in place of Viola Grimm, retired.

George E. Stevens, Wampsville, N.Y., in place of R. A. Dexter, retired.

OHIO

Frank Orlando, Wickliffe, Ohio, in place of Henry Provo, retired.

OKLAHOMA

Leo L. Johnson, Stratford, Okla., in place of M. L. Smith, retired.

SOUTH CAROLINA

Anne M. Heller, Sandy Springs, S.C., in place of W. K. Moore, retired.

SOUTH DAKOTA

Harold Q. Smith, Herreid, S. Dak., in place of H. L. Fetherhuff, retired.

TEXAS

Alva A. Sanders, Bastrop, Tex., in place of E. F. Pearcy, retired.

Elma J. Sewell, Coldspring, Tex., in place of M. M. McMurrey, retired.

WEST VIRGINIA

Ruth E. Lewis, Burnsville, W. Va., in place of C. B. Morris, retired.

GEORGIA

A. Joe Anderson, Sharpsburg, Ga., in place of A. B. Bridges, retired.

ILLINOIS

Daniel E. Arendell, Wood Dale, Ill., in place of R. F. Vermillion, resigned.

KENTUCKY

Myrna L. Bruington, Garfield, Ky., in place of D. A. Smith, transferred.

MAINE

Louise G. Dill, Newagen, Maine, in place of Scott Gray, retired.

MINNESOTA

Rees M. Johnson, Rushford, Minn., in place of D. R. Culhane, retired.

NEW YORK

Ethel V. Pedersen, East Meredith, N.Y., in place of M. H. Adair, transferred.

Frank Locorriere, Miller Place, N.Y., in place of Charles Germeck, retired.

OKLAHOMA

Russell A. Revis, Reydon, Okla., in place of H. M. Conrad, retired.

PENNSYLVANIA

C. Earl Kressler, Bangor, Pa., in place of H. D. Hess, retired.

Thomas D. Redmile, Bryn Athyn, Pa., in place of G. K. David, retired.

TENNESSEE

Beulah E. Walters, Luttrell, Tenn., in place of R. M. Hill, transferred.

UTAH

Clarence G. Hodges, Montezuma Creek, Utah, in place of E. H. Wolf, resigned.

EXTENSIONS OF REMARKS

ADMINISTRATION TAMPERING WITH HIGHWAY TRUST FUND

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, October 1, 1968

Mr. FANNIN. Mr. President, there can be no question that this administration is on the wrong road when it makes still another cutback in the allocation of highway trust fund moneys under the guise of checking spiraling Federal budget spending.

This on-again, off-again approach to the Nation's highway construction program, which is paid for by the motoring public through special user taxes, can only lead to a dead end of the administration's own choice.

This is National Highway Week, Mr. President, a week proclaimed by the President himself. Yet for the third time in 2 years our Federal highway program is again threatened with damaging delays, our motorists are denied the modern, safe highways they have paid for, and our President, confused with inability to establish priorities, says it is all in the interest of cutting budget spending.

It is shamefully ironic that our President honors the significant contributions of highway transportation on the one hand, yet deems to break faith with the Nation's highway users on the other.

I submit that the President has not only abrogated his trust with our highway users; he has willfully disregarded the intent of Congress by preventing the disbursement of trust fund money, which amounts to $200 million through December.

Let me make clear one point. The highway trust fund consists solely of highway user taxes, not funds from the regular budget. With that in mind, Congress, in passing on the Highway Act of 1968, said that no funds authorized to be appropriated for any Federal-aid system "shall be impounded or withheld from obligation."

Then comes the President, after signing the bill, who says that highway trust fund expenditures must be curtailed so as to satisfy the spending restrictions contained in the recently approved Revenue