

EXTENSIONS OF REMARKS

National Association of Home Builders
Statement of Policy for 1968

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. BOGGS. Mr. President, the question of how to build more and better housing for our citizens is certainly in the forefront of problems affecting this Nation.

The National Association of Home Builders of the United States, now headed by Lloyd E. Clarke, of Des Moines, Iowa, has recently issued a statement of policy for 1968 which outlines the goals of this important organization.

During 1967, the NAHB was headed by an outstanding Delawarean, Mr. Leon N. Weiner, of Wilmington, and I know he put his considerable energies to good use in carrying out an effective program.

The 1967 resolutions committee was headed by another Delawarean, Marvin S. Gilman, also of Wilmington.

In the interest of giving wider distribution to the positions taken by NAHB, I ask unanimous consent that the organization's "Policy Statement for 1968" be printed in the Extensions of Remarks.

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

NAHB STATEMENT OF POLICY FOR 1968
PREAMBLE

As the home-building industry enters 1968, it faces the enormous task posed by the urgent need both to provide decent housing for the urban poor and to remove the long-standing impediments which keep it from fulfilling America's growing overall housing needs.

The National Association of Home Builders shares the increased public concern with progress toward the objective it has sought for years—a decent home in a suitable environment for every American family at a price and on terms within its means. The importance of that goal deserves the serious attention of America's best minds. It also deserves a far larger share of the Nation's resources, both public and private, than this Nation thus far has been willing to devote to it.

The American people—best housed of any people in the history of the world—increasingly recognize adequate housing as a major part of the cure for the serious ills which beset our cities. The basic structure of our society—perhaps even the system of self-government enjoyed by Americans for almost 200 years—may be at risk if the hopelessness of the ghetto is not relieved.

Yet home building faces this staggering task still seriously suffering from the credit debacle of 1966 and, moreover, now hit by another money squeeze. Interest rates are at the highest levels of the past 100 years and rising. The FHA 6% limit and maximum rates under many state usury laws are far below the going rate for home mortgages. Most serious of all, the sources of home mortgage money are shrinking as many insurance companies and thrift institutions in their search for higher yields no longer provide residential credit.

The dark clouds of economic uncertainty gathering in the wake of devaluation of the British pound not only obscure the path

toward solution of America's urban problems but also threaten the hard-won progress of the last 30 years in the mass production of homes for families of moderate means.

One thing of which we are certain: no progress is possible so long as the American public seeks a cure to its housing problems while, at the same time, the housing industry is allowed to become the first (and often, the only) casualty of tight money. A better-housed America should not be left, as now, to chance.

Only by widespread realization of the enormity of the besetting difficulties can any progress be made toward overcoming them. Only by action in the light of experience—not rhetoric—can this Nation accomplish what should be its objective: continued upgrading of the housing supply of all our people, with particular emphasis on better housing for the disadvantaged.

There is no quick and easy means of providing good housing for the disadvantaged even under stable economic conditions. There are no panaceas; rather, housing progress will come from maximum increase of the housing supply at all income levels, but particularly at the lowest level economically feasible at any time. Progress toward good housing for lower-income families will result from a series of many related gains: an ample supply of mortgage and construction credit at reasonable terms; programs of cooperation between government and industry (such as rent supplement, the below-market interest rate provisions of Sec. 221(d)(3), Federal payment of a portion of the interest, and the public housing turnkey and leasing programs); manpower training; and new methods of land use.

The strength and resourcefulness of private home building must be fully used to these ends. Toward that purpose our policy for 1968 follows:

HOUSING GOALS

There has been and now is an obvious failure to give housing the importance which it must assume as a political, social and economic necessity. Time and again, in periods of economic strain (whether of recession or unsustainable growth) the economic machinery and the institutions of which it is composed have operated to force upon the housing sector readjustments beyond those required by any other part of our economy, even in the midst of clamor for improved housing.

It therefore becomes imperative to re-examine the relationship between housing and other national priorities. There is a vital need for formal and periodic assessment of housing requirements and for a system of determining national goals to meet them. Housing production should enjoy, throughout the economy and in government, the same prestige as other economic goals announced annually in the President's Economic Message to the Congress. The importance of more rational planning to meet our housing goals is underlined by the enormity of the task that lies ahead. In the next 35 years we will have to build a new America—as many homes as now exist.

The approach to housing goals during the past year was an outstanding example of industry cooperation on a problem of common concern to all sectors of housing. If we are to make real progress toward achievement of our common goals we must intensify the coordination, now so well started, among the diverse sectors of this industry. Such industry-wide coordination is a basic aim of the National Association of Home Builders.

FEDERAL FISCAL POLICY

Long-continued, high Federal spending has begun to threaten confidence in the future—

the basis for long-term lending. Even the amazingly productive American economy cannot, without serious distortions, support the Vietnam conflict, the space effort, foreign aid, and the enormous capital demands of the longest business boom ever.

Both defense and non-defense spending must be cut, *immediately and drastically*, short of endangering the national interest and safety. Taxes must be increased to help bring the Federal budget more nearly into balance. Whether the first move be made by Congress or by the President is unimportant; it is essential that *both* recognize the perils of the course on which we are headed and immediately initiate an earnest effort to correct fiscal weaknesses.

FINANCING THE INCREASING HOUSING DEMAND

Until Federal policy is modified, residential mortgage lending will continue to suffer first and foremost. As interest rates—already at a level higher than in 100 years—seem headed even higher, many lending institutions have practically abandoned the market for mortgages on owner-occupied homes to seek higher yields in bonds or in equity positions in commercial real estate. Without an adequate, even flow of mortgage credit to home buyers at rates and terms they can afford, our industry—to the extent it can continue to produce at all—is inexorably forced to retreat from the mass market into the pattern of the 20's.

Even assuming the threat of inflation be checked and normal lending restored, we face an immense shortage of mortgage financing if we continue to depend on current sources alone. At a minimum, we will need to finance an estimated 2.13 million units annually between 1971-75, plus at least 500,000 units a year of major rehabilitation. In the next decade, average new household formation will jump to between 1.1 and 1.5 million per year, compared to today's 900,000. Merely to maintain a housing supply proportionate to that of the present, we must find at least \$40 billion per year in net new funds to finance housing over the next ten years.

We ask the President of the United States to appoint a Commission to study, and within two years report on, residential and community construction credit needs for the decade 1970-1979 and to recommend proposals for meeting these needs.

Such a study should include problems of and proposed solutions for financing, also the vast capital demands required to develop schools, churches, medical, shopping and other facilities vital in the overall building of American communities.

MORTGAGE FINANCE

We must have new institutions and new approaches, adapted to a changing pattern of long-term investment capital accumulation—notably the steady increase in pension funds. Since World War II, pension funds have become competitors for personal savings. They are now a large—and fast-growing—system of "thrift" institutions. However, only 6% of their total assets are invested in all types of mortgages, while an increasing proportion (now 40%) is in equity risk securities. We ask that Congress investigate the economic effect of the diversion of this enormous portion of savings capital into equity investment.

Savings deposits—in whatever form of institution—should not be permitted to flow freely into short-term lending, but should be encouraged into long-term investment.

At the same time, we recognize that to attract long-term funds, mortgage interest rates must remain competitive. To that end, we support currently pending legislation which would eliminate the present 6% interest-rate ceiling on FHA and VA mortgages and empower the Secretary of HUD to set

the rate at such level as he "finds necessary to meet the mortgage market."

FHA, FNMA and the Federal Home Loan Bank System which helped finance the housing revolution of the past 30 years, are still the main governmental instruments in the mortgage credit field. They must, however, become more effective for the tremendous task in the next decade. FNMA must continue to exert the maximum possible assistance toward an orderly market; it must "lead" not "follow" the private market. FNMA should establish experimentally, under its secondary market operation, an auction program of twelve-month forward commitments on a regional basis.

The mortgage credit functions of HUD should be upgraded by (a) authorizing FNMA to issue certificates of beneficial interest against pools of mortgages; (b) providing for Presidential appointment of the FNMA President; and (c) authorizing FNMA to deal in conventional mortgages, within limitations.

The Federal Home Loan Bank Board should also be authorized to sell participations against pools of mortgages developed within the Federal Home Loan Bank System.

HOUSING OUR URBAN POOR

It is not enough to retell endlessly the housing problems of the disadvantaged. The immense challenge of the urban slums will not yield to conversation. Required is an attack far more comprehensive, and an allocation of our national resources far greater, than this Nation has yet mounted. Every builder must concern himself in developing, in collaboration with all interested citizens, the particular approach best suited to his locality.

Quick and effective results can only be achieved by unleashing through appropriate incentives, the great creative force of private enterprise with only that assistance necessary to accomplish the broad objective.

Encouraging steps in that direction are the public housing turnkey and leasing programs, and FHA's Sec. 221(d)(3) below-market interest rate and rent supplement programs. In combination, these programs for Government-industry cooperation can accomplish much. They should be expanded and made more effective by eliminating the vast amounts of red tape which inhibit them and by assuring continuity of funding.

The principle of subsidized mortgage interest should provide even greater leverage, with less budgetary impact, than the below-market rate mortgage. It should also be adapted to finance the sale of homes, condominiums, and cooperative apartments in blighted areas. The housing needs of low-income families warrant the use of both subsidized mortgage interest and below-market rate mortgages in both rental and sales housing.

Existing lower-priced homes could provide desirable housing for millions of lower-income families if FHA credit and other requirements were tailored to serve this need and if government and industry were to cooperate, as they have over the past three decades in new construction, to obtain mortgage money for these potential homeowners.

A new Deputy Assistant Secretary-Assistant FHA Commissioner should be provided, charged solely with responsibility for expediting all FHA low-income programs. We oppose the establishment of a new division of HUD to handle mortgage insurance on projects for families of low-income since it will succeed merely in adding more red tape.

We recommend further exploration of income tax incentives to attract capital into the presently uneconomic field of construction and rehabilitation of housing in the center city. Such incentives should be designed to appeal both to operating home builders and to investors.

Proposals for vast joint government-industry corporations are more dramatic than

realistic. Such mechanisms would be cumbersome and unworkable in an industry where flexibility is the first consideration. Experience has proven conclusively that large organizations do not necessarily build less costly or better homes or apartments. The residential building process is and will always be heavily dependent on the talents of an individual entrepreneur. A new, huge corporation—whether purely private or quasi-governmental, whether profit or non-profit—will succeed only in concentrating a myriad of small problems into one massive impossibility.

WAGE RATES

Labor Department wage decisions which fail to recognize rates actually paid in the locality for housing work and which often ignore local custom as to job classification, drastically add to construction costs. Present administration of prevailing wage requirements on housing projects strongly deters construction for low and moderate-income families. This is particularly true where labor classification and wages rates prevent employment of local residents in the improvement of blighted areas. If we are forced to build under prevailing wage requirements, the Department of Housing and Urban Development should be given prime responsibility for determining prevailing wages and work classifications for its programs.

NONPROFIT SPONSORS

During recent years non-profit sponsors have been looked to as a major new device to provide lower-income housing. It is increasingly apparent that the present method of selecting, approving, and assisting non-profit sponsors is not satisfactory. The volume of housing produced by this method is far below the potential and the need. Management problems for existing non-profit sponsors are increasing.

We call for a thorough investigation of the present system to define for the future a proper role in housing for non-profit groups and to assist existing non-profit groups already involved.

MANPOWER

In many areas building mechanics are scarce even at today's construction level. Increased construction volume will unquestionably require a substantial increase in the work force. The large pool of untrained unemployed within the very ghettos with which we seek to deal is one of the large sources for additional manpower.

NAHB calls for the immediate establishment of an independent, emergency Commission on Manpower Training in the Construction Industry. Such a Commission should include representatives of Federal, and state governments and knowledgeable people representing all segments of the housing industry as well as representatives of the economically disadvantaged groups and local public educational organizations. The duties of this Commission should be to: (1) Inaugurate expeditiously a massive program of accelerated training among unskilled groups, and (2) Take specific steps to broaden opportunities for these groups in skilled and semi-skilled operations in the construction industry.

LAND AND COMMUNITY FACILITIES

Widespread enactment of local ordinances which throw upon new subdivisions, rather than the entire community, the burden of providing parks and schools, increases land costs and consequently the cost of new homes and apartments. Municipal practices which burden subdivisions with the costs of extending sewer and water lines also add unreasonably to housing costs. Parks, schools, sewers, water, and similar public facilities are the responsibility of the community as a whole and should be provided and paid for by it.

Communities should use the available Federal programs of grants and loans to

assist them in meeting that responsibility. The Federal Government should expand its programs to help increase the supply of usable, buildable land.

Communism's False Face

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, the February 22 edition of the State newspaper contains an editorial on communism that is based on remarks made by the widow of the Honorable Robert Patterson, former Secretary of War.

Speaking at the 16th annual Patterson Award ceremony at Fort Benning, Ga., Mrs. Patterson brought attention to the various deceptions of worldwide communism.

The editorial selects the highlights from Mrs. Patterson's speech and brings them forcefully to the reader's attention.

Mr. President, I ask unanimous consent that the editorial be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the State, Columbia, S.C.,
Feb. 22, 1968]

COMMUNISM'S FALSE FACE

The widow of the late Robert P. Patterson, Secretary of War from 1945 to 1947, has made a compelling plea for truth. "What about attacking propaganda politically?" she asks.

Addressing the 16th annual Patterson Award ceremony at Fort Benning, Georgia, this month, Mrs. Patterson said:

"Worldwide (Communist) propaganda bypasses diplomacy and goes straight to the people . . . It is so insidious that it fools some religious leaders, members of the Senate Foreign Relations Committee and a few Justices of the Supreme Court . . . (It) puts a harmless face on Communist aggression and uses the universal longing for peace to weaken the moral support needed to overcome Communist assaults."

Mrs. Patterson's late husband knew something of the ways of tyrannies. He earned the Distinguished Service Cross while fighting against tyranny in World War I.

Most dictatorial powers resort to deceptive propaganda sooner or later. As J. Edgar Hoover has written: "Communists use Aesopian language; they say one thing and mean another. In this manner they fool non-Communists, encouraging them to believe that Communism stands for something desirable."

Mrs. Patterson objects to such terms as "liberation," "national independence," "imperialist aggressors," and such like. She claims they conceal the defensive acts of intended victims and provide fellow-travelers with hate-motives.

She told Second Lieutenant Marco Gordon (the recipient of this year's Patterson Award): "I am not asking you to do anything complicated, or to take upon yourself any special prerogative or spread American whoopla or to lie or hate or incite to hate. What I am asking you is the duty of all Americans. I ask you to . . . convince others that Communist labels are false and that the threat is real. Our country is on trial."

Unfortunately, what Mrs. Patterson has said is largely true. The entire Free World has been on trial for quite some time, and

the "evidence" presented against our way of life by the Communists is deliberately false. Words are among their most powerful weapons.

Mrs. Patterson, leaving aside military considerations altogether, has asked that the Free World join the battle of words and combat Communist lies with truth. Truth will win for us in the end, she believes, "in spite of censorship, propaganda, and language barriers."

Let us hope so.

The Problem With the New Economics

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. CURTIS. Mr. Speaker, an article in the January 15 edition of U.S. News & World Report interviews six men who have served as Chairmen of the President's Council of Economic Advisers to find what, if anything, has gone wrong with the concepts of the new economics.

The problem—as viewed by Arthur Burns, Walter Heller, Gardner Ackley, and Edwin Nourse—is one of coping with the inflationary side effects of the new economics. They stress the importance of a tax increase as well as a reduction in Federal spending to help bring the economy up to its potential. While in agreement with the new economics, they generally feel that what is needed is "a seasoned blend of ancient truth—old economics—and modern enlightenment—new economics."

On the other hand, Raymond Saulnier and Leon Keyserling maintain that the new economics is a failure. Mr. Saulnier asserts that the U.S. economy performed quite well in the first 4 years of the new economics merely because the new economists were reaping the benefits of the restrained policies of the Eisenhower administration. Inflation resulted when they exhausted their inheritance, and they were a year to a year and a half late in recognizing the need to slow down the stimulus for the economy. As Mr. Saulnier sees it, the root of the Nation's trouble today is the huge deficit in the Federal budget. He warns of the dangers in taking recourse to direct controls that can only compound the problem and seriously damage the economy.

Mr. Keyserling claims that the country is suffering from economic stagnation, not booming growth, and that pushing for a tax increase and cutting spending are a mistake. With the economy stagnating, he says, the emphasis should be on stimulating the economy.

While I do not agree with the opinions of each of these economists, I feel that their views are essential for a proper view of the new economics. I have expressed my own views which conclude that the new economics contains within its structure a basic and fatal flaw—see CONGRESSIONAL RECORD, January 31, 1968, pages 1630-1631.

Under unanimous consent, I include the article from the U.S. News & World Report of January 15 dealing with this subject in the RECORD at this point:

ADVISERS TO FOUR PRESIDENTS EXPLAIN: WHERE "NEW ECONOMICS" WENT WRONG

(NOTE.—From economic advisers to four U.S. Presidents comes this conclusion: Government planning can help stabilize business activity and spur growth. But there's a catch: It's easier to get a boom going than to keep it under firm control.)

(The "new economics" was counted on to keep business humming—at stable prices. It hasn't turned out that way. Inflation is today's big threat.)

(Talks with the six men who have headed the Council of Economic Advisers tell what happened.)

It was just seven years ago that this country began turning to the "new economics" to guide it to an era of uninterrupted prosperity.

Here was to be an economy managed by Government—one free of major recessions, or unstable booms, with steadily advancing growth to assure against unemployment and to bring relative abundance for all.

Today, however, something has gone wrong.

Years since 1961 have been free of recessions. Growth of the economy has been dramatic.

Yet President Johnson is forced to take drastic action to save the American dollar from collapse. Inflation of wages, and now of prices, is gathering momentum. In August, 1966, a money panic threatened and was narrowly averted.

Rates of interest have skyrocketed to the highest level in nearly 100 years, with no assurance that the end of the rise has been reached. Uncertainties and worries run all through the ranks of businessmen.

The "new economists"—striving to guide the economy through a careful meshing of tax policy, spending policy and money policy—have demonstrated that they can, by use of powers of Government, get expansion going and keep it going for an extended period. What they have failed to demonstrate so far is that an inflationary boom, once started, can be kept under control and careful guidance.

In other words, the planners at the controls of the "new economics" to date have found it possible to step on the accelerator, but not to put on the brakes when the advance becomes disordered.

To find what, if anything, has gone wrong with the concepts of a managed economy, "U.S. News & World Report" went to the six men who have served as Chairmen of the President's Council of Economic Advisers, starting as far back as 1946.

Arthur F. Burns, who was Chairman of the Council of Economic Advisers during President Eisenhower's first term, now is chairman of the prestigious National Bureau of Economic Research, a private research agency in New York.

Mr. Burns says the "new economics" is turning out to be "at least a partial failure." He thinks the country fared reasonably well under the "new economics" until 1964 and early 1965, but then the planners began to go wrong. Mr. Burns's comment:

"In 1965 we needed restraint; instead we got stronger stimulation. Fiscal policy became more expansionist in 1965 than it had been in 1964 or 1963. In 1966, spending by Government rose further. The monetary policy of the Federal Reserve continued aggressively easy, except for an interval of some six to eight months during 1966 when we had tight money.

"And last year—1967—Government policy, on spending, on money and on credit, became more expansionist still.

"In short, during a period when we have had full employment, when the federal budget was badly out of balance, when prices were rising all around, when wages were advancing at a quickening pace—at a time

such as that, we chose to pursue increasingly expansionist monetary and fiscal policies.

"This is a failure not only to observe the principles of the 'old economics' but also to observe the principles of the 'new economics.'"

Mr. Burns thinks it is a mistake for the "new economists" to try to make good on the claim of "fine tuning" the 800-billion-dollar U.S. economy. He notes:

"Frequent changes of economic policy tend to confuse the business community, and also frequently turn out to be ill-advised and poorly timed.

"I think that we ought to lay down a policy, and when a clear need for a change arises, we ought to shift that policy. But we ought not be changing our tax policy, for example, every few months.

"A reduction in taxes for a few months followed by an increase in taxes for a few months is likely to lead to confusion and fall to produce the stimulative or the restraining effects that policy makers want to attain."

Mr. Burns does not believe that "politics" is to blame, entirely, for the unwillingness of Congress to go along with a tax increase.

Laying the blame on lack of "political leadership," Mr. Burns puts it this way:

"Congress has been confused by the way in which the surtax proposal has been put before it. The President asked the Congress early in January, 1967, for a 6 per cent surcharge on income taxes.

"A few weeks later the tax proposal was shelved. Instead, the President asked Congress to reinstate the investment tax credit—and that meant, of course, a tax reduction. The President also released funds that had been impounded a few months earlier—funds for housing and highways.

"Then, in August, Mr. Johnson revived the tax proposal and this time he asked for a 10 per cent surtax. But the President did not make as effective a case with the Congress as he would have if he had indicated a willingness to cut spending.

"If the matter had been explained adequately to the Congress, and if the President had shown greater willingness to compromise on expenditures, I think he could have gotten a tax increase from Congress."

ROOM FOR IMPROVEMENTS

Are new tools needed to make managing of the economy more effective?

Mr. Burns feels that improvements can be made. He expressed doubt, however, about a proposal that would give the President power to raise or lower taxes, subject to review by Congress. "If the President had had this authority, I do not think he would have used it to raise taxes in 1965 or in 1966. He might, however, possibly have used it in the late summer of 1967. But action at that time would still have come very late."

Walter Heller often is referred to as "the father of the 'new economics.'" He served as Chairman of the Council of Economic Advisers under both President Kennedy and President Johnson.

Talk to Mr. Heller, and you are quickly told this: "The 'new economics' faces a critical test in the vitally needed tax increase."

Mr. Heller came out for a tax rise two years ago so that the Vietnam build-up would not put the economy into an inflationary strain. Says Mr. Heller:

"We are learning to tame the forces of economic slack and recession. But we have yet to learn to tame the forces of inflation."

Looking back over the past seven years, Mr. Heller, who now is a professor of economics at the University of Minnesota, notes that Government policies have brought the longest—and strongest—expansion in U.S. history. The long boom, he says, has led the public to expect and demand more of the Government in economic policy. He adds:

"Our four postwar recessions from 1949 to 1960 cut profits as much as 20 to 30 per cent, and industrial production by 10 per cent plus,

and raised unemployment to 7 per cent of the labor force.

"Compared with the 25 per cent unemployment and vanishing profits of the Great Depression of the 1930's, it was considered a good performance.

"Yet last winter the alarms were sounded over an economic pause that cut profits only 5 per cent and industrial production only 2 per cent, and did not push unemployment above 4 per cent.

"That experience should remove any doubt that we are escalating our economic standards—as, indeed, we should."

Despite the over-all record, however, Mr. Heller is quick to note that mistakes have been made in the "new economics." A major one is what Mr. Heller calls "excessive" reliance on tight money in 1966 to slow the boom. Another error, in his view: Failure to push for an across-the-board tax increase in 1966 and failure to enact one in 1967.

A "TWISTED" ECONOMY?

Mr. Heller says the economy today is "twisted out of shape" by a "25-to-30-billion-dollar war." He wants to see a 10-billion-dollar tax increase, and he has no fears that such a tax rise, if enacted, would cause a slump.

"The danger of economic overkill is slight," he says.

Mr. Heller is making no forecasts about passage of a tax increase in 1968. He notes that cuts in spending and early passage of a tax hike—even an increase reduced to the order of 7 to 8 per cent—probably would be preferable to a long-drawn-out battle for the 10 per cent surtax.

Looking ahead at the challenges facing the "new economics," Mr. Heller stresses that today's big problem—foot-dragging by Congress on a tax hike—may not always be a source of trouble in the future. He explains: "It is not very often that Congress will have to be asked to raise taxes, because the federal tax take automatically rises by about 9 billion dollars a year.

"An end to war in Vietnam should make an added 25 billion dollars available. So, in the future, our problem will again be the pleasant one of matching these automatic revenue increases with such fiscal dividends as budget spending, tax cuts and revenue-sharing with the States."

Raymond J. Saulnier, professor of economics at Barnard College, Columbia University, was Chairman of Council of Economic Advisers during President Eisenhower's second term. He says flatly that the "new economics" is a failure. "I said a year ago that 1967 was going to be a good year for the 'old economics.' I say now that 1968 is an even better year for the 'old economics,'" he says.

Mr. Saulnier thinks the "new economists" have mismanaged the economy. To support that charge he cites this list of problems facing the nation:

"Cost inflation, price inflation, a squeeze on profit margins, a massive federal deficit, century-high interest rates and a vulnerable position for the dollar in the world.

"We haven't been solving problems—have been stockpiling them.

"And, curiously enough, the mismanagement of the economy has been carried out by the very people who have, above all others, maintained that they could manage things with the greatest skill and success."

Mr. Saulnier thinks part of the trouble with the "new economics" is that the planners have done their job too well. He goes on to explain:

"The practitioners of the 'new economics' not only have been saying that deficits in the federal budget were not harmful in the economy, but they have been saying that you should actually cultivate deficits. Red ink in the federal budget has been pictured as a kind of road to prosperity.

"Now, the trouble is that people have believed this. I think the 'new economists' be-

gan to believe it themselves. The 'new economists' certainly sold such a message to many in Congress, and it would appear that they have sold it to the President."

Mr. Saulnier is quick to note that the U.S. economy performed quite well in the first four years or so of the "new economics"—from 1961 to early 1965.

However, he stresses that "the 'new economists' have taken credit for that performance to a degree that is unwarranted." His comment:

"The 'new economists' on every occasion have ridiculed the economic policies of the Eisenhower Administration's second term. But what those policies did was to create conditions of cost and price stability and budgetary balance which made it possible for the country to enjoy expansionist policies—on spending and money—that brought good growth without inflation.

"The trouble is that the 'new economists' did not recognize when they came to the end of the road, when they had exhausted their inheritance. By mid-1965, with war spending on a sharp upward curve, and with domestic spending moving up also, the 'new economists' kept expanding the money supply and building up demand. In a very few months we were in a very serious cost and price inflation.

"Now it has become fashionable to say nothing is wrong with the 'new economics,' it's just 'old politics.' I reject that view completely. It is a plain case of mismanagement of the economy. They were a year to a year and a half late in recognizing the need to slow down the stimulus for the economy."

WHAT THE DEFICIT DOES

As Mr. Saulnier sees it, the root of the nation's trouble today is the huge deficit in the federal budget. He warns:

"Instead of going to the root of the trouble, instead of taking real steps to bring the budget into balance, the danger is that the 'new economists' will take recourse to direct controls that can only compound the problem.

"What seems to be misunderstood is that direct controls put us in a kind of double jeopardy. In the first place, they do nothing to correct inflation because they do not go to the root cause of inflation. In the second place, by merely suppressing the ill effects of inflationary monetary and fiscal policies, direct controls seriously damage the economy.

"We have been brought to a critical juncture."

Gardner Ackley soon will step down as President Johnson's Chairman of the Council of Economic Advisors to become U.S. Ambassador to Italy. It was Mr. Ackley, taking over from Mr. Heller, who has had the top economic adviser's job during the period when the "new economics" has faced the job of keeping the boom from getting out of hand.

Many times, Mr. Ackley has noted that stimulating a lagging economy is an easier task than controlling a boom once it gets rolling—especially when the nation is in the midst of a big war build-up.

LOOKING BACK TO 1854

Mr. Ackley credits the "new economics" for helping to sustain history's longest business boom. The 83-month boom, he notes, compares with an average business expansion of only 30 months in all the years between 1854 and 1961.

Mr. Ackley stresses the importance of tax reductions—as well as spending policy—in helping to bring the economy up to its potential. His comment:

"Among the many elements contributing to the duration and vigor of this expansion, a crucial one is surely a new conception of the role of federal economic policy."

The problem now, as Mr. Ackley sees it, is to keep the boom from running away—generating unhealthy inflation and soaring rates of interest. The most pressing need, he adds, is for the President's surtax.

Heart of the "new economics," in Mr. Ackley's view, is the sophisticated planning and analysis of the U.S. economy. Computers are used to build mathematical "models" of the economy. The aim: to estimate continuously the potential output of the economy at high employment. Government policy then is directed at supporting demand in the country to reach that potential.

Yet Mr. Ackley notes that policies can fall if restraint is not applied when needed and the economy overheats. He says:

"Expansion can continue so long as we have the intelligence to measure our performance against our potential, and the political will to do what is necessary to keep our performance in balance with our potential."

Leon Keyserling, Chairman of the Council of Economic Advisers under President Truman, now operates his own economic-consultant firm in Washington, D.C.

Ask him about the "new economics," and he replies: "It is a failure—not when measured against the economics of the 1920s, but it has failed when measured against the knowledge and promises and potential of today."

Mr. Keyserling faults the "new economics" at the point of its major claim—that of bringing a strong boom to the country. He states flatly that the country is suffering from economic stagnation, not booming growth.

This comment gives his view:

"Real growth in the economy in 1967, after allowing for inflationary price increases, was a mere 2.5 per cent—only about half the real growth rate in past years.

"And yet the 'new economists' keep shouting every month that we are enjoying a tremendous boom. I don't see why they don't stop, look, and listen."

Mr. Keyserling thinks that the Administration's economic policies—pushing for a tax increase and cutting spending—are a mistake. With the economy stagnating, he says, the emphasis should be on stimulating the economy.

"If the growth rate of earlier years had continued, we would now be generating 15 billion dollars in added federal revenues in fiscal year 1968," says Mr. Keyserling. "Such revenues would cover three-quarters of the deficit in prospect for the federal budget. In other words, economic stagnation is a major force in contributing to the deficit in the budget."

Mr. Keyserling says the early years of the "new economics"—1961 through 1963—produced an economic recovery that was not much different from recoveries after earlier recessions.

The big tax cut in 1964, he goes on, did produce a real boom for a year and a half. But the cost of getting that boom, he says, was a 20-billion-dollar tax cut.

Moreover, as Mr. Keyserling analyzes it, stagnation once again set in early in 1966.

What, in Mr. Keyserling's opinion, has gone wrong with the "new economics"? He thinks it is a basic mistake in economic analysis. Take the 1964 tax cut: More than half of the cuts, says Mr. Keyserling, went to investors and to high-income people who saved for investment purposes. This was not where the economy needed stimulating, he says, adding:

"You got an investment boom from late 1964 to early 1966. But soon you got overcapacity in industry, and stagnation set in.

"What should have been done was to put the tax reductions in the form of increasing tax exemptions lower down the income ladder, and the money should have been divided 50-50 between tax cuts and more spending for national needs.

"This not only would have been better from the viewpoint of priorities for spending, but would have been based upon a correct analysis of the economic imbalance throughout the economy."

Edwin G. Nourse was the nation's first Chairman of the Council of Economic Advisers, serving from 1946 to 1949.

Mr. Nourse, in observing the "new economics," finds two trends that show up:

1. The economy in the postwar period has been given considerable security against real depression or serious recession. The "new economists," too, have demonstrated ability to stimulate national growth.

2. However, the other trend is less reassuring. As he puts it: "There has been no offsetting capability of coping with the inflationary side effects of this therapy."

Mr. Nourse thinks the "new economists" have "ignored certain facts of life in a democracy and, indeed, the nature of flexible strength in a Big Business, Big Labor, Big Government economy."

The current tax impasse is cited as an example. So is the dispute over deep cuts in the federal budget.

Says Mr. Nourse:

"The economic process cannot be dissociated from the political process. An economic policy or program is successful or even viable only in the way or to the extent that it can win 'the consent of the governed.'"

RETURN TO THE 1920'S? NO—

Mr. Nourse stresses, however, that he would not favor returning to the "old economics"—if that means the hands-off-business kind of *laissez faire* of the 1920s.

This is his explanation:

"We need to get a seasoned blend of ancient truths and modern enlightenment. We shall have to sweat out some trying experiences while we are learning how to use our new tools of economic administration more skillfully, and until a wider understanding of economic matters is disseminated among managers, workers and voters."

All in all, those who have been Chief Economic Advisers to four Presidents since the war see some important gains for the country from the "new economics."

Problem of dealing with major slumps, such as those that occurred in the past, seems to have been overcome.

Big problem yet to be solved: Once good times arrive, can the boom be held in check?

DEFINING "NEW ECONOMICS"—KEYNES'S IDEAS, PLUS REFINEMENTS

Many ask: Just what is the "new economics?"

Basically, the new doctrine is a modernized, computerized version of a theory first stated in its crude form by John Maynard Keynes of Britain in the 1930s.

The starting point is the idea that government planners and thinkers can assure perpetual prosperity by managing a nation's economy—

If the need is to pep things up, planners cut taxes, increase government spending and tinker with money policy to make money abundant, credit easy to get and interest rates low.

If the need is to slow things down, planners raise taxes, reduce government outlays and tighten money and credit.

To this theory, backers of the "new economics" applied new tools of analysis made possible by computers. They made elaborate calculations to determine the "potential" of the U.S. in growth and jobs. National policy then was supposed to be directed toward realizing the nation's potential.

Walter Heller, called the father of the "new economics," said: "It is a blend of Keynes and the classics, refined by American economists armed with mathematics and computers."

The fatal flaw in the whole approach, according to critics, is that in real life the "new economics" can be counted on to work only one way—to stimulate the economy.

When planners have called for restraint, politicians have dragged their heels, come forth with actions that were too little or too late.

Senator McIntyre Addresses the Jewish Community of Bridgeport, Conn.

HON. GALE W. MCGEE

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. MCGEE. Mr. President, the distinguished Senator from New Hampshire [Mr. McINTYRE], in a speech to the members and guests of the Jewish Community of Bridgeport, Conn., recently outlined the dangers within this country stemming from the activities of political extremists of the right and of the left.

In his speech, the Senator did more, however. He urged his audience, composed as it was of Americans with faith in their country and in democracy, to participate more fully in the operations of government and in the political processes which shape our way of life.

I ask unanimous consent that Senator McINTYRE's speech, delivered on February 18 at the Jewish Community Center of Bridgeport, be printed in the Extensions of Remarks.

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

U.S. SENATOR TOM McINTYRE: ADDRESS BEFORE MEMBERS AND GUESTS, JEWISH COMMUNITY CENTER, BRIDGEPORT, CONN., FEBRUARY 18, 1968

This is an amazing world we live in. It is an amazing and contradictory world. As a case in point, this past week I could bring into my home—live and in living color—the pomp and pageantry of the Olympic Games in France. With a twist of my wrist I could switch to pictures of death, destruction and despair in Viet Nam. These two aspects of the world situation present an almost incomprehensible contrast. The fact that they can be taking place on the same earth at the same time lulls us into a strange sort of complacency, into the delusion that the ugliness of Viet Nam is nothing but a bad dream that somehow, if we just keep on sleeping, we shall somehow awaken into the beauty of Grenoble.

The feeling that if we just let things alone, they'll turn out to have a happy ending, applies not only to the American attitude in regard to the affairs of the world. It is also evident in our approach to what is happening here at home. It is evident in the way we take for granted the permanence of our form of government and the democratic processes that give us our freedom. I say to you here tonight that we cannot take such permanence for granted. I say to you that this delusion is dangerous, that euphoria, itself, is an enemy.

There are forces in the nation today that would destroy not so much the cut of our democracy but the warp and woof of its fabric. They are well organized. They are extremely well financed. They are increasingly effective. I am talking about the forces of the radical right.

It was seven or eight years ago that the fanaticisms on the far right began to gain form and substance in the nation. It is possible, perhaps, to make distinctions between the "hate" right and the "semirespectable" right. But I hold that if the distinction is possible . . . it is also perilous. The well-intentioned ladies of the DAR have little in common with the more militant Minute Men. What they share is basically a resistance to a changing world order.

This resistance to change is the keystone of the rightists' philosophy. They refuse to recognize obvious realities of the 20th Cen-

tury. They deny the world—and this country with it—are in a state of flux. They seek to prevent altogether, if possible—or at least to slow down—progress in the social, economic or political patterns. They will not admit that man has any responsibility for the welfare of his fellow man. They attack our present society on many fronts, seeking to exert their influence in vital areas of control; the political parties, the systems of education and the structure of law enforcement. They mount a loud and continuing tirade against their government.

From their descriptions of it, I can scarcely recognize this government and what it stands for. They claim it exists only to deny them the right to live as free men. They say federal aid to education, Social Security, urban renewal, unemployment compensation, area redevelopment, aid to dependent children, guarantees of civil and human rights, the balance of powers between the branches of government—all these and more are all parts of a gigantic movement originated by intellectuals who live in ivory towers. All of this, they say, is designed to sap the American citizen of his initiative and to sell us down the road to socialism at best and Communism at worst.

As my good friend Senator Gale McGee of Wyoming has said:

"It is gratifying that these people are fighting so hard to be poor, to be ignorant and unemployed, to be denied equal opportunity to earn a livelihood and participate in our democratic way of life. It is indeed heartening to see how they fight so that our elder citizens can spend their last years in poverty and dependence on others and to make sure our natural resources are used up as quickly and as inefficiently as possible. And what is most delightful about their concern for all these things is that they don't want them for themselves. Just for other people!"

You must be familiar with their general line of attack; certainly you are exposed to it enough in the press, on radio and television. It belabors the fact that a dollar sent to Washington is a dollar lost. Anyone who works for the government is automatically inefficient. A bureaucrat's only function is to beget additional bureaucrats. The government is in hundreds of businesses that can be better operated by private enterprise. The income tax would be unnecessary if only a real American who knew how to meet a payroll were in the White House. Their idea of a good federal government is no federal government at all.

This is part of the everlasting "hard sell" from the right. Its objective is to tarnish the image of the federal government in the minds of the American people. If successful, they will find it easier to destroy this democratic system—to manipulate it to their own ends rather than to the benefit of the public. If ever the American people lose their respect for their institutions, if ever they lose their faith in them, they will not seriously object to their destruction or their emasculation.

There can be no doubt the radical right wants to take over and control the government of the United States. That is their strategic objective. Once we accept that fact, then we can examine their tactical plan and formulate a defense against it.

A great physicist once said if he had a pole long enough—and a place to rest it—he could move the world! The pole of the radical right's propaganda rests on the fulcrum of anti-Communism. It was on the theory that International Communism was permeating the political structure of the United States that Robert Welch was able to create the John Birch Society. It was necessary for sincere Americans, he said, to band together to combat that danger—to take over the apparatus of government and to secure it in the tender care of patriots like himself.

He frankly admitted he would use tactics designed by the Communists themselves. Small cells of right-thinking people would be organized in local communities. They would employ techniques of smear, character assassination and the Big Lie. They would infiltrate (and eventually control) existing educational, civic, fraternal and political organizations. Under direction of the executive committee, attempts to influence legislation would be coordinated. At the whim of local leaders businesses would be boycotted, teachers threatened, liberal editors and commentators would be harassed. The fact that a good many democratic principles and processes would be trampled in the process didn't bother him a bit. The end, he said blandly, would justify the means. And an awful lot of people whose concerns were larger than their common sense—whose prejudices pushed aside their principles—took the political turn to the right.

In time the John Birch Society became the catalyst between the far-out "hate" elements of the conservative movement and those that were more respectable. Racism, anti-Semitism and anti-Catholicism became hitchhiking passengers in the anti-Communist vehicle of the Birch Society. If their presence went unnoticed at first by the public, it was not unwelcome in the inner circles of the Society.

Certainly most of you here tonight are familiar with the manner in which the "hate machinery" works. I am not speaking of the fanatical periodicals sent to subscribers. Rather, I would note the less obvious, even more dangerous publications, radio and television programs in which there is an undertone of smear and innuendo lurking beneath the printed or spoken word.

"The Government in Washington is controlled by the Eastern Establishment . . ." or "by the big banking interests in New York . . ." or, more openly, "by the New York moneylenders."

During last summer's Middle East crisis, the radical right's publications consistently said the loyalty of American Jews was divided between Israel and the United States. How often was the parenthetical ("nee Cohen . . . nee Levy . . . nee Epstein") printed after the name of a prominent Communist? It is possible the Communist may have been born a Cohen, a Levy or an Epstein. But who was to look it up? And when a publication printed that sort of thing in the first place, a retraction would be unlikely.

On that basis, the old, old story of the Jewish merchant is appropriate. And his attitude is understandable. In the business of selling crucifixes and other religious articles, he went to see the judge. "I want my name changed to O'Brien," he said. The judge agreed that the name, O'Brien, made more sense on the store front than Ginsburg. The request was granted. But the judge was a bit annoyed when O'Brien, nee Ginsburg, turned up two weeks later. He wanted his name changed again, this time to Murphy! "People," he explained, "keep asking me what my name was before I changed it!"

There was much this same sort of innuendo during the administration of President Kennedy. "The Capital of the United States Government," it sneered, "is in Rome." One article in a rightist periodical wanted to know what kind of security clearance the Holy Father had. There was something sinister to be suspected every time the President went to Mass. But the most despicable smear was written by a professor named Revilo P. Oliver and published in the John Birch Society's magazine, *American Opinion*. "President Kennedy," wrote Oliver, "was killed by Communists because he was falling behind an agreed-upon Communist timetable for the take-over of the American Government. He was rapidly becoming a political liability for the Communist Party."

I want you to know that this flagrant nonsense was published in the nationally

circulated magazine of the John Birch Society! If nothing else, it should have caused a good deal of soul-searching by thinking Americans. How could a national organization, supposedly dedicated to the highest American ideals allow such a statement to appear as fact—as *fact*, mind you—in one of its official publications? Under the circumstances, I say to you that no responsible American could possibly continue to *apologize* for it.

Yes, I want you to know that some of my acquaintances do apologize for the excesses of the John Birch Society. "Many patriotic Americans are members" they tell me. "And they can't be held responsible for the irresponsible ravings of the organization's leader." As far as I'm concerned, that is like saying that the only thing wrong with Nazism was Adolph Hitler!

All of the problems inherent in the Civil Rights movement—the human, social, economic and Constitutional problems—are ignored by the radical right. While I concede it is possible for people to believe sincerely the matter should be left to local or state authorities, history indicates that progress would be too slow and too ineffective that way. Nevertheless, the propaganda from the "hate" groups plays upon fear, prejudice and ignorance. With pounding repetition it tells us:

"The Civil Rights movement is Communist dominated."

"Negroes are physically and mentally inferior to whites."

"They want the world without having to work for it."

"Integration means intermarriage; and a mongrel race will result."

All of these things we hear. And the big city race riots of last summer, as well as the over-publicized pronouncements of Black Power advocates, have given a thin veneer of credibility to the propaganda theme. Unfortunately, more and more of us are beginning to listen. The backlash is building.

Not all of this is the direct result of right-wing activity. But there is little doubt in my mind that the radical right is busy aggravating a situation that is already bad enough.

The extremists are also attacking on another front. Their target is our system of education. In the September 1960 Bulletin of the John Birch Society, Robert Welch issued an order to his organization. "Join your local P.T.A. at the beginning of the school year," he said. "Go to work and take it over."

The Society has a double objective: to pry local P.T.A. units away from the state and national congresses of parents and teachers, and to gain control of these units and turn them into local political pressure groups. Once again we hear the constant pound of propaganda:

"The National P.T.A. exists not to do the will of its members, but as a pressure group which coerces its members into conforming with national programs toeing the Communist Party line."

"Federal aid to education is synonymous with Federal control of education."

It is estimated that well over one hundred local P.T.A.'s have been persuaded to withdraw from the National Congress. A former president of the national body stated a year or so ago, "The extremists are not really after the P.T.A. They are after public education, itself."

As a salient on the educational front, extremists are applying pressure with some success even within the schools. One out of every thirty school communities in the United States has experienced some sort of attack or attempt to infiltrate influence into the classrooms. How does it work? For one thing, teachers are intimidated. Students come to class with tape recorders to carry home the lectures of those suspected of "sedition" . . . "sedition" being nothing more

perhaps than an explanation of the purposes of the United Nations.

Right-wing literature is finding its way into courses of study. In Arizona, a guide to social studies was written by a group which suggested that students be taught that the U.N. was a base for Communist espionage in America, that the American Civil Liberties Union was a Communist front and that Karl Marx invented the income tax.

Teachers who espouse liberal causes become the recipients of abusive midnight telephone calls or perhaps Soviet flags in their mailboxes.

Only a year ago, teachers in an Ohio community began to find ultra-rightist material in their classrooms. One who complained confidentially to the school's principal—to the principal—began to get those late-at-night phone calls, messages signed with the hammer and sickle and even a letter containing a bullet. When attempts were made to malign his family, he finally decided to leave town.

The radical right is not only trying to capture the minds of the nation's youth through control of the educational system, it has, from the very beginning, aimed its message at adults. Each week, hundreds of pamphlets, periodicals and magazines are distributed to right-wing groups. To name them all would be impossible here. But their columns overflow with material ranging from the reasonably responsible to the viciously bigoted extreme. There are some which foment violence. In this period of delicate deliberation in connection with the civil rights movement which in the mind of the rightist, at least, is synonymous with civil disorder, there are periodicals which advise readers (called "patriots") to "arm yourselves! You are now facing a period of extreme danger! If you are ever going to buy a gun," they say, "*buy it now!*"

Big city suburbs are inundated with pamphlets that rant racism and anti-Semitism. Millions of booklets flood college campuses to spout the doctrine of extremism.

There are right-wing newspapers—the Manchester Union Leader in my own state is a good example—which criticize and oppose any progressive federal legislation, as well as any member of Congress who supports it. They support ultra-conservative candidates for office. They encourage through publication completely irresponsible letters to the editor by contributors dedicated to far-out causes.

Unlike the daily newspaper which has general circulation, many of these periodicals and pamphlets are sent to subscribers. While their total circulation is in the millions, it has a built-in limitation: the subscribers are mostly those who have already been indoctrinated. For that reason, the radical right some time ago shifted a good part of its propaganda effort to radio. The fishing for fresh unbiased minds was far better in the unchanneled seas of electronics.

The intent of many of these programs is hidden beneath a thin veneer of religion. It's remarkable what the infection of a voice can do. Under the cloak of Christianity, by sneer and smear, by innuendo and infection, the men who conduct these programs manage to launch the most un-Christian attacks against organizations and individuals.

Other programs profess to carry news and commentary. But the news is slanted and the commentary is one-sided. There are so many of them: the list has been published by the Anti-Defamation League, but the statistics on just one of them are worthy of note.

"Life Line," the creation of H. L. Hunt, a Texas oil millionaire, is now carried on 470 radio stations, broadcasting 3,287 separate programs containing over six million words. The over-all effect of these billions of words on thousands of programs carried into millions of American homes cannot be under-

estimated. Why do radio stations carry them? Most of them are sponsored—even the so-called religious types!

Over the course of the last few years, there has been a trend in radio towards "audience participation" or "talk" programming. Listeners call the stations to express opinions over the air. Almost immediately, the radical right recognized this sort of programming as a golden opportunity—a cost-free opportunity—to disseminate its doctrines. Local units organize groups of people who spend their time calling the stations to criticize the government or the President, to make inflammatory statements completely without substance, to stir racial or religious animosities.

If you monitor these programs constantly, as members of my staff have done, you will notice the volume of right-wing opinion (some of it on the fringes of fanaticism) far outweighs that of even a moderate nature. The radical right does not make up the majority of the American radio audience. But every effort is being exerted to make it seem that way.

The role of the moderator who handles these calls is vitally important. He can expose the far-out, irresponsible caller with adroit questioning. On the other hand, he can give credulity to what they say either with silent acquiescence or with encouragement. There are instances, unfortunately, when liberal or progressive callers are interrupted, given little time to express themselves or heckled with contrary arguments by moderators who, a moment or two later, allow right-wing opinions to go unchallenged over long periods of time.

While all this comes under the general cover of "freedom of speech," and I support it in principle as such, I do believe the apathy of the great majority of radio listeners is playing into the hands of an irresponsible minority. Freedom of speech is a two-way street—and it is up to you to see that it is traveled in both directions!

In my own office and in the office of every Senator and Congressman there is daily proof the radical right is attempting to influence the legislative process. There is no doubt whatsoever that the attempt is well coordinated. In each morning's mail I receive at least three or four letters identical down to the last punctuation mark. Each demands (they never request) that I support or oppose this or that piece of pending legislation according to the current line of the radical right. The peculiar part of it is that these letters come from different parts of the nation: one from California, a second from Nebraska, a third from Connecticut, and a fourth from Pennsylvania.

I might add here that practically every Senator and Congressman has been confused, if not amused, by some of the letters he gets. There is the correspondent, for example, who calls down eternal damnation upon the government for spending that is excessive (as he puts it). But then, in the very next paragraph of the same letter, the writer goes on to ask help in obtaining a federal grant for a by-pass around his town's business district. "It will only cost a few measly million!" he writes.

In addition to these efforts to influence the votes of the members of Congress, there have been some serious moves in the direction of intimidation. One example of this was the move to recall Senator Frank Church of Idaho. Financed openly by William Penn Patrick, a millionaire cosmetics manufacturer from California, under the supervision of Ronald Rankin, a right-wing political leader who now resides in Idaho, a petition appeared for recall of Senator Church. Two reasons were cited: first, because he "consistently opposed measures which would help win the war in Viet Nam" and, second, because "at a time when Americans were being killed in Viet Nam by Russian bullets fired from Russian guns, Senator Church, contrary to the best interests of the Citizens of Idaho, has supported the Soviet Consular Treaty,

thereby giving aid and comfort to the Soviet Union." I am happy to say that the citizens of Idaho did not go for the plan. But the message from the radical right was clear and unmistakable. "Support the doctrines of the far right or run the risk of political assassination."

There is another form of intimidation used at the local level of the political structure. Just as the opinions of the radical right dominate the "talk" programs on radio, so does its attendance, in many places, dominate the meetings of city councils, public hearings and town meetings. In New Hampshire we have a saying, based on fact, that "them as are 'agin' a thing are always more numerous and more vocal than them as are 'fer' it." Since the radical right is against change, especially in the direction of progress, they often manage to steer public meetings by means of a sort of Greek chorus technique. They murmur approval of speakers whose positions they approve, groan with dissent, often loudly interrupt those with whom they disagree. In this way, they capitalize on the complacency and apathy of the majority who have been known to stay away from civic meetings in large numbers.

Along with most of my colleagues in the Senate and with most of the men and women in the House of Representatives I have tremendous faith in the integrity and common sense of the American people. I believe they have the ability to distinguish between the responsible and the irresponsible. Since the very infancy of this great nation, there has been a dialogue of difference between the progressive and the conservative. This difference has resulted in the formation of two major political parties. In recent years, however, the dialogue has become not only more strident but more extreme, not only between the two political parties but within each of them. The Republican Party has its ultra-conservatives. The Democratic Party must contend with a new and militant far left. It would indeed be a national tragedy if either major party were captured and controlled by extremists at either end of the political spectrum. It is fair to say in this respect, I think, that the Republican Party is in the greater danger. While the ultra-conservative movement was repudiated by the public as a whole in 1964, it is by no means dead.

While the thrust of my remarks this evening has been turned toward the radical right, I believe there is also a threat to our nation and to its structure of government from the far out left. The excesses of one side neither excuse nor mitigate the excesses of the other. When the voice of moderation spoke at the 1964 Republican convention, I deplored the "We want Barry" chant that came from the floor. But I found equally reprehensible the noise and disorder that greeted the Secretary of State not long ago when he spoke at an Eastern university. Neither of these actions is in the American tradition. They violate, in one degree or another, the very freedoms under whose protection they are perpetrated.

And so, where are the lines to be drawn between the far left and liberalism, between extremism on the right and conservatism? There are no sharply drawn distinctions. There is an overlapping, an intermixing of ideologies, of leadership, of organizations and of supporters. What they all have in common is a passionate desire to control and manipulate the machinery of our government. They have a mutual disregard of decency in the methods used to attain their goal.

I have pointed out here tonight some of the areas in which the radical right has been active. In the field of education . . . in the field of communications . . . and in the field of politics. I have spotlighted some of their methods: the use of intimidation and subversion, the play upon fear, prejudice and ignorance, the tactics of smear and innuendo to divide one segment of our population from

another. These are the tactics of totalitarianism of both the right and the left. And they must be recognized and countered by the great mass of American people—Republicans and Democrats alike—who believe the American way of life is the best way of life and who have an abiding faith in the processes and institutions which preserve it.

I am fully aware of the fact it is not easy to counteract the increasing effectiveness of the far right movement. But the attempt must be made. With our apathy and our complacency, we have smoothed the roads on which the militants of the left and the militants of the right are marching towards an eventual confrontation. And we, like the great mass of civilians in warfare, are likely to be caught in the middle. It is up to us to mount our own offensive. It is up to us to mobilize our information to use the fire-power of reason to shoot down the bogeymen of fear and prejudice which terrorize the ignorant. The workshops you plan to hold in weeks to come could be the answer.

There are some broad guidelines I might suggest. The Anti-Defamation League and Group Research have done a magnificent job in disclosing the identities of both individuals, organizations and publications which are part of the right-wing propaganda machine. It is obvious that you must recognize them for what they are. But it is important that all the people recognize them too. It is important that the newspapers and the radio stations be kept informed about the background and associations of those who are invited to speak at public functions. It is important that the majority in the census figures also be a majority at civic meetings, at hearings, at gatherings of parents and teachers. This, of course, is the function of the individual in a democracy—to participate in the operations of his government.

I do not propose that you form conspiratorial organizations. I do suggest, however, that in your workshops, open to all, you form plans for the implementation of whatever actions you deem best. You are the leaders of this community—a community which, I am told, is the hotbed of radical right activity in southern New England. You are the leaders, the business, professional, artistic, social and political leaders. Certainly, you have the courage, the intelligence, the resourcefulness, the creativity and the sense of civic responsibility necessary to do what must be done.

The only thing to be afraid of is your fearlessness. The only thing to be apprehensive about is your self-confidence. The only attitude to be avoided is the thought that "It can't happen here!"

We must not be guided by any doctrine based on the principle of "Charity towards none and malice towards all." The danger is on the doorstep here in Bridgeport. Because you leave it alone, because you refuse to see it or listen to it, it will not go away. You must move to reduce its threat, to make impotent its appeal.

I have confidence in you, in your perceptiveness as Americans. I know how great is your faith in your government, how deep your belief in the institutions and principles for which it stands. These are the reasons I know you, with your innate sense of human decency, your devotion to your country and your own self-respect, you will not—you cannot—allow it to happen! Not here! Not anywhere!

Combating Air Pollution in Detroit

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. NEDZI. Mr. Speaker, in the past few years public opinion in our Nation has become stirred by the dangerous,

short-term and long-term implications of air pollution.

Public and private efforts have been initiated to combat this relentless enemy of decent environment. We have made a beginning, but the dramatic reversal we all hope for is still before us.

Last year, we passed the Air Quality Act, a symbol of congressional concern. I know that we will persist in this concern. Private industry, long a polluter of our air and water, is also making a change of direction. Wherever it does so, I think that we should acknowledge the improvement.

In this regard, the Allied Veterans Council of Detroit recently awarded its 1968 Civic Award to the Budd Co. of Detroit. The honor was accorded to the company because of its installation of an air purification system at their plant on Detroit's East Side. The award stated:

Our investigator conferred and consulted with many people in the area of the plant and his findings bore out the fact that the Budd Company is honestly dedicated to a policy of meaningful air purification and, consequently, better community relations.

The Allied Veterans Council of Detroit is noted for its interest in the state of the community as well as in the state of the Union. Its new president, Mr. Mitchell Wietchy, of Detroit, Mich., who was installed at the time of the award presentation, is determined to carry on the high-minded traditions of the council.

I congratulate Mr. Wietchy on his installation as president and I commend the council for its initiative as a community leader.

Death of Dr. Robert Calvin Grier

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, South Carolina and the Nation lost one of their most distinguished citizens on February 18, 1968, in the passing of Dr. Robert Calvin Grier, who for 34 years served as president of Erskine College at Due West, S.C.

Dr. Grier was a man of great moral character. His moral character and ideals were founded upon his devotion to Christianity. After his long and distinguished service as president of Erskine College, he continued his service as pastor of the Associate Reformed Presbyterian Church in Due West.

Dr. Grier was an extraordinary man in that his compassion for all people worked to the benefit of his church, Erskine College, his community, and the State. He always looked for the best in people, and his criticisms were always couched in constructive tones.

This distinguished South Carolinian made immeasurable contributions to the church and education, and his service in these areas will be long remembered. The results of his efforts will favorably benefit many persons in future years, and the life he lived will always serve as a worthy guide to future generations.

Mr. President, I ask unanimous consent that the editorial entitled "Dr. Grier: Man of Infinite Variety," published in the February 20, 1968, issue of the Greenville News, be printed in the Extensions of Remarks.

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

DR. GRIER: MAN OF INFINITE VARIETY

A noted clergyman of another faith sometimes refers aptly to certain extraordinary persons as "one of God's saints on earth." He devoutly believes there are such, though seldom recognized by mere man.

As a beginning point in an appreciation of the truly noble personality and character of Dr. Robert Calvin Grier, for 34 years president of Erskine College at Due West and for the last dozen years pastor of the Associate Reformed Presbyterian Church on Cleveland Street, our friend's phrase is fitting. For Dr. Grier was, first of all, a saintly man.

Though no attribute could be greater in a believing and practicing Man of God, it only begins to describe one of the most beloved, valuable and delightful citizens of Greenville and South Carolina. The "infinite variety of the man" was such that in some way he touched every person he ever met or was associated with—and in that person's own area of interest or condition in life.

"R. C." Grier had the capacity of putting himself in the other person's position and completely understanding it. His compassion for all people was such that, while he might in private, and sometimes in public, question the views or actions of another, he never condemned either in public or private. And he never criticized in a tone which might indicate that he alone was privy to the truth of a situation or that he himself couldn't be wrong.

He was a deeply learned man, especially in the Bible, in literature and a variety of "disciplines" which affect people as human beings. His intellectual curiosity ranged the cosmos from the infinity of space to the love and care of a beautiful flower.

He was a strikingly handsome man, broad-shouldered and erect until the end; he was courtly, gentle and gallant. His was a sharp and ready wit; he could tell anecdotes for hours and was a favorite of both the ladies and the gentlemen in any social gathering. One had to stand close to him to realize he was relatively short in stature, rather than six-foot tall, plus.

A fine baseball player in his youth, Dr. Grier maintained an active interest in all sports, especially collegiate athletics, during and after his tenure at Erskine.

His love of the beautiful led him to an active role in beautification efforts in Greenville.

Though he represented one of the smaller denominational groups in the area, he was a leader among ministers of all faiths and between him and them there was mutual respect and cooperation.

While he gave to his church and to education more than a full workweek long after he had reached the usual retirement age, Dr. Grier was intensely interested in the affairs of the community, nation and world and had as good a grasp of them as anyone we knew.

One incident we witnessed revealed much about this great but humble man. He volunteered to serve as a character witness for a citizen, not of his church, facing a serious charge in a high court. When he was presented, the judge, as tough a jurist as we ever met, remarked that, while he was not a Presbyterian, he supposed he could listen to him.

With that well known twinkle in his eye and the faint trace of a smile on his comely countenance, Dr. Grier quietly said, "But I

am a reformed Presbyterian, your honor." And with that he made as brief but eloquent, convincing and truthful a plea as we ever heard any man make for another.

Dr. R. C. Grier was a faithful and powerful advocate for all of mankind, for he saw the good in all. None was so humble, none so low as to be beneath his reach. And none was so proud, none so high as to be beyond welcoming his counsel and his friendship.

The good that he did will be long remembered. The good that he was will last forever.

Urgent Need for Seapower

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the San Diego, Calif., Union of February 14, 1968:

EXPERTS AND THREATS PLAINLY VISIBLE:
URGENT NEED FOR SEA POWER

Fortunately for the United States of America there is in Congress and elsewhere a group of highly visible men.

Among the foremost in their ranks is Rep. L. Mendel Rivers, Democrat of South Carolina, chairman of the House Armed Services Committee.

His recent visible leadership in San Diego is worthy of second thought and many more:

"America is fighting a war (against communism in Vietnam) with unknown objectives. Two and one half years ago I invited the President and the invisible crowd running the war . . . to stop the supply of weapons and equipment to the Viet Cong. We asked them to neutralize the port of Haiphong and to stop the supplies reaching the enemy across the Mekong (River).

"I don't know whether a military victory is possible in Vietnam or not. We haven't tried to win one."

Instead of listening to the accumulated experience of men like Mr. Rivers and professional military commanders, the President listened to the "invisible" men and the resultant mess is obvious.

It is time the voice of the visible men was more heard in the security of the United States, not only in Vietnam but in regard to the other defense matters raised by Rep. Rivers.

The appearance of the Soviet navy in the Sea of Japan as soon as the United States made a show of force there, the withdrawal of the British from the East as a sea power, and the USS Pueblo incident shows the need, as Rep. Rivers said, for a re-examination of our naval strength and its growing obsolescence.

Not only is the U.S. Navy short of capital ships, as Rep. Rivers noted, but also "we have no nuclear powered fleet of any consequence."

And the blame for this omission does not rest with the visible men. For the last two years Congress has refused to appropriate funds for conventionally-powered missile ships requested by the Pentagon, insisting instead on nuclear-powered vessels.

Sea power is the nation's heritage. It is through sea power that America became great and has maintained her world leadership. If we begin a retreat from the seas we will begin a decline as a great nation.

In this context the presence of a major Russian fleet in the Mediterranean is alarming. The Russian display of sea power in the Sea of Japan as a frank warning to us is a

challenge that cannot be ignored as we look to our naval needs. And until the crew and men of the Pueblo are returned, there will be a shameful entry in the history of our sea power.

To regain the control of the seas that maintain the national interest we do not need more procrastination. We know fully the value of sea power and nuclear power.

Now we need the visible men to build and apply the sea power as it should be. Our nation's history books provide the guidance.

Tributes to George Washington Published in the State Newspaper

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, there is a time when it is wise to reflect on our Nation's history and on the great men of America's past. This is particularly true in an era when confusion and disarray appear to be the order of the day.

The occasion of the anniversary of the birth of George Washington gave many of us pause to consider that great man and his contributions to our Republic. We should note as well that what he was and what he stood for have a relevance to our Nation that transcends the years from the 18th century to the 20th. His character is well known. It should be emulated today. Perhaps less well known but just as worthy of attention are his ideas. Consider these words of Washington concerning our Government:

The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism.

Our first President saw clearly that the Constitution which was designed to preserve liberty would be subject to pressures calling for centralization of power. Wisely he warned that such pressures be resisted.

The State newspaper of Columbia, S.C., published on February 22, 1968, an editorial entitled "Washington's Words," and on February 23, 1968, a column by James J. Kilpatrick entitled "George Washington: He Was All Man." Both of these tributes to that first great leader of our Nation stress the relevance of George Washington and his thoughts to the United States today.

Mr. President, I ask unanimous consent that the column and editorial be printed in the Extensions of Remarks.

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

WASHINGTON'S WORDS

Congress, by time-honored tradition, will pause in its daily routine today to commemorate the birthday of George Washington, notably marked by the reading, in both House and Senate, of his Farewell Address.

This year, as every year, *The State* entertains the fervent if none too optimistic hope that our representatives and senators will not only hear but heed some of the profound observations and admonitions embodied in President Washington's parting message.

We hope that Washington's words will be noted not only by members of our nation's legislative branch, but by those in the ex-

ecutive and judicial branches as well. We refer especially to Washington's call for caution on the part of those individuals entrusted with administering the government of the United States.

They should, warned Washington, "confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another.

"The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism . . .

"If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way the constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

And we hope also that the people of the United States, no matter their color, race, situation, or location, will absorb both inspiration and restraint from these words of Washington concerning our government:

"Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, until changed by any explicit and authentic act of the whole people, is sacredly obligatory upon all.

"The very idea of the power and the right of the people to establish government presuppose the duty of every individual to obey the established government."

Finally, lest some assume that Washington was either indifferent or hostile to the good influence of religion, we call to the attention of legislators, administrators, and most particularly, judges of the U.S. Supreme Court, these characteristic concerns of the Father of our Country:

"Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports . . . The mere politician, equally with the pious man, ought to respect and to cherish them.

"Whatever may be conceded to the influence of refined education . . . reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

GEORGE WASHINGTON: HE WAS ALL MAN

(By James J. Kilpatrick)

WASHINGTON.—They read the Farewell Address in the Senate and House yesterday, but they read it to empty chambers. Not more than half a dozen members showed up. The father of our country has fallen out of fashion. Like his latter-day namesake, Booker T., he is viewed as a square with nothing to say to our time.

Part of this, one supposes, is a result of the poor press that Washington experienced from his biographers until Douglas Freeman came along. His tribulations began with canonization at the hands of Parson Weems:

"When George was about six years old," wrote the Parson, "he unluckily tried the edge of his hatchet on the body of a beautiful young English cherry tree. The next morning the old gentleman, finding out what had befallen his tree, came into the house, and with much warmth asked for the mischievous author. Nobody could tell him anything about it. Presently George and his hatchet made their appearance. 'George,' said his father, 'do you know who killed that beautiful little cherry tree yonder in the garden?'"

"This was a tough question; and George staggered under it for a moment; but quickly recovered himself; and looking at his father, with the sweet face of youth brightened with

the inexpressible charm of all-conquering truth, he bravely cried, 'I can't tell a lie, Pa. I cut it with my hatchet.'"

A hundred years passed in which biographers sought to outdo the Parson in making of Washington a sanctimonious prig. Then reaction set in, beginning with Rupert Hughes in 1926, and Washington turned into a dull-witted rouser. Dr. Freeman's masterwork could not save him.

Today he shares the same cultivated anathema that falls upon generals as a class save only for Ike and Moshe Dayan.

All this is a pity. Washington was not as appealing as Franklin, as brilliant as Jefferson, as warm as Marshall. He contributed less to statecraft than Madison or Hamilton; he was no match for Henry on the hustings. Yet Washington was all man, whole and entire. He stood six-feet-two and weighed 200 pounds—big hands, big bones, wide mouth, grey eyes. He was fearless. "I heard the bullets whistle," he once wrote his brother Augustine, "and believe me, there is something charming in the sound."

He was pre-eminently the soldier, a ruthless commander who could flog a deserter or hang a coward without a moment of regret. The Indians called him "Conotocarious," destroyer of villages. But he was not motivated by dreams of glory or by hope of plunder. One of the great themes that run through the whole of his life is Washington's dedication to honor and to duty. He put his country first.

Lyndon Johnson, searching history for solace in a dark and bitter hour, recently recalled the ordeals of Abraham Lincoln. He might have found still greater inspiration in the agony of Washington from 1775 to 1783. These were the times, as Tom Paine wrote, that try men's souls. By sheer force of character—a character that would not give up—Washington held his ragged band of starving troops together; he taught his fledgling country the meaning of endurance.

He was much more than the stiff patriot of Peale's paintings. Washington loved a drink, a hand of cards, a pretty girl. He loved the luxuries of a planter's life—horses, hounds, a carriage in the best of fashion. In the midst of his second term, with his popularity dropping and a hundred problems rising, he could find time to knowledgeable letter on the facts of life: "You may find, perhaps, that the passions of your sex are more easily raised than allayed."

He was vain sometimes, pompous sometimes, sensitive to a fault. He was no intellectual, but he had a capacious mind. He thought big. "Liberty is the basis," he said. And in the Farewell Address that will be read, but not heard today, he spoke to the ages.

Doubtless it is "simplistic" to praise Washington today. The country is not much on patriots. But we ought to know him better. In a glorious hour when giants strode our waiting land, he stood highest of them all.

Education of Our Children Top Priority

HON. HOWARD W. POLLOCK

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. POLLOCK. Mr. Speaker, school districts around the Nation were informed this month that allocations under Public Law 874 are to be cut by 20 percent of the amount that each district should receive. As the House knows, these funds are used to aid school systems affected by Federal employment. Federal activities do not generate tax dollars sufficient to educate the children

of Federal employees in these school districts. The need for fiscal 1968 is \$486 million, but unfortunately the available money totals only \$395 million. Only \$411 million was requested by the administration and this was further cut by \$16 million under the authority of Public Law 90-218 to the \$395 million figure.

Mr. Speaker, I am a strong advocate of budget restraint during the present serious economic difficulties. In my opinion, the Congress has no choice, but to demand that certain programs be delayed, eliminated, or kept at present levels until the massive conflict in Vietnam is over. Congress has rightfully demanded that the executive branch establish priorities in this regard. It goes without saying, however, that there are programs which cannot be cut back because they are essential and of high priority. I believe education to be in the category of highest priority, but apparently this view is not universally held. I do not think that when Congress gave the administration the discretion in Public Law 90-218 as to where cuts should be made that it intended education funds to be cut and I am distressed that any such cut was placed in effect.

Mr. Speaker, the other body now has under consideration H.R. 15399, the urgent supplemental appropriation bill for fiscal 1968. On February 20, 1968, an amendment was proposed to this bill by the junior Senator from Arkansas restoring \$91 million under Public Law 874 to bring the total needed sum to \$486 million. I strongly favor this proposal and hope it is adopted. Should the other body see fit to place these funds in H.R. 15399, I strongly advocate that the House conferees accept the addition. If the other body does not see fit to add this sum, then I urge and pray that the House take the initiative to pass another supplemental measure to restore the full amount required for the 874 program. Education is much too vital to this Nation to be subject to such cuts. The education of our children must have top priority.

Opposition to Restrictions on Pretrial Publicity

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, the American Bar Association, meeting in Chicago, recently endorsed recommendations calling for restrictions on pretrial publicity. The purpose of these restrictions is purportedly to encourage fair trials by preventing prejudicial news stories about defendants prior to prosecution.

This proposal calls for very careful study, for it would certainly involve a far-reaching change in our concepts of freedom of the press. While the proposal may not be without merit—Great Britain has had similar curbs for years—we would do well to give close attention to

the views expressed by the newspapers, which are naturally vitally interested in any restrictions of their freedoms.

Two newspapers in South Carolina, the Greenville News and the State, have recently published editorials in opposition to the recommended restrictions. These newspapers have a history of fairness and of avoiding sensationalism. I believe that the views they express should certainly be heard in the debate on this important issue.

Mr. President, I ask unanimous consent that the editorial entitled "Threat to the Press," published in the State newspaper on February 23, 1968, and the editorial entitled "ABA Endangers Two Rights," published in the Greenville News on February 25, 1968, be printed in the Extensions of Remarks.

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

THREAT TO THE PRESS

Crime News, which has reflected the rising tide of criminality in the United States, may soon be sharply curtailed in the nation's press—not because of any lessening of crime, but because of suppression of such news by courts, lawyers, and law enforcement agencies.

Meeting in Chicago earlier this week, the delegates to the American Bar Association adopted the so-called Reardon report which recommends stringent curbs on pre-trial publicity. Prosecutors, defense attorneys, court officials, and the police all would be barred (in jurisdictions where the Reardon report is adopted) from disclosing information about a defendant's prior criminal record, whether or not he has confessed, whether he has been identified as a suspect and so on.

In short, the proposed code of conduct would suppress everything but the barest facts about a defendant and the circumstances of his arrest. This, in the view of the American Bar Association, will make for fairer trials—even though it be at the expense of a free press.

Obviously, this latest effort at restricting the availability of news of public concern stems from the sensational treatment given the Sheppard case in Ohio and the Jack Ruby affair in Texas. There is no denying that certain segments of the news media were guilty of extravagant and excessive coverage of those episodes, and no responsible elements of the press defend such unseemly conduct.

But let it be noted for the record that in both of those instances, as in a number of others, the situation could have been kept in hand by a greater degree of firmness and fairness by the judicial and law enforcement officials who were in charge of the proceedings.

It is seldom, however, that either lawyers or jurists point the finger of blame at themselves or even at one another. As a result the press becomes the whipping boy and the public becomes the loser.

The American Newspaper Publishers Association currently is pressing a comprehensive investigation to determine just how, when, where, and to what degree verdicts have been unfairly influenced by pre-trial publicity. Spokesmen for the ANPA and for the American Society of Newspaper Editors requested the American Bar Association to withhold final action until all that evidence was in. But, by a vote of 176 to 68, the delegate lawyers rejected any further delay.

It is conceivable that adoption of the Reardon recommendations could, in fact, promote the cause of justice. It is equally probable that it could do just the reverse by

throwing a mantle of secrecy and silence over the handling of criminal prosecutions and proceedings.

Unfortunately, all who align themselves outwardly on the side of the law are not paragons of virtue. If such individuals, comparatively few though they may be, are sheltered from the probing and reporting of a free press, both the temptation and the opportunity to indulge in shenanigans will be substantially increased.

Our own view, based on the generally wholesome and equitable balance between fair trial and free press in South Carolina, is that the Reardon rules are not needed in this state. Our fear is that, without a free press, fair trials themselves may be jeopardized.

ABA ENDANGERS TWO RIGHTS

American newsmen will continue to go after and to publicize news about crime in advance of formal trials, recommendations of the American Bar Association to the contrary notwithstanding.

Actually, the Bar's recommendations, while binding on lawyers who are members of the Association, do not have the effect of public law.

The recommendations undoubtedly will cause many lawyers, police officials and judges to attempt to restrict the publication of facts about crimes before public trials. Alert reporters, however, will continue to dig for information in legitimate efforts to keep the public informed.

The ABA recommendations, adopted recently, advocate open violation of the First Amendment to the Constitution guaranteeing a free press. They do so in a mistaken attempt to strengthen the Sixth Amendment, guaranteeing an accused person the right to a speedy and public trial.

Actually the ABA's adoption of the recommendations of its so-called Reardon Report could weaken the Sixth as well as the First Amendment. A curb of pre-trial publicity could be used as a cover-up for malefactors with connections in high places.

Worse still a clamp-down on pre-trial publicity actually could work against the Sixth Amendment's guarantee of a "public" or open and honest trial.

It could be the first step toward secret or Star Chamber pre-trial proceedings, in which innocent persons would suffer as a result of pre-arranged agreements reached in secret.

Chances are the issue will be tested in court, one way or another, and eventually will reach the Supreme Court.

Both the public's right to know what goes on and the rights of people to protection from pre-trial mistreatment, from delays and to public trials are at stake in this matter.

Pensions and Profit-Sharing Funds: Aspects of Income Spreading

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. CURTIS. Mr. Speaker, I had the honor on December 12, 1967, of addressing the National Symposium on Measuring Investment Performance of Pensions and Profit-Sharing Funds, in Chicago, Ill. In my remarks I pointed out the significance of pensions and profit-sharing funds as one aspect of spreading income over the lifetime of a person. Consumer credit and insurance are also a part of this same process. My remarks follow:

INCOME SPREADING

(Address of HON. THOMAS B. CURTIS to the National Symposium on Measuring Investment Performance of Pensions and Profit-Sharing Funds, Chicago, Ill., December 12, 1967)

One of our brilliant CPAs in St. Louis practiced his profession in his native land Hungary before he made a rather hurried exit to this country about ten years ago. He pointed out to me that one of the great and rather unique things about this country is the certainty of its tax system, certain enough, that is, so that it is practical to advise personal and corporate clients on long range investment policies.

Well this is a pretty good testimonial to the stability of our society and the rationality of our government. If we have had inflation, at least it has been creeping . . . and relatively predictable. If we have had high taxes at least they too have been creeping and predictable.

Of course, this can change, and as I work in the midst of the trees I become greatly worried, but as I pause now and then to take a long look at the forest I am content to go back to work and put my long range worries aside. To some extent as I write this I must confess that I have not been able to dismiss these worries as readily as I have in the past. But I am not here going to discuss these worries although I find myself increasingly discussing them. For the sake of this paper—this discussion—I am going to assume the essential stability of our society and the rationality of our government.

Our society began emerging from an economy based upon scarcity to an economy based upon plenty sometime in the early twentieth century. We are still in the process of emerging, but we have advanced sufficiently into this new economic climate to start re-calculating our basic concept of economic cause and effect to allow for this fundamental and new change. What I am trying to say cannot be passed over lightly. For if it is true, then the economic workings in history will not serve readily as guideposts for action to be taken in the future, that is, without making basic adjustments. No society in history has ever reached the plateau of plenty before. We are breaking new trails.

An economic indicator developed just within the past decade, I think by the National Industrial Conference Board, illustrates some of what I am talking about. I refer to Discretionary Purchasing Power. Let me quote from Finance Facts, November, 1967, a monthly publication of the National Consumers Finance Association:

"American Consumers had \$233 Billion in discretionary purchasing power in second quarter of 1967 (seasonally adjusted at an annual rate). Discretionary Purchasing Power as estimated by the National Industrial Conference Board is a dollar amount that measures the American Consumers' ability to exercise independent choice as to spending or saving. From aggregate consumer purchasing power (income plus credit), deductions are made for contractual savings (payments to insurance and pension funds), essential outlays (for example, food, clothing, transportation and medical expenses), and fixed commitments (for example, home mortgage or rent payments and interest payments) to arrive at discretionary purchasing power.

"Aggregate consumer purchasing power in second quarter 1967 was at annual rate of \$567 Billion. Of this amount, discretionary purchasing power was estimated at \$233 Billion (41%) of which discretionary saving comprised \$35 Billion and discretionary spending \$198 Billion."

Another indicator or I should say sets of statistics—they constitute an indicator because I use them as such—which illustrates the new climate, are average age of entry into the work force, average age of retirement from the work force and percent of

leisure time during the period when in the work force. Now I must break right into my thought to make it quite plain that when I talk about new economic climate I do not mean new economics. I think what has dubbed itself the New Economics is quackery. It is putting new wine in old bottles. Instead of trying to make new bottles in which to put the new wine . . . it breaks the old bottles and makes a mess of the new vintage.

To pick up my theme. Age of entry into the work force continues to rise—it is now 19 years and 7 months, I believe. And it will continue to rise as increased percentages of our youth finish high school—go on to college and thence to graduate school. Yet it was only two or three years ago that we finally changed our definition of the work force in computing our employment statistics, from age 14 to age 16. So, having finally changed, we are still out of date.

The average age of retirement from the work force continues to decline. I think it is now 67 years 5 months. I recall when I first began following these statistics—which are a happy fall-out of operating the social security system—that the average age of retirement was over 70 years of age.

The forty hour week and the eight hour day are only one aspect of the decline in hours of work during the years men are in the work force. Far from moving to the 36 hour week as Walter Reuther and some national labor leaders argue, I point to the work efficiencies involved in moving toward an eleven month year and possibly to the seventh year sabbatical leave. I won't attempt to measure the increasing incidence of coffee breaks and "refresher education courses", but I would point out that they, too, are part of the measure of decline in actual hours work. Or to turn it around, a measure of the increased hours of discretionary time comparable to discretionary purchasing power, both basic indicators in this economy based upon plenty.

Although I am not, in this paper, passing judgment on these changing circumstances, I must say that I view all of this movement with high approval . . . These trends all spell out increased productivity . . . of the individual human being as an economic producer . . . because the human being still responds well to increased freedoms. Perhaps there is a point of diminishing returns even here, but we are far from reaching this point as a society, and, observing the manner in which self-discipline develops in a human being born, reared and living in even our relative freedom, it is hard to visualize this point as coming soon. Indeed, this point of diminishing returns, if it exists, seems light years away.

Discretionary purchasing power and discretionary time are merely components of aggregate purchasing power and aggregate time available. The very fact that we are now dealing with these components on an annual basis, using the aggregate numbers in the society who are in the labor market, has meant that we have had to deal with these components on a decadal basis, a long-range basis as well.

For years I did not understand what a generation really was. By fortuitous circumstances what a generation was became clear to me when I realized that I graduated from law school in 1935. My father from law school in 1905 and my grandfather from law school in 1875—incidentally, the same law school. A generation becomes important when a society has become stabilized. It requires three generations to fully test out any social system, three times thirty or ninety years. At my graduation from college in 1932, I met an old graduate who had met an old graduate at his graduation who had graduated in the eighteenth century. Three generations exist together at any point in a society's existence.

These facts become important when we

seek to discuss such things as the Federal Social Security program. And as the society remains stable more and more other things must be discussed in this contest.

When applying these statistics to the individual human being—which constitutes one of the arts of government—one very important point emerges; namely that purchasing power must be spread over the lifetime of the individual and if discretionary purchasing power is an important goal, much of that spread purchasing power should be discretionary.

If the average human life span is 75 years and twenty years are spent in education and ten years in retirement then there is only 45 years available to work and to earn purchasing power. If the purchasing power is to be discretionary at all, mechanisms must be developed in the society to permit income to be spread from the earning years both forward, in anticipation of later earnings to the early years of need, including education, and to be spread into the later years of retirement.

And indeed these mechanisms have been developing in our society. The mechanisms for income spreading from years of earning to years of retirement have been with us much longer and, therefore, are more developed than are the devices to spread income forward. Yet not until the development of group pensions and annuities have these mechanisms for forward spreading been other than carriage trade business not recognizable in full percentage points in our national economic statistics.

Income spreading, to protect against risks which would impair income earnings such as disabling accidents or untimely deaths are also important social mechanisms in enhancing discretionary purchasing power. These mechanisms have been developed well in our society, but again were not of national significance until we moved to the group insurance programs.

Mechanisms for future income spreading forward to the present—consumer credit, home mortgage debt, consumer durable mortgage debt, debt for education, etc.—have been the last to start to develop in this new society of plenty. Really it is not until after World War II that consumer credit increased to noticeable portions in our national statistics. Those who worry about its rapid increases fail to understand that it is less than one-third toward maturity . . . less than 30 years in a span of 90 when the test of excellence can be fully applied. Incidentally, I wish the federal governmental balance sheet—or even the balance sheets of state and local governments or private profit and non-profit businesses—were as fine as the balance sheets of the consumers, assets over liabilities. Total consumer assets as of June 30, 1967 were \$2.28 Trillion. Total liabilities were .311 Trillion (\$311 Billion) giving a net worth of the American Consumer of \$1.969 Trillion.

Now income spreading has an aspect of saving whether it is to protect against risk to earning abilities, to spread forward through debt to acquire a capital asset—a tangible one like a home or a consumer durable or intangible but quite real like education—or to spread to the years of retirement. All these mechanisms to spread income are important to maintain a stable economy and to finance innovation, research and development from whence comes future economic advancement.

I want to apologize at this point for taking you through this somewhat philosophical rambling. I think all of what I have sought to say is understood, but I am uneasy about it. So I become boring and repetitious. But is it really understood?

If it is so well understood, I ask myself why is there so much difficulty every day to carry forward the dialogue on the merits and demerits of the social security system as it exists in our society? as it is projected into

the future? and as it is amended from time to time?

On this score I can speak with more positiveness, because there is a lack of understanding among Congressmen, people in the insurance and annuity professions, as well as the people generally about these theories and practices of the federal social security system. Invariably when one seeks to discuss the social security system with objectiveness there are accusations made by persons responsible for administering it that this undermines the confidence of the people in the system.

Recently the Reader's Digest had an article raising some basic points about the social security system. Immediately Under Secretary of the Department of Health, Education, and Welfare, Wilbur Cohen wrote a lengthy rebuttal which consisted mostly of ad hominem exhortations rather than objective discussion. He went to the point of accusing the Reader's Digest of seeking to undermine the system. The rebuttal of Mr. Cohen was very properly placed in the Congressional Record by Congressman Wilbur Mills, Chairman of the House Ways and Means Committee. I then undertook to rebut Mr. Cohen's rebuttal with a paper I placed in the Congressional Record at the same time taking some exception to certain of the points in the Reader's Digest article. I also placed in the Congressional Record a critical article appearing in Business Week. Since then Charles Stevenson, the author of the Reader's Digest article prepared his own rebuttal to Mr. Cohen's rebuttal which was duly inserted in the Congressional Record.

I am awaiting Mr. Cohen's reply to both my rebuttal and to Mr. Stevenson's rebuttal. I have assured Mr. Cohen I would place his further arguments in the Congressional Record when he has them prepared.

The primary argument advanced by Mr. Cohen to rebut the detailed points made about the social security system by Mr. Stevenson was that the various Social Security Advisory Councils consisting of "distinguished citizens" all had approved the "soundness" of Social Security. This, of course, is mere ad hominem argument. It disregards the points of argument advanced as well as a point that I have sought to make for years . . . and a few years back in bitter and specific detail—that these Advisory Boards have not been independent boards as the Congress contemplated they would be at the time it provided for their creation by law. Instead, the men picked to serve were distinguished men all right—men of integrity—but men picked because they were in accord with the basic theories lying behind the social security system, not men picked for their objectivity and critical abilities.

The rest of this paper will simply be a re-reading of the supplemental views I wrote to accompany H.R. 12080, the Social Security Bill, which has now passed the Congress with a few slight changes made by the Senate. I had hoped that these supplemental views would have been the basis for moving the dialogue in this important matter forward. To date the dialogue seems to be confined to a very close circle. The news media by and large find no news being generated in this controversy involving this far reaching and vital subject.

The counterpart of the Federal Government's movement to extend social security further, of course, is its endeavor to restrict the burgeoning development of private pension and retirement programs. At least I would argue that the present Administration's endeavors are to restrict the private retirement programs. The argument the other way, of course, is that it is necessary to regulate these private pension plans in more detail in order to protect the public. Notably, however, the record shows relatively little abuse in our pension systems to support these contentions. My supplemental views follow:

"I concur with the committee report and recommend the passage of H.R. 12080. Although I have some serious reservations about the changes in the old-age and survivorship portion of the bill which I shall discuss later, the improvements in the welfare sections are extensive and too long delayed. The improvements in the medical care sections, titles XVIII and XIX, are much needed but they are only the beginning of the amendments necessary to try to make these systems work. Although I believe the systems are fundamentally unsound and wide of the mark in attacking the real health problems of the aged and other potentially medically indigent, nonetheless, the innovations should have as fair a test as possible.

"The real health problems lie in the area of financing catastrophic health costs. They never did lie in financing the routine and less costly illnesses of our people. H.R. 12080 notably extends the hospital benefits from 60 days to 90 days. This is still hitting at the problem from the wrong end. The cases of catastrophic illness or accident require sometimes a year or more of hospital care and can put even affluent families on relief. These problems are met only in title XIX, the welfare section of the social security law. Our programs should be designed to keep people off welfare.

"H.R. 12080 fails to correlate retirement benefits from social security with retirement benefits that most Americans derive from personal savings and private pension plans.

"Americans, in contrast to people in other developed countries have a broadly based tripartite system for their retirement. Government social security is one part. The primary and historical part consists of the person's own savings, annuities, insurance, homeownership, etc. The third part consists of the funded employment pension plans which meet the standards set by the Congress in the Internal Revenue Code.

"The committee report states that studies of the Social Security Administration find 'Because social security benefits are virtually the sole reliance of about half the beneficiaries and the major reliance for almost all beneficiaries, the level at which social security benefits are set determines in large measure the basic economic well-being of the majority of the Nation's older people.' I challenge this statement. I have seen no studies by the Social Security Administration or by others which substantiate it. The wealth and investment resources of the aged as well as their income sources need objective study. Indeed, if this statement were true, what are we to believe happened to old people in America before 1936? They were cared for and compassionately, nor were the bulk of them cared for through welfare programs. Our objective should be to improve our systems, not denigrate them. This can only be done through objective studies.

"Today social security is certainly an important part of the retirement plans of most Americans. But it is only a part and when it was initiated it was never proposed as the sole source of retirement income for our people. The discussion today should be around how much of a part it should be.

"Now that over 90% of all Americans are covered by social security, as their standard of living increases with additional discretionary income available to them, should they and their employers put that money into increasing social security benefits or into increasing the benefits they might obtain through private savings plans and the employer-employee pension systems?

"I argue that there are three basic reasons today that the increase of retirement benefits for our people should come from further emphasis on funded retirement programs rather than pay-as-you-go retirement systems such as governmental social security.

"1. Funded retirement programs can pay larger benefits than a pay-as-you-go system, because over 50 percent of the benefits paid

out to the retiree come from the earnings on the investment of the fund. Our private pension plans today have over \$90 billion in their funds. The annual earnings run over \$4.5 billion. These funded plans are being extended to cover more and more people. About 25 million workers are presently covered in a program which was effectively started almost 10 years after social security. It wasn't until last year that the Congress effectively extended the tax treatment for corporate pension plans to self-employed and their employees. In a few years 50 million or 75 percent of the workers should be covered and the funds should be well over \$200 billion.

"The social security system, on the other hand, is a pay-as-you-go system which does not contemplate paying benefits out of the earnings of the trust fund. The social security trusts consist of only \$22 billion and is called a contingent fund—to protect the system against unanticipated contingencies such as serious recession. It barely equals the benefit paid out in 1 year, yet it covers over 65 million workers. If the social security system were funded in the same sense that corporate and other private pension plans are required to be funded by our tax and insurance laws, the fund would have to have \$350 billion in it.

"In other words, instead of increasing the payroll tax by say \$200 a year—\$100 from the employee and \$100 from the employer by increasing the wage base on which the social security tax is paid from \$6,800 to \$7,800 and increasing the rate of tax, and if that same \$200 a year were paid into a funded pension plan, the benefits could be increased two to three times the increase provided in the social security pay-as-you-go system.

"The second reason which requires us to be cautious about increasing the social security system by having it compete for the same funds which finance private retirement plans is the economic limitations of the payroll tax, which is the method of financing not only social security but unemployment insurance and, in reality, workman's compensation. Many economists have argued that getting the social security tax above 10 percent of payroll endangers the basic system. It is certainly true that all taxes have a point of diminishing returns. Without the increases in this bill, the payroll tax is already scheduled to go up to 11.3 percent of payroll.

"The third reason for increasing the retirement benefits for our people through the funded systems rather than through pay-as-you-go systems lies in the need of any society for capital to finance its economic growth and increased standard of living. The Western European countries, particularly the ones that have been acclaimed for paying higher social security benefits than does the U.S. social security system, constantly look with envious eyes to the great U.S. capital market, because they do not have the capital to finance their growth. Americans through their tripartite retirement systems have much greater retirement benefits per person than these same countries because Americans do rely heavily on funded retirement systems in addition to social security. In the process, Americans have created great savings which are available through the savings and loan institutions (\$150 billion), through the pension plans (\$90 billion), through the insurance companies (\$200 billion) and savings in banks (\$100 billion) to finance the expansion of industry and their own living standards. If a society does not finance a large part of the retirement of its people through savings, it creates serious difficulties for itself.

"So when we cut in on the funded systems by increasing the pay-as-you-go system as is done to some degree in H.R. 12080, we cut back on the amount of benefits that otherwise might be paid to our retirees as well as cut back on the capital that otherwise would be available to finance the Nation's growth which provides the jobs and living standards for our people.

"I think it is important that we understand our great society so that in our endeavor to improve and better it, we do not unwittingly damage it."

Deficit Financing

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President—

It is useless for the President to tell everybody else to limit price and wage demands, while he submits budgets to Congress which require deficit financing.

With these words the Greenville News sums up the thinking of many Americans on the fiscal policies of our Government. There is no question but that we need to put our economic house in order. There are serious problems engendered by continuing inflation which the administration refuses to halt by curbing Government spending. One of the most serious is the growing lack of confidence in the dollar abroad. Another is the spiraling cost of living with which the American public must contend.

Until the administration accepts the responsibility of curbing this trend in our economy by a firm commitment to reduce Government spending, the problem will only grow more serious. The administration apparently wishes to place the blame and the responsibility for this problem on the American public. Until the Government practices what it preaches, the American public will not accept this responsibility.

Mr. President, the Greenville News published an editorial on this subject on February 15, 1968. I ask unanimous consent that it be printed in the Extensions of Remarks.

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

GOVERNMENT MUST SET EXAMPLE

At some point somebody has to do something to stop the ruinous wage-cost-price spiral which burdens Americans with inflation at home and threatens the competitive status of their products in international trade.

So far there has been little leadership from Washington. President Johnson has appealed to industry to keep prices down and to union leaders to keep wage demands within the bounds of increased productivity.

These appeals have been, still are and will continue to be ignored. This was emphasized in a recent news story quoting union leaders as flatly rejecting the President's wage proposals.

The fact, which has yet to be driven home to those who set the wage-price standards of the nation is that the continuing spiral is literally digging the economic grave of the American people—industrialists, businessmen, workers and all others.

The first groups to feel the effects, of course, are those on fixed incomes, including many retired people, and the poor. The fixed income group feels it in the declining value of their non-increasing dollars. The poorer people get a double dose of trouble—loss of dollar value and potential loss of jobs as they are unable to produce enough to justify rising pay costs forced by minimum wage increases.

All American workers feel it indirectly in that, as wages increase, so does the percentage of income taken from them by the escalating income tax structure. Tax-wise the average worker today is much worse off than he was a decade ago. His income was lower then, but so was the percentage of his tax bill.

This, of course, is on top of the rising prices Americans must pay for the goods and services they need and desire.

Industry and business can stand a certain amount of fiscal abuse, because increased costs can be passed along to domestic consumers. But there is a limit even for them.

There also comes a time when imports of goods produced in low-wage foreign countries make serious inroads on American overseas sales and even invade the domestic market. This has happened to the textile industry, as all people hereabouts should know by now.

It is beginning to happen even to the giant steel industry.

An executive of U.S. Steel, R. Heath Larry recently pinpointed the steel problem by citing comparative American and Japanese production costs. Japan's steel industry uses 16 or 17 man hours at \$1.08 an hour to produce a ton of steel. America's uses about 13 man-hours at a cost of \$4.63 an hour. This gives the Japanese a \$40 a ton cost advantage over the American steel industry.

Textile and most other American industries can document their cost problem in the same fashion.

Staggering differences in production costs in this country and abroad can have disastrous effects upon the economic stability of America and the welfare of every citizen. Unless it is checked, it can result in a depression which could bring on chaos and even a dictatorship.

Americans are inclined to ignore such long-range threats, even though they are real. Yet the time has come for clear thinking and honest facing up to the threats and causes of inflation.

A great deal of responsibility naturally rests upon management to make every effort to keep production costs down, and upon union leaders and rank and file workers to use restraint in wage demands.

The prime responsibility, however, rests upon the federal government, the chief contributor to inflation by continuing its policy of deficit spending and expansion of costly programs.

It is useless for the President to tell everybody else to limit price and wage demands, while he submits budgets to Congress which require deficit financing.

His proposal for an income tax surcharge to offset partially the expected deficit for the next fiscal year may have short-range value in helping to "cool" the inflationary fires temporarily. It is, however, the worse possible long-range measure, because it caters to the government's tendency to pour tax money into any and every kind of project—some worthy, some highly questionable. And it does not cure the deficit spending problem.

The answer to inflation is for the federal government to set the example by limiting expenditures to revenues.

If and when that is done, then—and only then—can the President ask other Americans to use restraint in meeting corporate and individual financial problems.

State of Our National Economy

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. O'HARA of Michigan. Mr. Speaker, despite the unprecedented prosperity

of our economy, there remain among us those who are unable to obtain a decent job. Moreover, the broad base of American workers have failed to share equitably in the benefits of our recent economic progress despite the attempts of some observers to argue that labor costs are primarily responsible for rising prices.

A decent job for every person desiring employment and an equitable sharing of our Nation's wealth remain, I am happy to say, among the fundamental goals of the American labor movement.

These goals are well stated in a recent analysis by the AFL-CIO Executive Council on the state of our national economy. The text of the statement follows, and I recommend its reading to my colleagues:

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON THE NATIONAL ECONOMY, BAL HARBOUR, FLA., FEBRUARY 23, 1968

The national economy's advance, which got underway in 1961, continues to add to employment and incomes. The economic performance of the past seven years has been a most welcome improvement after the trend of rising unemployment and recurring recessions during most of the 1950s. Between 1966 and 1967, for example, employment rose 1½ million.

Despite this record of achievement; the American economy remains some distance from full employment. Unemployment persists at much too high a level and in 1967 there was no improvement in this important indicator of the American people's economic well-being—3.8 percent of the labor force remained unemployed.

The economic advance, thus far, has failed to provide enough job opportunities for a rapidly growing labor force in a period of radical technological change—particularly for the most disadvantaged job seekers among teenagers, Negroes and unskilled workers.

Moreover, the benefits of the national economy's much-improved performance in the 1960s have not been shared equitably among the various groups in the population. A disproportionately great share has gone to business and upper-income families, even after accounting for last year's small decline in profits.

Although some business and government spokesmen attempt to blame rising unit labor costs for much of the increase in the price level, the record clearly shows that the price level has been rising in recent years, regardless of what happened to labor costs per unit of production. Between 1960 and 1965, for example, when unit labor costs of manufactured goods fell 1½ percent or more, wholesale prices of manufactured products rose 1.7 percent—boosting profit margins and increasing the business share of the fruits of the economy's progress. And when workers sought to catch up with rising living costs and the gains of the economic advance in the past two years, business raised prices at a faster pace, to maintain enlarged profit margins.

After a brief and slight decline from great heights, corporate profits are now booming again. As the *Wall Street Journal* of February 13, 1968 reports: "Business appears to be back on the comfortable track it wandered off for a year beginning in late 1966—the track that leads straight from one quarterly profit record to another."

Between 1960 and 1967:

Corporate profits, after payment of taxes, skyrocketed 77 percent.

Dividend payments to stockholders soared 70 percent.

Weekly after-tax take-home pay of non-supervisory employees in private industry

with three dependents, increased only 25 percent—and in terms of buying power, less than 11 percent. Moreover, in the two years between December 1965 and December 1967, the buying power of these workers' weekly take-home pay actually fell 1½ percent.

Real compensation per hour of non-supervisory employees in private, non-farm industries increased only about 2½ percent a year in the 7 years 1960-1967. But the real volume of production per man-hour in the entire private economy rose at a yearly rate of 3.3 percent.

The vast majority of wage and salary earners have not received a fair share of the fruits of the national economy's advance. A disproportionately large share has gone to business, to executive and managerial personnel, to the self-employed such as doctors and similar groups, to capital gains from the sale of property.

This unfair distribution of the benefits of the economy's progress is clearly unjust to wage and salary earners, who are the vast majority of the population and the backbone of American society. It undermines the strength of consumer markets, the base of our economic system. And it helps to explain the slower-than-expected expansion of consumer sales in the past year, which seems to mystify so many business and government commentators on economic trends. In addition, it widens the economic and social distance between various groups in the nation.

Moreover, the complex domestic problems that festered from neglect during most of the 1950s remain unsolved despite the beginnings of numerous federal government programs to achieve solutions. Radical changes in technology, accompanied by rapid urban growth and changes in race relations, pull and tug at the fabric of our society.

However, there are those who claim that the economic advance has gone too far and clamor for unemployment-breeding restrictive policies. In 1966, the Federal Reserve pursued a very restrictive monetary policy, which pushed interest rates to their highest levels in 40 years, threw much-needed residential construction into a deep recession along with such related industries as lumber and furniture, and contributed to the economic slow-down of the first half of 1967. There is danger that similar policies may be pursued in 1968, despite the fact that unemployment persists and industry is operating only about 85 percent of its productive capacity.

There are also those who clamor for a slashing of federal expenditures for such essential measures as federal aid for education, housing, urban affairs, health-care, air and water pollution measures, anti-poverty and welfare—those who claim that America's \$800 billion economy cannot afford public facilities and services in the midst of the Viet Nam war.

1. We reiterate our conviction that the American economy has the resources to extend and expand social advances at home, while meeting military requirements in Viet Nam. The cost of the war should not be absorbed by cutting back or freezing essential federal programs for domestic progress. The great productive ability of the American economy can provide the foundation for both continued social progress at home and an honorable settlement of the war in Viet Nam.

The expected sharp rise in the government's administrative budget deficit in fiscal years 1968 and 1969, due to military expenditures, can be reduced, without mounting pressures on interest rates and the availability of money and credit. A temporary war surtax is needed to reduce the amount of money the government will have to borrow in the money market and to eliminate the threat to home-building and related industries from tight money and higher interest rates.

The needed temporary surtax should be based on ability to pay, including taxation of

personal and corporate income that escapes taxation through major loopholes in the tax structure. The surcharge on corporations should be at least twice as great as on personal income. The surcharge on personal income should be clearly set on the basis of ability to pay. Corporate and personal income, excluded from taxation by tax loopholes, should be subjected to at least the same tax rate as the surcharge.

2. We insist that the top-priority objective of national economic policy should be to achieve and sustain full employment—jobs at decent wages, for all people who are able to work and desire employment. The demand for goods and services from consumers, government and business must expand sufficiently to provide enough new job opportunities for the unemployed, for the great numbers of entrants into the labor force and for those displaced by spreading automation. The federal government's tax, expenditure and monetary policies, in combination, should encourage the necessary expansion of demand to achieve and maintain full employment.

3. Adoption of a program to create one million public service jobs for the unemployed and seriously under-employed is essential—along the lines of the bill introduced by Congressman O'Hara of Michigan. Such a decisive measure to create jobs in socially useful work—to perform much needed services that would not otherwise be done in parks, playgrounds, hospitals and other public facilities—is urgently needed.

4. Manpower training programs—including basic literacy education, personal guidance and health rehabilitation—are essential to aid the unemployed and underemployed to compete more effectively for available employment. Although such programs do not create jobs, they can be of great benefit to the national economy, as well as the workers themselves, by upgrading the skills of the unemployed and unskilled. The recent emphasis on government-financed business programs to train workers should not include wage subsidies or other payments to the employer; beyond the extra cost of providing special training and supportive services for the hard-core unemployed, that are in addition to his normal training costs. Even the best-planned training programs, however, can be of little avail, if they are not accompanied by government programs to create jobs and achieve full employment.

5. The lag of real wages and salaries must be ended. A substantial rise in the buying power of wages, salaries and fringe benefits is needed to provide wage and salary earners with a fair share of economic progress and to strengthen consumer markets that are the foundation of the American economy. Only through an improved balance in the economy—between wages, profits, dividends and other forms of income—can there be assurance of sustained economic growth to reach full employment and maintain it.

Rising business profits should be based on an expanding sales volume—rather than on swollen profit margins at the expense of workers and consumers.

We will continue to press for wage and salary increases to offset rising living costs and to advance buying power. We firmly believe that wage and salary earners deserve to share equitably in the gains of the economy's progress. The nation's rapidly rising productivity and great profitability of business make possible such improvements in wages, salaries and fringe benefits, within the context of a relatively stable price level.

We repeat again, as we have in the past two years: If the President determines that there is a national emergency that warrants extraordinary stabilization measures—with even-handed restraints on all costs, prices, profits, dividends, rents, corporate executive compensation (salaries, bonuses and stock options), as well as employees' wage and salaries—he will have the support of the AFL-

CIO. But rigid application of a single "magic number" based on one economic factor alone, cannot be a workable or fair means of wage determination in a country of continental size, with thousands of different markets, industries and occupations. We are prepared to sacrifice—as much as anyone else, for as long as anyone else—so long as there is equality of sacrifice.

Dispersion of U.S. Airpower

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, the Sunday Bulletin newspaper of Philadelphia, Pa., features an excellent article on U.S. airpower and the Pueblo incident. This penetrating article, written by Edith Kermit Roosevelt, discusses the drawdown of military force around the world, because of requirements to conduct the war in Vietnam. Using several examples from history, Miss Roosevelt shows that the United States has failed to develop an integrated strategy of conflict. At the same time, she reminds us that the Soviet Union has developed an integrated diplomatic military and economic offensive across a wide portion of the world front.

Mr. President, I ask unanimous consent that the article be printed in the Extensions of Remarks.

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

[From the Philadelphia (Pa.) Sunday Bulletin, Feb. 11, 1968]

BETWEEN THE LINES: U.S. AIRPOWER OVERSEAS SPREAD TOO THIN—"PUEBLO" INCIDENT INTERPRETED AS LESSON IN "TOO LITTLE, TOO LATE"

(By Edith Kermit Roosevelt)

WASHINGTON.—The North Korean capture of the Navy's electronic vessel Pueblo is only the latest incident that reveals the basic deficiencies of U.S. strategy policy. This act of piracy showed that the concentration on the war in Vietnam has left this country off balance and unable to meet any other emergencies that could arise.

One lesson that emerged is that the United States lacked adequate and proper air power in this area. This has been brought out in statistics produced by the authoritative Aviation Week and Space Technology. Even before the incident, President Johnson is known to have had plans to call up the Air Reserves and National Guard units.

The Communists surely knew of this situation. A new front in Asia or at least a step-up in harassments in the Korean sector must have seemed attractive to them because of the serious drawdown of our worldwide inventory of military resources.

PLACING THE BLAME

The blame does not lie on Defense Secretary McNamara's "cost-effectiveness" policies alone, because the State Department sets the line. U.S. military policies are tailored to foreign policy requirements. Military requirements have not been adapted to meet the extent, the time frame or the nature of the military threat.

The Pueblo affair is only the most recent case in which we have found ourselves unprepared. There actually has been a pattern of intelligence failures and deficiencies since World War II. The most costly example was in the Korean war when Kim Philby, Red liaison between the CIA and Britain's MI-6,

informed Moscow that the United States would not cross the Yalu River. Similarly, Communist intelligence learned that our obsession with so-called "escalation" made it safe for them to seize the U.S. intelligence ship.

THE CUBAN CRISIS

In Latin America, the Cuban missile crisis resulted after Washington consistently ignored intelligence reports that Soviet missiles were being installed in Cuba. This made confrontation inevitable. The Communists were able to score an important strategic victory by exchanging their unverified promise to remove their missiles in return for an agreement, which we have faithfully kept, to keep hands off Red Cuba.

The pattern has been repeated in Europe. The State Department refused to act on ample intelligence that the Communists were intending to build a Berlin Wall. This led to a loss of credibility in our European posture. The rapid deterioration of the North Atlantic Treaty Organization and the accentuated estrangement of de Gaulle are a result.

Had we prevented the construction of the Berlin Wall when we easily could have done so, these European countries could have had faith that we would use our nuclear deterrent when needed. The recent overtures to Moscow made by our NATO allies reflect the geographical fact of life that weaker countries in the end invariably slide over to the side that will use its power effectively. They see no advantage in our ultimately winning if by our late start we leave them to be wiped out.

IMPACT ON ALLIES

This has led to a real decline in our power equivalent to the withdrawal of support of our erstwhile friends who now doubt us. Significantly, where we have shown some vitality, as in our remaining in Vietnam, this gave the anti-Communists in Indonesia the strength to throw out the Reds. This was a momentous victory for our side, and its full impact is yet to come.

Our decline in international credibility can be attributed largely to our consistent failure to assume the responsibilities required of the only world power that stands in the way of the Soviet goal of world domination. The isolationism that preceded World War II gave way—only momentarily—while we were fighting the Japanese in the Pacific, to a global concept of American policy. What is involved is the traditional conflict in American policy between those who are "Europe-firsters" and those who stress a "two-ocean viewpoint."

This usually unstated conflict in basic approaches is at the bottom of a great deal of the deadlock over our role in Vietnam. At the same time, the war in Asia should not allow our position in Europe to fall by the wayside especially since the Soviet fleet has established itself for the first time in the Mediterranean.

BIG PICTURE FORGOTTEN

The United States has failed to develop an integrated strategy of conflict in which all the strategic sectors are viewed at the same time. By contrast, the Soviet Union, operating through its networks abroad, acts at all times in terms of a world front. It has developed an integrated diplomatic, military and physical offensive directed at all positive points against the only world power able to challenge it—the United States. We contrarily, put all our stress on some one point and then another point, an obviously uncoordinated stance.

In this framework, the Pueblo affair is one of a series of coordinated acts of unconventional warfare against the United States within the framework of Soviet Russia's global policy. We have nothing to compare to it. The Pueblo seizure is timed to coincide with other moves on the world map, includ-

ing the new Red offensive in Vietnam, intensification of guerrilla warfare in Latin America, the backing of extreme left-wing, anti-American governments in the Middle East, and a program to convert the U.S. "black power" movement into guerrilla warfare on American streets.

A Letter to Son in Vietnam

HON. ROBERT T. ASHMORE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. ASHMORE. Mr. Speaker, recently the article which is included in these remarks appeared in the January-February issue of the South Carolina Legionnaire. It was written by Rev. Walter E. McDaniel, a member of Post No. 122, the American Legion, Piedmont, S.C. Reverend McDaniel is a veteran of World War II, having served with the 3d Ranger Battalion. He was wounded and captured at Anzio and is as well qualified to speak on the agony of war as anyone I can think of. The article is actually a letter written to Reverend McDaniel's son, Lt. Walter E. McDaniel III, the day after he left for duty in Vietnam.

The article follows:

A LETTER TO SON IN VIETNAM

(By Walter E. McDaniel)

DEAR SON: Yesterday you left for Viet Nam. Your Government sent you to a war that you don't understand. Some say that it is political; others ideological. Maybe it is a little of both. Some think that we have a knack for sticking our noses into other nations' affairs, and this is partly true. Never-the-less, you were called and you went.

I was glad to hear you say that you were proud to go. This has always been the difference between America and other lands. Yes, you were proud to go in spite of what you've seen and know.

You've seen destruction between the white and black people in the land that is the birthright of both. They call it a struggle for opportunity. You weren't dismayed, because you know that our land was born in a struggle for both opportunity and equality. And soon or late, this will be a reality.

You've seen industry and labor grow and in dispute among themselves try to overpower one another while letting the Government and the people pick up the high-priced tab.

You've seen the rich become richer and the poor become poorer.

You've seen inflation all but take away the bread of the elderly, retired, and the lame. You've seen those who could help turn away their faces without shame.

You've seen a part of youth rebel at times and burn their draft cards. And yet, you hold this land in highest regards.

You've seen some civic and religious leaders abuse their purpose with men, and you forgive their deeds because you know that they neither love nor understand about our land.

Yes, we were proud to hear you say that you were proud to go. It was fun for your mom and me to watch you live, and laugh, and grow.

Yes, and this you understand, you may have to give your all in a rice-paddied, muddy jungle land. If this be so, and your last breath should be in a foreign soil, you'll be a part of a long caravan that journeyed in freedom's toll.

You may not get a medal, except the Purple Heart. Of this we can be sure, because of you

and others, millions tomorrow can get a brand new start.

This is what America stands for. It's how we've stood the test. When we stand for liberty for others, we're always at our best. And those who see our flag unfurled, know all around the world—the best is yet to be.

Well, I better close. The roof is leaking a little, and the ink is smearing. Good night, and may the good Lord watch over and keep you!

Love,

DAD.

Can Clifford Halt Defense Decline?

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, many Americans are concerned that recent trends in the Defense Department enhance rather than deter the chances for another world war. These trends are based on the highly questionable theory that the Soviet Union would be less inclined to initiate a nuclear war if the U.S. defense position were on a par with that of the Soviets. It is my contention that the best interests of peace would be served far more effectively, and perhaps only, if the Soviet Union knew that the U.S. defense capacity was far superior to that of the Soviets.

With the impending change in the office of the Secretary of Defense a new man has an opportunity to reverse these trends and put the United States on the road toward defense superiority. Clark Clifford comes to this office apparently with no preconceived acceptance of his predecessor's policies. Many of us hope that he will seize this opportunity to strengthen our Nation's defenses and thus lessen the possibility of a nuclear holocaust.

An editorial in the Greenville News of February 23 discusses the defense decline under this administration and expresses the hope that Clark Clifford will take the necessary steps to reverse this dangerous trend.

Mr. President, I ask unanimous consent that the editorial be printed in the Extensions of Remarks.

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

[From the Greenville (S.C.) News, Feb. 23, 1968]

CAN CLIFFORD HALT DEFENSE DECLINE?

The final report of outgoing Defense Secretary Robert McNamara illustrates what a lot of people have been trying to say a long time—this nation's defense posture is weaker now, relatively speaking, than when Mr. McNamara took over the Defense Department and instituted his "cost effectiveness" system.

All of the blame cannot be laid to Mr. McNamara alone. The nation has suffered losses in many areas other than its defense posture.

Fiscal disarray has become alarming and continues. There are increasing demands for more federal programs of all types. The balance-of-payments problem mounts steadily. There is general unrest and uneasiness throughout the land.

At the same time this country's principal

opponent, the Soviet Union, has made rapid strides in military development. It will, according to Mr. McNamara, match America's intercontinental missile capability very soon.

The Soviet's missile defense preparations, meanwhile, apparently are far ahead of this country's—thanks largely to the Defense Secretary's long refusal to authorize development of an American ABM system.

At sea the Russians rapidly are matching America's power—both in naval might and in the vital field of transport. Soviet warships now cruise alongside American vessels in the Mediterranean and in the Far East.

Soviet spy ships operate openly close to American shores. Occasionally Russian planes approach the continental United States.

In merchant shipping (not a primary Defense Department responsibility, but certainly of vital concern to the nation's security) the Russians are moving ahead rapidly. Meanwhile, the American Merchant Marine steadily declines because of high costs, outmoded construction and operating methods, excessive government regulation, bad management and all sorts of union troubles.

This country is involved in a bloody and costly military conflict in Vietnam, and could get into more shooting in Korea. The Soviets, while supplying forces fighting U.S. troops, have no men fighting and dying. Somehow the world's leading Red nation seems to be able to get other people to do its fighting.

It is clear that the "cost effectiveness" program developed by Mr. McNamara has not worked to strengthen this country's military posture, or its ability to respond to danger.

This means that Clark Clifford, Mr. McNamara's successor as Defense Secretary, has a difficult task ahead of him to reverse, if possible, the overall decline in America's defensive capabilities.

He must take steps to maintain control of the seas in the face of the growing Soviet navy and the pullout of Great Britain from the East.

America must develop an "ocean strategy" to protect its worldwide interests.

This, of necessity, involves creation of a nuclear-powered Navy, with enough ships to patrol the vital seaways of the world. It also must include a program to rebuild the declining Merchant Marine.

At the same time, the nation must speed up its anti-missile defense system to meet both the Soviet threat and the new menace posed by Red China's nuclear developments.

Nor can this country neglect air power. The Vietnam war demonstrates once again that a multi-purpose air fleet is necessary and that it is costly and difficult to maintain.

Nuclear testing must be intensified to meet the growing Soviet capabilities in this field. If the Soviets ever figure they have the United States outmatched in overall nuclear offense-defense capability, a nuclear war or surrender to nuclear blackmail is inevitable. Only American superiority in offensive potential has prevented a nuclear holocaust before now.

Mr. Clifford is inheriting a most difficult task. He probably will have to unravel a lot of things before he can move forward. But move he must.

A great deal will depend upon the larger political policies as determined by the President and Congress. There has been a dangerous tendency to rely too much on seeking accommodation with an opponent who long ago proved he will accommodate only himself.

Fortunately Mr. Clifford enjoys the confidence of many Congressmen and Senators who know that America's security depends upon the nation's military strength and its will to use that strength.

He must listen to them rather than to those who advocate a policy of weakness.

Educator Testifies on Travel Tax Proposals

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. CONTE. Mr. Speaker, the Ways and Means Committee is presently holding hearings on the administration's controversial travel tax proposals. One of the more controversial areas of these proposals deals with the proposed coverage for students, teachers, and educators traveling abroad.

There is particular interest and concern in my congressional district about this area because of the large number of educational institutions, both at the college and secondary level, which we are fortunate enough to have located there.

Today, Mr. Joseph Curry, the director of the excellent summer schools program for the renowned Mount Hermon School in Mount Hermon, Mass., testified before the Ways and Means Committee. The Mount Hermon School for Boys, along with its companion Northfield School for Girls, which are headed by that outstanding educator, Dr. Howard Jones, constitutes the largest independent secondary school in this country, with some 1,200 new students enrolled each year.

Mr. Curry presented his views and his recommendations for changes in the proposals as they affect nonprofit educational institutions.

His ideas, I believe, will be of interest to every Member of this body as well as to the general public, and I, therefore, am taking this opportunity to enter his remarks in the RECORD at this point:

EDUCATOR TESTIFIES ON TRAVEL TAX PROPOSALS I. INTRODUCTION

I am Joseph Curry, Director of The Mount Hermon Summer Schools of Mount Hermon, Massachusetts. I am a graduate of The Citadel, the military college of South Carolina, and of Harvard University. I served for two years as an officer of artillery in the United States Army and for the last seven years I have been a member of the faculty of Mount Hermon School. Mount Hermon School, for boys, is one of two institutions incorporated as The Northfield and Mount Hermon Schools. Together these schools comprise the largest independent secondary school in the continental United States, enrolling approximately twelve hundred students each year.

As Director of The Mount Hermon Summer Schools mine is the responsibility for creating and administering what is, in effect, a national summer high school for highly motivated public school students from all parts of the country. Through special advanced courses offered not for academic credit but for enrichment only, we seek to supplement public education by providing courses of a flexibility, a depth and an intensity that are unapproachable within the structure of the regular academic year. Our students are selected without regard to their race, creed, color or national origin. And generous financial aid awards, made possible by income from private sources, enable us to select students on the basis of their merit rather than on the basis of their ability to pay. A distinguished faculty are drawn from colleges and secondary schools from all parts of the country.

Our curriculum for this summer consists of 27 courses enrolling some 375 students.

Generally, no more than fifteen students are enrolled in any one course. Two courses in American Studies involve travel within the United States, either to North Carolina to study the Negro in American history or to Colorado to study the American Indian. Seven courses involve foreign travel. They consist of an orientation on the Mount Hermon campus followed by home-stay, study and travel within one of the seven different countries. The study-travel courses in France, Germany and Spain are for the purpose of advanced language study. Tests indicate that this program is at least the equivalent of one year of secondary school language study. Four area studies courses stress the history and culture of England, Italy, Greece and Japan. In the latter three courses, a considerable amount of time is given to language study. All courses feature a home-stay with a carefully selected host family, a continuing academic program conducted by members of the Mount Hermon faculty and a trip, usually in the company of members of the host family, to places of historic or cultural importance.

Students who are enrolled in Mount Hermon's study-travel courses are charged a fee by the School that covers the cost of room, board and transportation within the United States and abroad; entrance fees for concerts, museums and places of cultural and historic interest; accident insurance and medical care; laundry service; and instruction and administrative charges. While abroad the student does not incur additional costs for any of the above enumerated items; he may not travel independently of the course; and he must use the trans-Atlantic or trans-Pacific air transportation provided by the School. For this transportation only American flag carriers are used. Financial aid awards to participants in these seven study-travel courses alone will amount to some \$15,000 in 1968.

Mount Hermon's involvement in overseas study and travel and our association with and concern for other institutions offering similar programs have brought me here today to offer for your consideration these thoughts on the Balance of Payments Proposal now before this Committee. My comments will be directed to the Travel Tax Program, especially as those taxes affect Mount Hermon School and other non-profit educational institutions.

We are aware of the difficulties created by the balance of payments situation confronting this government and recognize the necessity for action aimed at the relief of this problem. We are gratified that, as proposals have been considered for the reduction of deficits in our balance of payments, special note has been taken of the needs of students and teachers to travel abroad for research and study. My presence before this Committee is to ask on behalf of Mount Hermon School and similar organizations that non-profit educational institutions which are recognized by the Internal Revenue Service as exempt from the Travel Tax be granted exemption from the Foreign Expenditures Tax as well, and that such exemption specifically include funds that those institutions expend abroad on behalf of their students and faculty for food, lodging, transportation, salaries and administrative costs. Further, we ask that such exemption be granted to the institution without regard to the length of time spent abroad by its students.

I should like to discuss the proposed Travel Tax Program under three headings. First, I shall attempt to analyze the proposed tax, as we understand it, as it applies to institutions such as Mount Hermon School. Second, I shall describe the adverse effect that such a tax would have upon Mount Hermon. Third, I shall offer our recommendations as to changes which might be made to eliminate the disadvantages of the travel tax proposal as it applies to institutions such as Mount Hermon.

II. DISCUSSION OF THE PROPOSED TRAVEL TAX PROGRAM

A. Analysis of the Proposed Travel Tax as it applies to institutions such as Mount Hermon School.

1. The Travel Tax Program of the Balance of Payments Proposal, as we understand it, exempts those non-profit educational institutions which are presently exempted from taxes on domestic flights. This exemption is highly laudable and we hope that the Legislature will not see fit to narrow the conditions for such exemptions. Since Mount Hermon is one of the institutions exempted from transportation taxes, I shall not linger long over that part of the proposal. However, we urge that you extend the exemption to include the many other significant educational programs offered by non-profit organizations.

2. The Temporary Graduated Tax on Foreign Expenditures as applied to non-profit organizations seems unclear from all texts of the proposal I have read. We are concerned that, if possible, there be no misunderstanding with regard to the meaning of the term "U.S. person." And we hope that exemption from this tax will be granted to secondary schools, colleges, universities and other non-profit educational organizations whose status is recognized as tax-exempt by the Internal Revenue Service. There should be no minimum number of days that the student enrolled in such institutions should spend abroad in order to be exempted from such taxes. This exemption should extend to payments for meals, housing, transportation, faculty salaries and instructional costs or administrative expenditures made by those institutions in conducting their overseas activities.

Since, according to estimates quoted by Treasury Department, only five percent of travelers outside the Western Hemisphere are going to study or teach, only a small number of students would be exempted from the expenditures tax through affiliation with tax-exempt institutions. And, further, since most educational programs abroad operate with relatively low budgets, the dollars spent by institutions on behalf of their students are not likely to be of critical significance within the balance of payments situation. Thus, with little effect upon the deficit, academic institutions engaged in study-travel programs abroad could be excused from both the transportation tax and the tax on travel expenditures.

The amount of money over and above the institutional expenditures spent by students in Mount Hermon's study-travel courses is less than an average of two dollars per day for a six week program. Thus, even were students who are enrolled in tax exempt institutions not themselves granted greater exemptions than the other traveler on their personal expenditures—as opposed to expenditures made in their behalf by the institutions—no serious curtailment on their travel would result.

B. Effects of the Proposed Foreign Expenditures Tax on Mount Hermon School.

While the number of students enrolled in U.S. non-profit secondary schools, colleges, universities and other educational institutions is small, and while the number of dollars spent on their behalf by those institutions is a relatively insignificant item in the overall travel deficit, a failure to exempt such institutions from the payment of travel taxes could have a drastic effect upon the students traveling abroad to study. This effect would be seen not only on the numbers of students who travel, but also on the economic strata from which they come. The rich would not be adversely affected. But the poor, and, especially, families in middle income brackets would be seriously hampered.

To assure that our Summer School is available to public school students with talent and motivation regardless of their race or creed or color and, as far as our resources

permit, without regard to their financial means, Mount Hermon provides considerable amounts of financial aid for our overseas courses each year. For the coming summer a financial aid budget of \$15,000 has been set aside for Mount Hermon abroad. Another \$35,000 has been made available for students in the other courses in our curriculum. These aid funds are supplied entirely from private sources.

Were the tax of foreign expenditures to apply to Mount Hermon School and similar institutions granting large amounts of financial aid, the results would be most unfortunate since funds for taxes would make on the budgets of these programs demands that could be met only through reducing financial aid. Let me demonstrate the amount of taxes that might be levied against Mount Hermon if present guidelines were followed.

The total amount that we expend abroad on behalf of each student is approximately \$20 per day. Therefore, the tax for each student participant in such a program lasting 42 days would be \$113.40. (42 days x \$7 = \$294 exemption. 42 days x \$8 15% = \$50.40 tax. 42 days x \$5 x 30% = \$63 tax. \$50.40 + \$63 = \$113.40 tax.) The total tax paid by Mount Hermon School for 125 students, the anticipated enrollment in the overseas courses for 1968, would be \$14,125. These overseas courses are not designed to make a profit. Indeed, the School has offered them at a net loss for the last four years. We have budgeted a deficit of \$1,000 for the coming summer, and that deficit is considerably less than the deficit we suffered last year. But because of the educational value of these courses and because in our judgment the homestay and language learning experiences are especially valuable for secondary school students, the School is prepared to take the loss. However, we could absorb the tax of \$14,125 only by eliminating the financial aid budget.

Let us assume that the institution were not taxed, but that instead the student or his parents were taxed for funds spent on his behalf by the institution. Such an interpretation of the tax would have the same effect as a tax on the institution: all but the very rich would be discouraged from going abroad to study since the course would cost, in effect, \$113.40 more than the fees paid to the institution. Requests for financial aid would increase in proportion to the cost of the tax. Our financial aid would, again, not be adequate to the needs of the students. Under such circumstances we could no longer provide a summer of study abroad for qualified students of limited means. No longer could children of middle income families afford these courses and we could not afford to subsidize the poor to the extent made necessary by the tax. We would cease to supplement public secondary schools in this country through offering language and area studies courses abroad to students who have motivation and talent but who lack adequate funds for overseas travel.

Such taxes would, in fact, militate against the expressed concern of the Executive branch and, I am confident, the concern of the Legislature that the balance of payments program resulting in a minimum of trip cancellations. Such taxes would militate against the principle set forth by the President in his State of the Union message that the tax program accomplish its objective of reducing foreign travel expenditures with the least impact on the number of Americans traveling overseas and without "unduly penalizing the travel of teachers, (and) students . . ."

C. Recommendations for Changes in the Travel Tax Program.

1. The Transportation Tax exemption that now applies for domestic travel done by non-profit educational institutions should extend as well to international travel done by those institutions. Such exemption should apply to

the students and faculty of those institutions when travel performed is directly related to the educational goals of the institution regardless of the number of days spent in transit or spent abroad.

2. The Foreign Expenditures Tax should not be assessed against nonprofit educational institutions that have tax free status recognized by the Internal Revenue Service. This exemption should include payments made by those institutions for meals, housing, transportation, faculty salaries, instructional costs and administrative expenditures.

3. When going abroad as faculty or students to participate in educational programs of whatever length and conducted by non-profit organizations whose status is recognized by the Internal Revenue Service as tax exempt, travelers should not be required to pay taxes on any sums expended on their behalf by those organizations. This exemption should include payments for meals, housing, transportation, faculty salaries, instructional costs of administrative expenditures.

III. CONCLUSION

I am deeply appreciative of having this opportunity to set before you our thoughts on the proposed travel tax. When an emergency confronts a nation such as ours the citizen must be prepared to expend his property, and, if need be, his life in that nation's defense. But a crisis such as the one that faces us now in the balance of payments deficit is not such an emergency. We trust that the Congress will find other means to correct that imbalance than by enacting a law that would seriously restrict the travel done by secondary school students to study, as members of families abroad, the language, art and culture of the peoples of the world. And we hope that the Congress will not, through taxation, destroy the many small private institutions that seek to improve public education in his country by offering secondary school students such opportunities.

Thank you.

Viewing Youth in Improper Perspective

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, the youth of America are our Nation's greatest asset. The young people today are by and large dedicated to preparing themselves to accept the responsibility which age will thrust upon them.

Throughout history it has been part of the natural order of things for young people to rebel. While many of us may be uncomfortable with some aspects of this youthful revolt, we are appeased by the knowledge that it is but a reenactment of something that occurs in every generation.

It is, however, disturbing that many older Americans seize upon the dissent of the young and use it to promote their own ideas for changing America. The State newspaper published an editorial on February 23, 1968, which discusses the trend toward viewing rebellious youth in an improper perspective.

Mr. President, I ask unanimous consent that the editorial be printed in the Extensions of Remarks.

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

IMPETUOUS AND IMMATURE

One aspect of the matter of dissent in America hasn't yet been fully explored;

namely, the fact that the vast majority of today's dissenters are under the age of 30.

Magazines, newspapers, TV interviewers and the like simply fawn upon spokesmen for the dissenting crowd in America. Yet, those spokesmen are sometimes only 20 years old, or 23, or perhaps 27. Since when is the "wisdom" of young people more to be sought after than the wisdom of our elders?

Oh, it's all very well to say that today's youngsters are more "committed" than their parents were, a generation ago. But such talk is nonsense. Young people, since the beginning of the world, have been restless, rebellious, "know-it-all," and often rude.

Our mistake lies in having paid so much attention to such rebelliousness. We have, quite literally, fawned upon our children—as though they were the source and fount of all worldly knowledge.

They aren't. And the sooner older people realize this, the better. Some of our children, both Negro and white, are burning down America; and, while it's important to realize that most of the furor and ferment comes from a relatively small group, still we're busy asking them what their reasons are, instead of slapping some sense into their heads or, at the least, some discipline into their behavior.

In the Old World, in Europe, children are expected to study while they're in school, and to respect their elders. Those that don't are whipped, or denied further funds for their schooling. In some countries, children who take part in street demonstrations, either for or against the government, are properly thrashed by their parents.

All of us love children, of course: They give us some hope of immortality. But they aren't born with wisdom, and at age 23, they aren't yet ready to pontificate on civil rights, the war in Vietnam, or much of anything else. We all appreciate the fact that they're interested in such subjects; but we aren't prepared to accept their judgments, proposals or (bless us) their ultimatums.

Older Americans may be mistaken in some of the things that they do. Young Americans, though, have got to learn that Molotov cocktails and shouted obscenities are not arguments; they're the products of youth and rebellion.

"Ye who listen with credulity to the whispers of fancy," sang Samuel Johnson, "and pursue with eagerness the phantoms of hope; who expect that age will perform the promises of youth, and that the deficiencies of the present day will be supplied by the morrow; attend to . . . history."

Dr. Johnson knew, as those of us who are mature now know, that young people always expect too much. Today, they call themselves dissenters; but really, they're mostly dreamers—which may be all right, provided they don't become destroyers as well.

Responsible Representation

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. BOB WILSON. Mr. Speaker, all of us who have had the privilege of serving in the House know well the need for effective communications with the people we represent. Indeed, we are accustomed to the constant scrutiny with which our constituents rightly observe our actions and performance. It follows then that one of the functions of responsible representation is to improve, in every way

possible, the communicative process between legislator and constituent.

On this score, Mr. Speaker, I would like to commend my colleague, the gentleman from New York, DAN BUTTON, who has been particularly diligent during the past year in helping develop a resurgence of citizen participation and political awareness in his district. A Member's constituents, especially a first-term Congressman's, are keenly alert to follow their Representative's career; to review the sort of job he is doing; to assess his accomplishments; and, to establish knowledge of his voting record. This is especially so in the 29th District of New York, where, due to a stunning upset in 1966, our colleague, the gentleman from New York, DAN BUTTON, caused a political renaissance in his area, bringing with it a new and viable concern for quality political representation. These and like developments have occurred throughout the country where new Republican Members of Congress, like DAN BUTTON, have not rested on the laurels of 1966, but continue to commit themselves to a high degree of personal sacrifice, hard work, and attention to business that won them their seats in Congress.

I was especially pleased and impressed by a recent, well-deserved editorial appearing in the Albany Times-Union, which speaks of that "attention to business," and tells better than I the quality of representation the people of New York's 29th District enjoy. I commend my colleagues attention to this fine editorial and include it in the CONGRESSIONAL RECORD at this point:

[From the Times Union, Albany, N.Y.,
Jan. 23, 1968]

THE JOB OF REPRESENTATION—AND ONE WHO DOES IT WELL

It was just coincidence that one of Congressman Dan Button's speeches over the weekend happened to be on "Responsible Representation," before the Holy Name Society of Mount Carmel church in Schenectady.

But it is a favorite topic of Congressman Button because it is one about which he is deeply concerned. Few if any local politicians, we believe, strive to truly represent their constituents to the degree that he does. Monday's Times-Union revealed something of the nature of this commitment of his to those who sent him to Washington. A review of his weekend activities began with a TV question-answering session Thursday evening and ended with two speaking engagements on Monday. In between were nearly a dozen other public appearances plus his regular work schedule in Albany and Schenectady offices.

Congressman Button works hard. Diligent attention to business won him an upset election victory, and few realize that his characteristic still governs a political career we are convinced is just beginning.

Position of Gen. James Gavin on Vietnam

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 28, 1968

Mr. THURMOND. Mr. President, the News and Courier newspaper, Charles-

ton, S.C., carries in its February 21, 1968, edition an article on Gen. James Gavin's position with regard to Vietnam.

Despite General Gavin's excellent military record and experience, his attitude with regard to withdrawal from Vietnam has disappointed a great many of his readers.

The editorial contains a good analysis of the fallacious reasoning pursued by General Gavin, and I commend it to the attention of the Senate.

Mr. President, I ask unanimous consent that the editorial be printed in the Extensions of Remarks.

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

TRUMPETING U.S. DEFEAT

As a stalking horse for surrender and retreat, Lt. Gen. James M. Gavin, USA (ret.) is useful to his new allies. We find him a tragic figure. Gen. Gavin was an able soldier; though never a top commander bearing the weightiest responsibilities of military leadership.

Writing in The Saturday Evening Post, Gen. Gavin trumpets the advantages of withdrawal from Vietnam and negotiation with the communists. He assures readers that "there will be no 'victory' in Vietnam." His certainty about U.S. lack of military capacity has a strange ring for a man who wore the uniform of the U.S. Army.

"I reasoned," he said, "that a primary tactical problem, once a war occurs, is to keep it limited."

That's not what they teach at West Point. American soldiers are taught that when war breaks out, the objective is to win.

Leaving aside Gen. Gavin's disappointments, motivations or whatever brought him to the point of trumpeting despair, let us look at what he proposes.

"The President should appoint," he suggests, "a special cabinet-level official of great stature to negotiate with the NLF (Viet Cong) and Hanoi. The sole responsibility of this official should be termination of the war."

After World War II, Gen. George C. Marshall was sent to China to negotiate a settlement of the civil war between the Nationalist government and the communists. This high-level mission ended the civil war. It also opened the door to communist takeover of the Chinese mainland and the upbuilding of Red China.

Is this what Gen. Gavin now recommends? No doubt Ho Chi Minh and his sponsors in Moscow would be pleased to halt the fighting in South Vietnam if it led to a quick takeover of all Southeast Asia.

The U.S. public and government may not know all the answers as to the struggle in which American troops are involved. Modern history nevertheless offers one clear lesson: whenever aggression goes unpunished, aggressors seek fresh fields of conquest.

The war in Vietnam is indivisible from the global cold war. If America's resolve weakens in Southeast Asia, it will encourage the Russians to move against West Berlin and in the Middle East. The free world cannot continue to yield real estate to communism. The United States cannot afford to be a loser. U.S. defeat will tempt communist powers to mount a final, terrible nuclear assault on North America.

While James Gavin and others of like mind have renounced victory, the communists have not weakened in their resolve. As Nikita Khrushchev once frankly admitted, the communists expect to "bury" the capitalist world. Americans who urge appeasement in Vietnam serve as gravediggers for the American people.

FCC Commissioner's Role in Film Raises Questions

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. KUYKENDALL. Mr. Speaker, the regulatory agencies of the Government perform an important function in the public interest. While they are termed "quasi-judicial" bodies, their decisions have far-reaching ramifications for the public and for those whom they regulate. Members of these regulatory bodies, therefore, should act with the same discretion and impartiality expected of judges.

I raise this point as a result of the recent promotional film produced by the National Cable Television Association which starred a member of the Federal Communications Commission. The leading role taken by FCC Commissioner Nicholas Johnson in a film concerned with one of the most controversial questions in communications today, indicates a lack of understanding of his proper role as a member of the regulatory agency.

Despite a disclaimer, the question of Mr. Johnson's impartiality is not satisfied. This is a promotional film for CATV and we must assume Mr. Johnson would not have allowed a script writer to put words in his mouth which did not reflect his views. Just as a judge would disqualify himself from a case in which he has specific views, Mr. Johnson, as a member of this "quasi-judicial" body, has an obligation to disassociate himself with future decisions concerning CATV.

A constituent has called my attention to the following editorial which appeared in the February 19, 1968, issue of Broadcasting magazine. I am entirely in sympathy with the points made in this editorial and commend it to my colleague as worthy of their attention. I offer no brief for or against the controversy. I do question the ethics of members of regulatory bodies involving themselves in activities which raise questions regarding their impartiality.

The editorial follows:

SHOO FLY

Nearly a year has passed since we editorialized on the astonishing performances of the FCC's fledgling commissioner, Nicholas Johnson. The 33-year-old bureaucrat has used every springboard available to make headlines and is easily the most avid publicity-seeker in the FCC's history covering a whole generation.

While we haven't editorialized we have reported his dissents in broadcast matters (in which he often has used invective in lashing out against his colleagues of the majority) as well as portions of his painfully frequent public utterances that our editors have construed newsworthy.

Mr. Johnson, who has boasted about the discomfiture he caused those identified with the merchant marine during his two-year tenure as maritime administrator and which hastened his departure from that agency, is in the grease again. He is stuck with a performance in a 20-minute promotional film underwritten by the National Cable Television Association.

Mr. Johnson is quoted as having admitted—after seeing the film—that it was

"wholly inappropriate for a public official" to have been party to this promotion, and he implied that he hadn't been given the promised opportunity to review the film segments in which he was to appear.

It was not only inappropriate but rather stupid, particularly for a graduate lawyer. The fundamental question of FCC jurisdiction over CATV is before the nation's highest court. The film in which Mr. Johnson appears as an advocate also made him the star. The commissioner appeared in five separate film segments or voice-overs for a total of five minutes. The entire \$50,000 promotional film ran 20 minutes.

When Mr. Johnson took office on July 1, 1966, there probably was the notion at the White House that it might be refreshing to have a gadfly on the seven-man FCC. A gadfly bites cattle. Nick Johnson evidently bites anybody, including his fellow commissioners.

The right of dissent is imbedded in our system of government. But to dissent and disparage experienced colleagues in areas in which he's a neophyte is bad judgment, bad politics and even bad public relations.

Salute to Congressman Jacobs

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following text of a birthday speech, given on February 25 in Indianapolis for my distinguished colleague, the Honorable ANDREW JACOBS, Jr.

Mr. Max Brydenthal, president of the AFL-CIO Central Labor Council of Marion County, presented Congressman JACOBS with a plaque in appreciation for his services as 11th District Representative.

The presentation speech follows:

STATEMENT MADE BY MAX E. BRYDENTHAL, PRESIDENT OF AFL-CIO CENTRAL LABOR COUNCIL OF MARION COUNTY, PRESENTING AN AWARD TO CONGRESSMAN ANDREW JACOBS, JR., AT A BREAKFAST OF OVER 100 LABOR LEADERS, HONORING HIM FOR HIS SERVICES TO THE COMMUNITY

Today, Congressman Andy Jacobs observes his 36th birthday.

And all of us gathered here are delighted to join in the celebration.

Really, though, we have more to celebrate than just another birthday, pleasant as that may be.

What matters more is that Andy Jacobs, at this beginning of his 37th year, has succeeded so well in his pursuit of public office and in his devotion to public service.

No one who knows him has ever doubted that Andy Jacobs is a Democrat. Yet, even his political adversaries will testify to the fact that his party loyalty has always been tempered with sincerity and charged with a driving sense of commitment to all just and honorable causes.

He graduated from Shortridge High School, served as a combat Marine in Korea, got his law degree from Indiana University while serving as a deputy sheriff and was elected to the Indiana General Assembly.

It was while serving as a member of the Indiana House of Representatives in 1959 that the public at large came to understand what Andy Jacobs' friends had known for some time.

That here was more than just another ambitious young lawyer. Here was an office holder who displayed the enthusiasm of

youth but who understood and appreciated the sweep and lessons of history.

And, in his successful drive for election to Congress in 1964, he sounded a theme which he made the Keystone of his campaign: The importance of educating this nation's disadvantaged children.

It is worthwhile recalling what he said on the subject at that time nearly four years ago:

"It is clear that they have to be taught before it is too late, before they are six or seven or eight."

"Until we can do this with these culturally deprived children, we will not solve the problem of poverty or the problem of crime in America."

"This would not be an expenditure. It would be an investment, an investment to roll back a future ocean of ignorance which threatens to surround children of today's cultured homes, an ocean of ignorance in which it might truly be folly to be wise."

Since coming to Washington, Andy Jacobs has drawn upon his experience and accumulating wisdom to compile an impressive record of support for progressive measures.

He took part in that great march of legislation in the 89th Congress which resulted in Federal Aid to Education, Medicare, Head Start, Voting Rights, a new Department of Housing, the Teacher Corps, Rent Supplements and Model Cities.

And he scorned the amusement of the reactionary majority of the 90th Congress as it laughingly rejected the Rat Control Bill. His indignation helped arouse such protest that the callous majority was soon forced to wipe away its smile and approve the measure.

Andy Jacobs' own words speak eloquently of the service he has performed in Congress.

Knowing war, he could say this to a group of young men about to depart from Monument Circle for the Marines:

"What a Marine learns and what he becomes, enables him better to serve his Country in peace as well as in war. You will hear it called many things in the months to come. You will learn of fire discipline. You will learn of water discipline. But it all comes down to self control. There is dignity in discipline. When I think of Marines, I think of pride without arrogance, strength without brutality."

Entering into politics at a time when the spirit and the grace and the promise of the New Frontier were just emerging, Andy Jacobs could say at a memorial service here on the fourth anniversary of the death of President Kennedy:

"John Fitzgerald Kennedy is ageless. A thousand years from now men and women will talk of his thousand days. And those of us whom history has privileged to live in the time of Kennedy, who have known that magic of his days, might well say, 'When we die Kennedy will be written on our hearts.'"

Studying all the evidence available on the Indianapolis inner loop controversy, Andy Jacobs could conclude:

"With scant exception over the country, cities have found the blighting effect of inner loops very costly in terms of economic growth. I am alarmed that the desire to do something should lead to the willingness to try anything."

Sponsoring "homes before highways" legislation to provide replacement of homes and churches uprooted by public works projects such as highways, he could declare:

"I think we can afford to pay a fair price for the freeways we want. But, if there should be no other choice, let the 50-mile-an-hour trip downtown take a back seat to a man's home and church."

Drawing upon his intimate knowledge of law enforcement, he could say:

"In our quest for a solution to crime in the coming decade, let others speak of 'impeaching honorable justices of high courts.' Let others speak of taxing people according to the number of children they have.

Let others speak of a colder and harsher philosophy and the brute force to beat back the savage element among us.

"But let us begin to speak of building decent citizens who won't commit crime in the first place."

These words and actions of Andy Jacobs are those of a man of integrity, compassion, courage and above all, decency.

He has pledged to do his best to help achieve the American Dream of equal opportunity for all in a free and democratic society.

In return, we take pleasure and pride in wishing Andy Jacobs a happy birthday. And let us wish him many more in the service of his country.

The Children's Hospital and How It Grew

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. HUNGATE. Mr. Speaker, I would like to call to the attention of my colleagues the fine civic work being done by our servicemen in establishing and maintaining the Hoa Khanh Children's Hospital to administer treatment to the children of Vietnam.

The report follows:

THE CHILDREN'S HOSPITAL AND HOW IT GREW

The Hoa Khanh Children's Hospital, the only one of its kind in the I Corps (northern) sector of South Vietnam, was conceived and built by American Marines and Navymen for the children of Vietnam.

Now, with important help from compassionate civilian friends in America, Marines from Force Logistic Command (FLC) and Navymen from both FLC and Naval Construction Regiment-30 (Seabees) continue to support the hospital.

The hospital opened the day after Christmas, 1965. It was the brainchild of two young Navy doctors serving with the First Battalion, Third Marine Regiment. Lieutenants Edward J. Shahady and James E. Wilkerson have returned to the U.S., but their hospital has never stopped growing.

Since the Seabees and Marine Engineers built the original 11-bed facility, it has been expanded to accommodate 70 beds and, when construction on a new building is finished, will have 120 beds.

Meanwhile, the Third Marines have moved northward and the hospital has been re-built on the Camp Books compound, which is the site of Force Logistic Command's headquarters.

Four Vietnamese nurses aides were trained by Mme. Nguyen Thi Khang (whose name has been affectionately Anglicized to "Gwen"). Gwen, a refugee from Hanoi, taught school in Saigon and ran a seamstress shop in Da Nang before returning to her first love as a nurse. She is already a legendary figure at Hoa Khanh, where she oversees the daily treatment of about 55 out-patients in addition to helping care for the 60 to 70 bed-patients. She has adopted two of the children who were her patients.

Most of the children at Hoa Khanh (so named because of its proximity to Hoa Khanh village) are brought in by their parents who overcame early Viet Cong warnings that their children would be killed by the Americans. Medical Civic Action Patrols which go into surrounding villages to treat sick of all ages often bring back children who need hospitalization. Children have been sent to the hospital by MEDCAPS from as far away as Dong Ha, just south of the embattled DMZ.

Navy Medical corpsmen from FLC are assigned to the hospital around the clock, and FLC's Navy doctors make regular daily rounds.

Among the ills treated by Hoa Khanh are malnutrition, infectious diseases, worms, trauma, broken bones, plague and a variety of minor complaints common to kids everywhere.

Meanwhile, Marines and Navymen continue to drop donations into boxes located at pay tables, PX's and service clubs—and U.S. civilians open their hearts to the kids with generous donations. Hospitals in Akron, Ohio, where Lieutenants Shahady and Wilkerson underwent medical training, contribute regularly, and various civic and social groups are pitching in. A women's club in Gary, Ind. recently bought an air conditioner for the hospital's new operating room. Contributions of cash, clothing and equipment arrive regularly from all over the U.S.

They're buying a share in an idea that's expressed by words printed in both Vietnamese and English on a sign at the hospital's entrance: "Love—Happiness—Freedom."

Purpose as a Soldier Fighting in Vietnam

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. HARSHA. Mr. Speaker, I have recently received a statement from one of my constituents who is currently serving our country in Vietnam. I do not even know if this soldier is old enough to vote, but I do know that he believes in what our country is doing in Vietnam. His courage and patriotism are both unquestionable. Sp4c. Kenneth Lee Moore and I are from the same hometown and I know all the citizens of Portsmouth, Ohio, share with me in pride of this soldier. We look forward to his safe return to Portsmouth as I am certain that with his capacity for understanding problems and his ability to see difficult ones through to completion, he will become one of our outstanding community leaders. Sp4c. Moore's "Purpose as a Soldier Fighting in Vietnam" follows:

MY PURPOSE AS A SOLDIER FIGHTING IN VIETNAM

KONTUM PROVINCE, VIETNAM.

My purpose as a soldier in Vietnam is to stop the ever-growing spread of Communism. Vietnam is of vital interest of the United States in the peace and security of Southeast Asia. I am proud to serve my country in helping a small war-torn country to become free of the binds of Communism. Some nations say that the United States is trying to establish U.S. domination and to have a foothold in Southeast Asia. We are not here to dominate this country nor are we trying to organize a Pax Americana. I am here as a soldier fighting for what I believe in, "Freedom, Liberty from slavery, imprisonment and the restraint from Communism." You Americans can help us win this war in Vietnam by supporting us while we are here. Show your allegiance to our cause. It is only through soldiers such as myself that we can stop this awful disease before it can cause pain and suffering and death throughout the world. Stop the war demonstrations back in America and stop the burning of draft cards. You American citizens should be proud that we are fighting a war to preserve peace and freedom. The fate of this war rests squarely on your shoulders and your

actions will either reflect pain or show great support for our fighting forces in Vietnam. Deep in your hearts you hold one thing that is dear to every American, "Freedom for all." Patrick Henry once said, "Give me Liberty or Give me Death." This statement is so dear to me. "You can give me death if the cause I am fighting for is 'Freedom.' But if dying for a cause that is not just and has no meaning for my country in which I live, then give me another country which I can say I am proud of." Be a leader, speak out for democracy, always put up a fight against Communism. Fighting sometimes means death, but if dying can save the lives of your loved ones in the near future or the fate of the country you love so dear, "I am ready to face death proudly." Remember, your actions back in the United States of America is a prime factor if we will win the fight over Communism. In closing let me leave you with a pledge which I first learned in kindergarten. It went like this: "I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible with 'Liberty' and 'Justice' for all." If you as Americans can say this small but meaningful pledge, there would be no need for the war demonstrations or burning of draft cards, but there would be a demonstration showing your support for "My Purpose as a Soldier Fighting in Vietnam."

Sp4c. KENNETH LEE MOORE.

Inflation's Effect on U.S. Trade Balance

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. CURTIS. Mr. Speaker, a clear analysis of the January 1968 statistics on the U.S. balance of merchandise trade—U.S. exports and imports—appears under the byline of Hobart Rowen in the Washington Post of February 28.

The article notes that—

There was nothing in the figures to suggest a basic reversal of the trend of the past several months, which has seen imports gain sharply against exports.

Though the January trade surplus was \$169.3 million, and thus higher than the low of \$79.1 million of December 1967, January's performance compares unfavorably with the average monthly rate of surplus of \$344 million for last year.

Mr. Rowen reports:

In the four-month period October, 1967 through January, 1968, imports on a seasonally adjusted base rose 11% over the prior 4 months, while exports over the same period showed virtually no gain.

What accounts for this remarkable change in the U.S. merchandise account? Though at least one "nonrecurring factor," high copper imports, contributed to weakening the trade surplus, the essential cause is the continuing rate of price inflation. The classic economic effect of such domestic price increases is to tend to cause exports to decrease and imports to increase.

Administration officials have again and again emphasized the importance of the trade surplus as the major factor in paying for U.S. Government outlays for military and other purposes, such as foreign aid, Public Law 480, and U.S. con-

tributions to international lending institutions like the Asian Development Bank. But at the same time these same officials refuse to make the cuts in non-essential Government spending that are necessary to control domestic inflation, which is the root cause of the deteriorating balance of trade and of the continuing deficit in the overall U.S. balance of payments.

The article referred to above follows immediately:

U.S. IMPORTS, EXPORTS SET RECORD TOTALS
(By Hobart Rowen)

Merchandise exports from this country and imports from others both hit record totals in January, the Department of Commerce announced yesterday.

Although the percentage gain in exports over December (6.9) was greater than the import surge (3.6), the U.S. trade surplus for the month was still uncomfortably narrow.

There was nothing in the figure to suggest a basic reversal of the trend of the past several months, which has seen imports gain sharply against exports.

The seasonally adjusted export total was \$2,784,700,000 compared to \$2,603,900,000 in December. This is the highest ever recorded, even larger than the March, 1965 total of \$2,728,900,000 following the end of the East Coast and Gulfport dock strikes.

The January seasonally adjusted import total was \$2,615,400,000, exceeding the previous high just set in December, 1967, \$2,524,800,000.

TRADE IMPROVEMENT

Thus, the U.S. trade surplus on merchandise accounts was \$169.3 million, or an improvement over the surplus of \$79.1 million in December.

But U.S. officials know that this is little to write home about. The monthly average surplus in 1967 was \$344 million. Thus, if things for the balance of 1968 are no better than the January record, the U.S. trade surplus would be cut in half—a staggering blow to the balance of payments picture.

Part of the rise in both imports and exports was attributed to tariff reductions negotiated in the Kennedy Round talks, which lowered some duties on January 1.

The slight improvement in American sales abroad may reflect a revival of economic activity in some Western European countries.

RESURGENCE OF ACTIVITY

The continued high level of imports reflects the resurgence of activity in the United States after a somewhat sluggish first nine months of 1967. In the 4-month period October, 1967 through January, 1968, imports on a seasonally adjusted basis rose 11 per cent over the prior 4 months, while exports over the same period showed virtually no gain.

Large copper imports, traceable to the domestic strike, have also been a factor in the rising volume.

Officials have not been hiding their concern over the recent trend. As Under Secretary of Treasury Frederick L. Deming said in a speech in San Francisco yesterday, "we need to have a rising trade surplus in order to cover our capital investment abroad" and for other expenditures.

But in the 4th quarter, the over-all surplus on goods and services (a broader category than the merchandise figures involved in the January data) dipped to an annual rate of only \$3.0 billion from \$5.5 billion in the third quarter.

A breakdown showed that among commodity groups, there were substantial rises in January imports of manufactured goods, machinery and transport equipment, and mineral fuels and lubricants.

The export figures are exclusive of defense shipments for military assistance.

The Family Farm

HON. DONALD E. LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. LUKENS. Mr. Speaker, every year the Ohio Farmers Union sponsors an essay contest and the winner is awarded a trip to Washington, D.C. This year each participant in the contest composed and delivered an essay on "The Family Farm." The winner was Miss Lena George, the 17-year-old daughter of Mr. and Mrs. Paul George of Clarksville, Ohio. She accompanied the Ohio Farmers Union delegation to the Capital City this week for their conference with Members of Congress on farm legislation.

I am pleased to introduce Lena George's prize-winning essay for insertion in the RECORD:

THE FAMILY FARM

(By Lena George)

Just what is the family farm? It is an operation in which a farmer rents or owns land and tries to make a profit from it for the family. It is not a situation in which a farm is controlled by a company and a farmer only gets a salary. If you were working for someone you wouldn't be so likely to care how the livestock grew or the crops produced. On the family farm you are always interested in using the profits, if any, to improve the land and buildings.

How important is the family farm? "The keystone of a free, progressive and democratic society, as well as a strong rural America, is the owner-operated family farm". This sentence is from the section of the National Farmers Union statement dealing with agriculture. The nations which have drifted away from the family farm have suffered economic and political losses of such magnitude that they are now striving for land reform. The family farm has produced some of our greatest leaders. Farming is a business, a way of life, and an art. One learns so much on the farm by experiences and results of working with nature, that it helps in any vocation.

What are the advantages of the family farm? Studies show that moderate-sized family farms get greater results per acre tilled, per hour of work, and per dollar invested, and that soil resources are better conserved than on very large farms. Modern agriculture requires many skills and many on-the-spot decisions. On a farm with a very large operation there is a loss of attention, skill and careful judgment which are needed for efficiency.

Why is the family farm declining? It is hard for a young couple to start out in farming because of the high cost of land and machinery. Also the income from farming has been so low in the past ten or twelve years that there has been no incentive for people to make it a life's work.

How can we keep the family farm from declining? The Farmers Union is helping by organizing farmers to get prices for farm products. The Agricultural Act of 1965 provides for land utilization, further expansion of agricultural exports, and wheat and feed grains programs to increase the earning opportunity of farmers, thus underscoring the nation's interest in farm families. A congressional committee has recommended legislation to further strengthen our nation's family farm system of agriculture. The Farmers Union keeps promoting farm bills to prevent the family farmers from declining.

What is the family farm's future? The people in a community must unite and make an effort to promote it. Young people can be encouraged to choose their vocation through

camp and meetings, such as the Farmers Union is now sponsoring. College courses in agriculture show more scientific ways of farming and short-cuts. The farm family should have time to play together as well as work together, and new methods of farming can make this possible.

I believe the family farm can and will continue if we all unite and work together.

Projected Out-Migration From Rural Areas to Cities Dramatizes Need for Rural Development and Progress

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. EVINS of Tennessee. Mr. Speaker, the Washington Post in a recent editorial underlines the importance of improving the quality of rural life to encourage our young people to invest their talents and energies in their home communities rather than out-migrating to our cities in search of opportunities and employment.

I herewith place the editorial in the RECORD, as follows:

[From the Washington (D.C.) Post, Feb. 27, 1968]

THE GREAT MIGRATION

"Over the next decade," President Johnson said in his message to Congress last week on housing and urban problems, "40 million more Americans will live in cities." There is no reason to doubt this forecast. It will constitute no more than a continuation of a mammoth migration which has been going forward at an accelerating pace for the past quarter of a century and which is, perhaps, as significant in its ways as the dramatic western movement of people from Europe to America and across this continent in the decades hinged on the turn of the century.

The contemporary migrants have flowed from the country to the city and have shifted from agricultural to industrial employment in ever swelling numbers. In the 20 years between the 1940 census and the 1960 census, the urban population of this country rose from 74 million to 125 million, while the rural population dropped from 57 million to 54 million. In percentage terms, the country was 56.5 per cent urban in 1940, and 70 per cent urban in 1960.

To a very large extent, the present plight of American cities is a consequence of this migration—aggravated by indifference, neglect, ruthless exploitation of helpless people and racial discrimination. The new migrants from the country to the city have been predominantly maleducated, impoverished, Negro—and wholly unequipped for participation in an industrial economy. Caged in the decaying inner portions of the country's great cities, they have festered into an explosive force menacing to all the complacent and affluent Americans surrounding them.

It is to the relief of these migrants—and the benefit of their more fortunate fellow-citizens as well—that the President's multifaceted urban program is directed. But one wonders whether its basic premise—that the tidal wave of migration to the cities must continue—is a valid one. Is it really impossible, as the presidential planners seem to assume, to reverse, or at least to abate, this movement by making the quality of rural life more rewarding and attractive. Agricultural work might be made more remunerative, small industry might provide employment in small communities away from the

big cities, education and entertainment might be vastly improved. Can planning not comprehend some major effort to direct the flow of population to areas where it can best advance the national welfare and best share in the national well-being? A prodigious task lies ahead undoubtedly in salvaging the current urban castaways. But surely some new approach can be devised to keep new migrants from following in their wake.

In writing about the President's Message to Congress a few days ago we observed that it envisaged the expenditure of some \$10 billion over the next ten years. In point of fact, the \$10 billion figure involves the proposed funds for fiscal 1969 and the extension of certain programs outlined in the Message beyond fiscal 1969. Although the President spoke of a "a far-reaching goal to meet a massive national need: the construction of 26 million new homes and apartments over the next ten years," none of the specific programs was projected for more than five years, it being difficult to estimate costs for any longer period. Thus the over-all plan has even greater magnitude than we supposed.

Administration Follows Congressional Guidelines in Foreign Military Sales Act

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. FASCELL. Mr. Speaker, in dealing with foreign assistance legislation last year the Congress, time and again and in many ways, evidenced its concern over various aspects of American arms sales abroad.

We now have before use the response of the administration to many criticisms voiced last year, and it is a good one. The administration is proposing a foreign military sales act which addresses the problems which we dealt with last year.

In examining the substance of the bill the strictures and safeguards which would apply are numerous. The Secretary of State would continue to have responsibility for continuous supervision and general direction of sales made under the bill. He and the other authorities concerned will be required to see to it that any sales under the bill are fully consonant with all our other overseas activities and policies. Sales would have to be geared to the legitimate internal and external defense requirements of the purchasing countries. Countries squandering their resources on unnecessary arms would be ineligible to receive Government credit from the United States under this act. The administration would be required to report extensively and intensively on not only how it has administered the act but also on how it proposes to administer the act during the following year. The bill takes the Ex-Im bank out of financing arms for underdeveloped countries. And it and its successor bills will require the administration to come to the Congress and to justify its program before it is granted any funds to carry out further programs.

It seems paradoxical to say that a foreign military sales program can perform a vital service in helping to control the spread of arms in the developing world.

But I am convinced that the intelligent, measured, controlled application of the provisions of the bill before us can do just that.

It is important to remind ourselves that, reluctant as we are to see an underdeveloped country use money for arms rather than for schools and hospitals and factories and processing plants, there are many countries friendly to us which must—and will—acquire the equipment necessary to provide security against external aggression and internal turbulence. It is self-evident that if we will not help them turn to others for support. If we will not help, we will see these countries turn to other sources for their arms, arms likely to be more expensive than those which we might have supplied and arms from suppliers with consequent relationships prejudicing U.S. foreign policy goals. Thus, we would fail not only in achieving our objectives of arms limitations and use of sparse resources for constructive purposes, but we would also lose the confidence and reliance of these countries and our ability to influence them constructively in the future.

The bill before us in my view fully responsive to the problems we grappled with here last year. I intend to support it and I will urge my colleagues to do so as well.

Call for Curb on Auto Deaths

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. DERWINSKI. Mr. Speaker, the Southwest Messenger Press, an outstanding chain of papers serving south suburban Cook County, Ill., on February 15, carried a very timely, thoughtful, heart-touching editorial commenting on highway safety. The editorial follows:

CALL FOR CURB ON AUTO DEATHS

One of the saddest newspaper stories of recent days was that which told of a man, heart-broken and crying, rushing his child to the doctor and begging the doctor to save his boy's life.

It seems the man had let the boy—his son—out of his car. Then the boy fell or somehow got behind the car and the man somehow backed over him by accident.

It would be hard to imagine the emotions and distress of the father in this case. Yet it is but one—one of the more heartstirring—of the many accidents that take place with drivers and automobiles.

The United States is known as the country where every family, almost, has a car. Nowadays, many families have two or three, or even four automobiles. Often the children are given a car of their own.

And as a result of this, and the fact that we seem to have a mania for speed, and because the acquisition of a driver's license is relatively easy in this country, we kill more people with automobiles than any other people on earth.

What is the answer to it all?

Perhaps one of the answers is to make it harder for people to obtain driver's licenses. Or maybe we should have periodic checks for all drivers so that when a licensed driver no longer is capable of meeting the standards which the state feels are necessary for the safety of others, his license will be revoked.

We must, in some way, cut down on the toll automobiles are taking.

The Administration's Housing Bill

HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 26, 1968

Mr. FARBSTEIN. Mr. Speaker, in his state of the Union message, President Johnson reemphasized this Nation's commitment to the goal of a decent home for every family.

The President spoke of 6 million new living units in the next 10 years, and of refurbishing and rebuilding sound but older housing.

There are thousands of housing units in cities across the country that deserve more than demolition by bulldozers. These homes can be made over to become clean, decent places to live.

The Department of Housing and Urban Development has been working on this problem for some time. New technologies have to be developed. New methods of construction must be found. There must be a greater commitment from the private sector.

In effect, a new industry must be developed to deal with the problems of rehabilitation. This industry, which is just now showing signs of coming alive, should be able to deal with the massive rehabilitation that is so urgently needed in the cities.

In trying to solve these problems, HUD is working to develop the new concepts and technical advances that are required to make rehabilitation financially feasible for the people it is intended to serve and swift enough to ease the problems of personal dislocation.

In a demonstration directed at these two basic problems, HUD, with the cooperation of private industry, tried "instant rehabilitation." This demonstration, which took place in the spring of 1967 on East Fifth Street in New York City, in my congressional district, consisted of major rehabilitation of a 70-year-old tenement. It involved new windows, walls, kitchens, bathrooms, and so forth—complete upgrading of the building to produce 15 apartments. This was accomplished in 48 hours, with a minimum of inconvenience to the families involved.

"Instant rehabilitation" is not the cure-all. However, it did demonstrate quite dramatically that rehabilitation does not have to take 9 to 18 months to accomplish.

In that same vein, other techniques and materials for use in massive rehabilitation are being developed.

An important feature of massive rehabilitation is that private, profit-motivated enterprise, can become involved.

An example of what a major industrial corporation can do is the U.S. Gypsum Co.'s effort in New York City.

U.S. Gypsum earmarked \$1,250,000 for investment in the rehabilitation of six tenements on East 102d Street. The company will sell the refurbished buildings to nonprofit sponsors.

In this project U.S. Gypsum is seeking

to develop new building materials and techniques attuned to rehabilitation.

The Federal Housing Administration has been encouraging this kind of participation by industry, pointing out the vast market that rehabilitation offers for building components and materials, as well as the public service opportunities.

Another interesting project is underway in Boston, Mass. There, a massive rehabilitation program in the innercity has been undertaken by several private developers.

Some 2,000 units in 101 buildings are being refurbished. Scheduled for completion by July 1, 1968, 6 months after the program was announced, the Boston project is "on time."

Seven private, profit-motivated developers have undertaken the job. FHA is working to speed production time on rehabilitation projects by improving its processing time. The Agency processed the Boston applications in less than 2 months.

To be successful, rehabilitation must also produce housing at rentals that tenants in the area can afford to pay. Each rehabilitation project FHA is working on seeks to improve the cost situation.

In spite of the progress being made on this problem, there still is need for some Federal assistance to keep rentals down in high cost areas.

HUD has two programs which can help.

The 221(d) (3) below-market-interest-rate program provides for 3-percent permanent mortgage financing by the Federal National Mortgage Association.

The rent supplement program provides for payment of that portion of the rent which exceeds 25 percent of a family's monthly income.

Money for this program is nearly exhausted. The President has requested an additional \$65 million in contract authority for fiscal year 1969. The program needs this funding so that housing which is so desperately needed can be provided for low-income families.

Private initiative, Government assistance and public support are needed to bring about the creation of a rehabilitation industry.

These factors went into the formation of the first such private, profit-motivated rehabilitation enterprise in Pittsburgh, Pa.

ACTION-Housing, Inc., was instrumental in forming this corporation which is being sponsored by such industrial giants as United States Steel, Westinghouse Electric, Equitable Life Assurance Co., Alcoa, and others.

Some 30 sponsoring companies have subscribed several millions of dollars to form the corporation. It is envisioned that when fully operational the company will rehabilitate about 1,000 units a year. Already the first phase is underway. Five hundred units are being refurbished with FHA-insured financing serving as the financial catalyst.

Rehabilitation is one phase of the battle to improve the living conditions of all people, especially those residing in the blighted and deteriorating neighborhoods of our urban centers.

HUD Secretary Robert Weaver said:

There must be first of all new attitudes and new ideas. There must be a construction

industry geared to think of rehabilitation as a massive activity, so massive that it requires new materials and new ways of handling them.

Whatever the problems of rehabilitation may be, it is imperative that action be taken to solve them if our cities are to survive.

Extension of Broadcast Station Licenses to 5 Years

HON. CHARLES McC. MATHIAS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. MATHIAS of Maryland. Mr. Speaker, I am today introducing legislation (H.R. 15652) to amend the Communications Act of 1934, as amended, to extend the maximum licensing period for broadcast stations from 3 to 5 years.

This simple change would lighten the tremendous burdens now imposed on all American radio and television stations, and particularly on the smaller ones, by the need to prepare and file an extremely detailed and comprehensive license renewal form every 3 years. The bill would also lessen the great processing and review workload of the Federal Communications Commission, giving that agency more time for other assignments.

Extending the licensing period would not reduce oversight of the broadcasting industry or produce any decline in the quality of programming, since the FCC would retain its present authority to limit licenses and renewals to shorter periods where warranted, and to review station operations at any time.

Mr. Speaker, I doubt that even the most ardent radio and television followers among the general public realize how many man-hours and how much cost the management of every station must invest in preparing the intricate forms required for license renewal. I doubt that many realize that, although broadcasting has grown and matured immensely since World War II, the 3-year license limitation has not been changed since 1940. Clearly modernization is required to keep our regulatory practices in pace with the needs and demands of the times.

Extension of the licensing period has been supported by a number of present and past members of the FCC, including Chairman Rosel H. Hyde, who declared in September 1966 that a longer renewal period would reduce FCC paperwork by about 800 applications per year, and would "lessen the burdens on the service and on us without, in my judgment, any deterioration in standards of public service."

The legislation I am sponsoring today has also been endorsed by the Maryland-District of Columbia-Delaware Broadcasters' Association, Inc. Mr. Neal J. Edwards, of WMAL-TV, president of the association, wrote me recently:

A five-year renewal would release broadcasters from the frequently applied burdens and expenses of renewal application preparation so that their efforts may be channeled into more efficient and useful avenues of endeavor in the public interest. Moreover, a

five-year license period is attuned to the increased recognized responsibilities that have been shouldered by the U.S. broadcaster.

Mr. Speaker, this legislation is in the public interest both as a weapon in the war against excessive paperwork, and as a simple and constructive way to modernize regulation of American broadcasting. I hope the Committee on Interstate and Foreign Commerce will act promptly on this bill this year.

A Way To Win

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. DERWINSKI. Mr. Speaker, Defense Secretary Robert McNamara officially leaves his office tomorrow. Hopefully his successor will have the authority and ability to repair our defense structure, which has been distorted during the McNamara regime.

At the present time we are stretched so thin in men and supplies that in relationship to the Communist forces we are at a dangerous point in overall defense. This morning's Chicago Tribune comments on the last message of Secretary McNamara. Its thoughtful analysis dramatizes the inadequate results of his tenure. The editorial follows:

A WAY TO WIN

In a valedictory message supporting an 80 billion dollar defense budget, Secretary of Defense McNamara told Congress he expected the war in Viet Nam would continue much as usual without any effort on the part of the United States to seek victory.

McNamara presented his 1969 defense budget against a background of the mightiest communist offensive of the war which had brought violence to cities from Hue to Saigon and the Mekong delta. Communists were fighting in the compound of the United States embassy in Saigon and had rolled up the latest Russian tanks to attack the marine fortress of Khe Sanh.

About to step down after seven years as Pentagon No. 1, McNamara reported to Congress that American war goals remained unchanged. These, he said, do not seek the surrender of the Viet Cong guerrillas or North Vietnamese regulars, nor the capitulation of Hanoi. They should only go home, McNamara said, and stop trying to take over South Viet Nam.

Such objectives, he insisted, forbid any escalation of the war for fear it would risk "directly involving other nuclear powers." But the two powers McNamara had in mind—Russia and Red China—already are involved in the war, by McNamara's own estimates.

McNamara said that Peking has sent 30,000 to 50,000 support troops to North Viet Nam for anti-aircraft defense and to help repair and maintain Hanoi's transportation, communications, and irrigation systems. Russia is even more thoroughly involved in keeping North Viet Nam in the war.

Most if not all the industrial output Hanoi by Russia and China, chiefly by Russia, has lost to our bombing has been replaced Pentagon chief said. Russia also supplies the North Vietnamese with missiles, anti-aircraft guns, radar, ammunition, fighter aircraft, trucks, railroad equipment, barges, machinery, petroleum, fertilizer, and food.

The fact is, as McNamara admitted, Moscow supplies the bulk of all Hanoi's imports,

which rose last year to an estimated one billion dollars, of which 660 million dollars was in military hardware. Nor does McNamara see any chance of this tremendous assistance growing any less.

Yet, in the face of this massive assistance from Russia and other communist nations, McNamara told Congress he could not conceive of any additional campaign that would pinch off this flow of military supplies. By this, the secretary meant any attempt to step up the bombing of North Viet Nam—in particular, its vital port of Haiphong.

Every senior military figure concerned with prosecuting the war is authentically reported to have recommended that Haiphong be knocked out, either by mining the harbor or bombing the dock facilities or both. Last fall, in testimony before a Senate committee, McNamara himself admitted that 80 per cent of North Viet Nam's imports go in through Haiphong.

But the Pentagon boss won't turn the navy and air force loose against Haiphong. His defense message indicates he still stands by a study prepared by his civilian whiz kids which insist that North Viet Nam could still get enough military supplies and food im-

ports by road, rail, and the Red river inland waterway system, regardless of how heavily North Viet Nam is bombed.

Adm. U. S. Grant Sharp, the American commander in chief in the Pacific, told the same Senate committee last fall that he did not believe the Pentagon study. He recommended that Haiphong harbor be mined. It would hasten the end of the war, the admiral said. Now that McNamara is leaving the defense post, there is hope that the Administration may begin to follow military advice which seeks a way to end the war, not its continuance.

The Impact of Footwear Imports

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. BURKE of Massachusetts. Mr. Speaker, at this time I would like to re-

mind the Members that today, Thursday, and Friday of this week a display of footwear—domestic and imported—will be on display in the Presidential Room of the Congressional Hotel in Washington, D.C. An invitation signed by my distinguished colleague from Massachusetts and myself has been sent to every Members of Congress to view firsthand the problems facing the footwear industry in this country as the result of the impact of footwear imports. Those in the shoe industry will be at the Congressional Hotel to explain further the problems confronting them.

I include the figures recently released on U.S. imports of nonrubber footwear for the month of January 1968 over the figures of 1967—the grand total shows an alarming increase in imports of 73.9 percent over last year's figures. I also include a pamphlet entitled "The Impact of Footwear Imports."

The material referred to follows:

U.S. IMPORTS, NONRUBBER FOOTWEAR

	January 1968		January 1967			January 1968		January 1967	
	Pairs	Value	Pairs	Value		Pairs	Value	Pairs	Value
Grand total.....	17,918,258	\$27,802,407	10,306,643	\$15,253,073	Women and misses.....	6,005,456	\$14,317,115	3,038,076	\$6,762,027
Percent.....	(+73.9)	(+82.3)			Percent.....	(+97.7)	(+111.7)		
Supported vinyl uppers.....	8,981,628	5,710,621	5,164,409	2,989,305	Infants and childrens.....	259,962	297,303	149,020	201,621
Percent.....	(+73.9)	(+91.0)			Percent.....	(+74.4)	(+47.5)		
Leather, etc.....	8,936,630	22,091,786	5,142,234	12,263,768	House slippers.....	2,839	4,771	14,055	24,600
Percent.....	(+73.8)	(+80.1)			Percent.....	(-79.8)	(-80.6)		
Men and boys.....	1,966,776	6,609,975	1,250,238	4,269,265	Moccasins.....	53,086	56,113	167,191	181,565
Percent.....	(+57.3)	(+54.8)			Percent.....	(-68.2)	(-69.1)		
					Huaraches.....	126,053	76,781	3,650	4,525
					Percent.....	(+3,353.5)	(+1,596.8)		

THE IMPACT OF IMPORTS ON THE U.S. FOOTWEAR MANUFACTURING INDUSTRY

(By the National Affairs Committee of the National Footwear Manufacturers Association, Inc. and New England Footwear Association, Inc.)

1. U.S. FOOTWEAR IMPORTS ARE INCREASING RAPIDLY

Footwear imports in 1967 rose to 173 million pairs of all kinds of men's, women's, and children's footwear valued at \$244 million. In 1955, they amounted to only 8 million pairs valued at \$13 million. The 1967 total was an all-time high and exceeded 1966 by 32% in pairs and 41% in dollars.

Of the 1967 total, 129 million pairs were mainly leather and vinyl types, including slippers, valued at \$217 million, for an increase of 34% in pairs and 41% in dollars over 1966.

If imports of all footwear continue at the 1967 rate, they would amount to 233 million pairs valued at \$344 million in 1968; imports of leather and vinyl footwear would amount to 173 million pairs valued at \$305 million.

The low average value of imports compared to the value of domestic production is the reason for the deep penetration of American markets.

2. FOOTWEAR IMPORTS WERE ALMOST ONE-FOURTH OF U.S. PRODUCTION IN 1967

In 1955, footwear imports as a percentage of U.S. production were 1.2%. In 1967, imports were 22.9% of domestic output.

If total imports continue to increase at the 1967 rate, they will, in 1968, equal 31.1% of an estimated U.S. output of 750 million pairs. On this basis, imports of leather and vinyls alone in 1968 will equal 28.8% of an estimated domestic production of 600 million pairs.

3. LOW-WAGE COUNTRIES ARE MAJOR EXPORTERS OF FOOTWEAR TO THE UNITED STATES

The bulk of imported footwear comes from low-wage countries and is produced by labor

working under conditions that would not be permitted in the United States.

Imports are increasing from communist nations seeking U.S. dollars. These imports are produced by state-controlled enterprises and sold at prices that have been found by the U.S. Treasury Department to be at less-than-fair value.¹ They have grown from 8,700 pairs in 1955 to 3,011,700 pairs in 1967.

U.S. IMPORTS OF LEATHER FOOTWEAR, 1955 AND 1967¹

	Millions of pairs		F.o.b. foreign value ² (in millions)	
	1955 ³	1967	1955	1967
Total, all countries.....	7.8	129.1	\$13.6	\$217.6
Japan.....	2.7	456.8	1.1	34.2
Italy.....	1.1	41.6	3.0	102.7
Taiwan.....		46.7		3.1
Spain.....	(⁴)	6.7	(⁵)	23.0
Hong Kong.....	4	1.4	.2	1.1
France.....	(⁶)	2.4	.2	7.0
Czechoslovakia.....		2.0		4.4
Other Communist countries ⁷	(⁸)	1.0	(⁹)	2.3
Mexico.....	.7	2.0	.5	2.7
United Kingdom.....	.8	1.8	4.3	11.4
Canada.....	1.0	1.3	1.3	4.2
Switzerland.....	.1	.4	1.2	5.5
Other countries.....	.8	45.2	1.8	15.8

¹ Includes vinyls.

² Data for 1955 do not include vinyl-supported upper footwear which were minimal.

³ By excluding cost, insurance and freight, value of imports is understated by about 10 percent, according to the U.S. Tariff Commission.

⁴ For all footwear (including canvas-rubber) pairs would be: Japan 86,400,000; Taiwan, 13,800,000; Hong Kong 5,200,000; other countries, 8,700,000. Other data about same.

⁵ Less than 50,000 pairs.

⁶ Less than \$50,000.

⁷ Includes Yugoslavia, Rumania, and Poland.

4. ALL TYPES OF FOOTWEAR ARE BEING IMPORTED

Virtually every type of footwear made in American factories is being imported into the

¹ Under the obsolete Anti-Dumping Act of 1921, the footwear industry has not been able to obtain relief.

United States. Chief impact in 1967 was from imports of women's casual footwear* that were equal to 90% of the domestic pairs produced. All other women's footwear were equal to 28%, and men's cemented footwear were equal to 25% of U.S. output.

IMPORTS AS A PERCENTAGE OF DOMESTIC PRODUCTION

Product type	Total year	
	1966	1967
Women's casuals ¹	66	90
Other women's.....	18	28
Men's cemented footwear.....	19	25
Athletic.....	18	20
Children's.....	10	16

¹ Includes "casual footwear," defined by Tariff Schedule of the United States as "footwear constructed with a wedge heel, or with an open toe and so constructed that the heel of the foot is not over 1 inch above the ball of the foot"; and "huaraches," a leather-soled sandal with a woven-leather upper.

Source: National Footwear Manufacturers Association, based on census data.

5. U.S. FOOTWEAR MANUFACTURING ESSENTIAL TO ECONOMIC LIFE OF MANY COMMUNITIES

The industry structure is made up principally of small and medium sized companies spread throughout the United States. There are about 800 companies operating 1,100 factories in some 600 cities and towns. In the majority of these localities, footwear manufacturing is the major source of income.

All but a few dozen of these companies are family owned and operated. It is the small and medium sized factories that are bearing the brunt of imports.

Approximately 228,800 men and women are employed by the industry and receive wages and salaries of \$1 billion annually.

6. IMPORTS ARE PRODUCED BY LOW-WAGE LABOR WORKING AT RATES OF PAY THAT WOULD BE ILLEGAL IN THE UNITED STATES

American wage rates to employees in the footwear industry are the highest in the

world. American production workers in leather footwear manufacturing plants in 1967 averaged an estimated \$2.43 an hour including fringe benefits.²

Total wages and fringe benefits in the U.S. footwear manufacturing industry are three to four times those in Japan and more than twice those in Italy.

The labor-cost advantage is so great that domestic footwear manufacturers cannot compete.

7. AMERICAN FOOTWEAR FACTORIES STILL LEAD THE WORLD IN PRODUCTIVITY

American factories produce more pairs per worker per hour than any other country in the world. This productivity edge, however, is far from sufficient to offset the great wage differentials existing between the footwear workers in Europe and Japan and those in the United States. Methods and technology are reasonably similar here and abroad. The industrialized nations in these countries also have new and renovated plants. Footwear is one of the easiest products for them to produce and export.

8. IMPORTS OF LEATHER AND VINYL FOOTWEAR HAVE ABSORBED THE GROWTH OF THE DOMESTIC FOOTWEAR INDUSTRY

SHOE PRODUCTION, LEATHER AND LEATHER TYPES¹

(Million pairs)

	1957	1966	Percent Increase 1966 over 1957
EEC countries.....	242.0	463.1	91.4
EFTA countries.....	151.0	211.1	39.8
United Kingdom.....	109.0	119.6	9.7
United States.....	526.7	546.6	3.8

¹ EFTA data from EFTA Footwear Council, London, latest data available; slippers excluded. EEC and U.S. output from U.S. Department of Commerce.

In fact, in 1967 U.S. output, excluding slippers, was 508.5 million pairs, or 3% less than the 526.7 million pairs produced in 1957.

9. FOOTWEAR IMPORTS MEAN FEWER JOBS FOR AMERICAN WORKERS

Imports mean a loss of jobs and a corresponding loss of income. In 1967, 43,000 job opportunities were lost because of imports. If leather footwear imports total 230 million pairs by 1970 and represent a much higher percentage of domestic production, 76,000 job opportunities will be absorbed by imports that year.

Is it more important to make jobs for Japanese and Italian workers than for American workers?

129 million pairs imported in 1967 eliminated 43,000 job opportunities.

This is vitally important to the economy because footwear manufacturing offers the widest opportunity for training and using workers from the present reservoir of untrained and unskilled workers. These job opportunities will be more important after the war and as the labor supply expands in the years ahead.

10. LEATHER FOOTWEAR IMPORTS IN 1967 WERE 58 TIMES AS HIGH AS FOOTWEAR EXPORTS

In 1967, imports were 129 million pairs, valued at \$217 million; exports were 2.2 million pairs, valued at \$8.2 million.

The excess of imports over exports in 1967 added \$209 million to our balance-of-payments deficit.

Exports in 1967 of 2.2 million pairs represented a drop of 52% in pairs from 1955 when 4.6 million pairs were exported.

11. TREMENDOUS COMPETITION EXISTS AMONG 800 U.S. FOOTWEAR MANUFACTURERS

The industry is not and never has been a high-profit one. Over 90% of the companies are family owned and operated. The success-

ful footwear manufacturer earns between 2¢ and 3¢ on each dollar of sales compared with approximately twice this amount for the average of all other American manufacturing industry. Approximately 25% or more of the companies report losses each year to the Internal Revenue Service.

As a result of this competition, the average retail price of a pair of domestic-produced shoes is still only about \$7.50. And 57% of all men's shoes and 80% of all women's shoes sell at or below \$11.00 a pair, and 65% of all children's shoes sell at or below \$6.00 a pair. No other country, including the socialist and communistic nations, offers such a wealth of footwear resources to its people.

12. OTHER NATIONS DISCOURAGE FOOTWEAR EXPORTS FROM THE UNITED STATES

Most shoe-producing countries of the world have higher tariffs to protect their domestic footwear industries and also, in some cases, discourage footwear imports by exchange restrictions, some form of taxation, or even outright prohibition via licensing. For example, before the Kennedy Round, footwear duties in the United States averaged 13% compared with an average of 28% for Italy and 25-50% for Japan. Even with Kennedy Round reductions, duties will still be higher in other countries, and other barriers, such as value added and border taxes, still persist or have since been established.

Moreover, many of these same countries encourage footwear exports to the United States through export subsidies, credits on domestic taxes paid on export manufacturers, and concessions on freight.

Foreign nations should open their gates to imports of American footwear and offer, on a reciprocal basis, the same tariff levels and permissive trade conditions as the United States.

13. FOOTWEAR IMPORT REGULATIONS SHOULD INSURE FAIR COMPETITION FOR AMERICAN WORKERS AND MANUFACTURERS

Import regulations should offer foreign nations an opportunity to share in the development and growth of the American footwear market but not to an extent that weakens the domestic manufacturing industry as well as industries that supply and service footwear manufacturing.

14. THE PRINCIPLE OF ORDERLY MARKETING WILL INSURE FAIR COMPETITION

Orderly marketing bills providing for flexible import quotas are now before the Senate and House. These would permit foreign and domestic manufacturers to share in the growing footwear market in the United States on a fair, competitive basis.

All the growth of the past decade has gone to imports.

15. RETAIL FOOTWEAR SALES VOLUME IN 1967 EXCEEDED \$6.3 BILLION FOR NEARLY A BILLION PAIRS

This volume included domestic and imported varieties of shoes and slippers of leather and vinyl, canvas-rubber, as well as waterproof and weatherproof types.

(NOTE.—Only footwear that covers the foot is analyzed in this report. Excluded are rubber waterproof boots and overshoes, rubber-thonged sandals, and hosiery of the slipper-sock variety.)

Priest, Marine Die in Fighting

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. LONG of Maryland. Mr. Speaker, the Reverend Aloysius P. McGonigal, S.J., an Army chaplain from Maryland, was recently killed in Vietnam. I wish to

commend the courage of this fine man and to honor his memory by including the following article in the RECORD:

PRIEST, MARINE DIE IN FIGHTING—FATHER MCGONIGAL KILLED IN ACTION AT HUE

An Army chaplain who taught for four years at Loyola High School, and a 19-year-old marine, formerly from Maryland, have been killed in Vietnam, the Defense Department announced yesterday.

The Rev. Aloysius P. McGonigal, S.J. 46, died Sunday when he was shot in the forehead during the battle at Hue.

Father McGonigal, an Army major assigned to the United States Advisory Compound at Hue, had asked special permission to leave Army headquarters and join marines who were fighting without a Catholic priest.

Known throughout Vietnam for his devotion to the "men in the field," he was never satisfied with celebrating several masses a week in the compound, an Army doctor who worked with him said.

AWAITING REPLACEMENT

He had been assigned to a desk job at DaNang and was awaiting his replacement when he asked for permission to go out into the battlefield.

He had traveled all over the northern provinces since he arrived in South Vietnam in December, 1966, and had come to Hue when the Army compound was first attacked at the end of January.

According to one report, Father McGonigal had traveled with a Vietnamese airborne unit and made his own way across the Perfume River, at a time when no one else was able to cross, in order to reach the old imperial capital.

The slight, 5-foot 6-inch priest had taken a leave in his ancestral home of Ireland, when he asked for an extension of his tour of duty at the end of last year.

Born in Philadelphia, he studied at Woodstock College from 1944 until 1947 and from 1950 until 1954. He was ordained in 1953.

After teaching for several years at Gonzaga High School in Washington he came to Baltimore in 1956 and taught Latin, English, algebra and physics at Loyola High School until 1960.

REQUESTED VIET DUTY

Father McGonigal then returned to Washington, where he studied for a master's degree in physics at Georgetown University.

He first enlisted in the Army in 1961 and served for two years. In 1966, he volunteered again, asking specifically for an assignment in Vietnam.

Questionnaire

HON. ROBERT TAFT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. TAFT. Mr. Speaker, on Thursday of this week, I will begin mailing a questionnaire to my constituents in the First Congressional District of Ohio. The response to the questionnaire mailed by me in July 1967 was overwhelming, and has encouraged me to again ask my constituents to take a position on some of the major issues facing the 90th Congress.

For the information of my colleagues, the following are the questions and brief note that I am sending to my constituents:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 1968.

DEAR FRIEND: As your Representative in Congress, I need to know your position on many of the major issues that are facing our

² Bureau of Labor Statistics data.

nation today, and would appreciate your taking the time to answer the questions and return the completed card.

The Questionnaire may be returned by cutting along the dotted line, and mailing it to me. If you need more cards for other voters, or if you have any additional comment or questions, please call or drop by my District Office, Room 754, U.S. Post Office and Court House Building, Cincinnati. Telephone 684-3284.

Sincerely,

ROBERT TAFT, JR.,
First District, Ohio.

- | | | |
|---|-----|----|
| 1. Do you approve of the Johnson administration's handling of the Vietnam war? | Yes | No |
| 2. Do you favor military withdrawal by the United States from South Vietnam even without reasonable assurance that the Vietnamese people will have a free choice of government? | Yes | No |
| 3. Do you approve of the United States' handling of the seizure of the U.S.S. "Pueblo" by North Korea? | Yes | No |
| 4. Should the draft laws be changed to require application of national standards for induction into the Armed Forces? | Yes | No |
| 5. Should the Nation be working to eliminate a compulsory draft? | Yes | No |
| 6. Do you feel the administration's proposed income tax increase is justified? | Yes | No |
| 7. Do you support the administration's proposed tax on foreign travel? | Yes | No |
| 8. Should the administration be doing more to combat inflation? | Yes | No |
| 9. Should Federal Government spending be cut? | Yes | No |
| 10. Do you feel that air pollution is a serious problem in the Greater Cincinnati area? | Yes | No |
| 11. Do you believe air safety procedures at the Nation's airports, including Greater Cincinnati Airport, are adequate? | Yes | No |
| 12. Do you feel government at all levels must take additional steps to enforce law and order? | Yes | No |
| 13. Do you favor offering government incentives to employers to hire and train unskilled workers? | Yes | No |

Our Continued National Growth Requires Strong Homebuilding and Home Financing Industries

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1968

Mr. BROWN of Michigan. Mr. Speaker, I am certain most of us vividly recall the financial turmoil of 1966, which plunged the housing industry into a severe recession. While there is no firm indication that we are about to enter a similar period, there has been a tightening of credit and we have seen some early indications of a flow of funds from the mortgage market. Lenders are seeking prime borrowers for their available mortgage funds, or, are charging large discounts on FHA-insured loans. If this pattern continues it will result in conditions that could set back homebuilding and buying just as they are on the verge of recovery.

On no less than three occasions since 1950 the housing industry has been severely constricted as the Federal Reserve tightened credit to ward off inflation. These fluctuations did not occur by accident. They were the result of policies that had been planned and implemented, and, as such, they can be anticipated and preventative action taken.

The Department of Treasury stated in a report to the Senate Subcommittee on Housing and Urban Affairs, that—

If it were not for reductions in availability of mortgage funds, housing starts probably would have increased in 1966, so it seems reasonable to assume that financial conditions fully accounted, and in effect more than accounted, for the year-to-year decline in housing starts.

Historically there seems to me to be a correlation between the volume of FHA housing finance activity and the adequacy of the interest rate allowable for these loans in relation to interest rates prevailing in the capital markets. For example, it has come to my attention that during the period from early 1962 until the latter part of 1965, discounts on FHA new-home mortgages first declined from around 4 percent to a level below 2 percent which held for over 2 years. During the same period, the volume of mortgage insurance applications for existing homes rose steadily from a 550,000 annual rate to a sustained annual rate level over 800,000 in the latter part of 1965.

It should be remembered that the statutory interest rate ceiling on FHA insured mortgages has been 6 percent since 1934 with discretion given the Commissioner to vary the rate below that ceiling to meet conventional money market conditions.

In spite of three discretionary interest rate increases of one-fourth percent each in 1966, discounts on FHA new-home mortgages rose from 2 to 7½ percent, the level immediately before the final increase to the statutory maximum interest rate of 6 percent. With this rise in discounts, the rate of existing home applications dropped more than half from the annual rate to a level below 400,000 late in 1966.

Easing of mortgage money conditions in early 1967 resulted in a decline of discounts on FHA mortgages from nearly 7 percent at the beginning of the year to 2½ percent in May, with an accompanying recovery of existing home applications to a 700,000 annual rate in May. Later tightening of credit to record money market rates has resulted in discounts on 6-percent FHA mortgages to nearly 7 percent and helped to bring about a reduction in the annual rate on existing home applications by 150,000.

Our continued national growth requires strong homebuilding and home financing industries. These are also required to produce enough new housing for the needs of our growing population, and to sustain the availability both of housing and necessary credit for families seeking homeownership. I believe it is essential that legislation be adopted for this purpose. I have, therefore, introduced H.R. 15385 to remove the statutory limitation on maximum interest rates which may be charged on home and project mortgages insured by the Federal Housing Administration. This amendment to the National Housing Act would permit the Secretary of the Department of Housing and Urban Development to set the maximum interest rate at a level necessary to meet the prevailing mortgage market. Such a flexible rate would open the mortgage market to many developers—particularly those seeking to serve the moderate and lower income families.

While the interest rate on FHA insured mortgages has been held to 6 percent, the yield on long-term Treasury bonds has risen from 4½ percent to a peak monthly average of 5.44 percent—almost eliminating the 1½ to 2 percent spread which has traditionally reflected the differences in risks and servicing costs between these two types of investments. As a result, lenders are veering away from mortgage loans to these other, more favorable investments. The attitude of many is, why put money in a mortgage loan where the ceiling is 6 percent, when you can get 7 percent on an AA-rated bond?

In periods of tight money, borrowers who are in the greatest need of mortgage terms provided through Federal help—the low- and moderate-income families—are the ones first deprived of access to available funds. The FHA programs, designed to provide financing for these families, are put at a competitive disadvantage in the money market because of interest rate limitations.

When FHA maximum rates are unrealistically low in relation to money market rates FHA mortgage financing as a practical matter dries up. The upsurge of interest rates late last year clearly slowed the flow of funds into savings banks and savings and loan associations. The same is true for the trend in mortgage commitments. Those low- and moderate-income families who desire to purchase homes, must make a choice between still more onerous credit terms through uninsured financing frequently with multiple mortgages, or postponement of buying.

If we are to avoid this type of inequity in the home buying and mortgage market we must raise the present statutory ceilings to make it possible for insured mortgages to compete in the capital markets for available funds.

The housing needs of our Nation are great and pressing, and the interest rate restrictions of the present FHA law simply compound the problems. In view of the current state of the money market and probable future economic and mortgage market conditions, it is imperative that the FHA maximum interest rates be raised immediately. I urge my colleagues to join in support of this legislation which will relax the existing inflexible interest rate restrictions.

Tax-Free Revolution

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. RARICK. Mr. Speaker, George S. Schuyler, a noted American author, has set forth in a poignant manner the destructive role being played by too many tax-free foundations in financing riots and revolution in America.

Speaking of the upcoming Ameri-Cong invasion of Washington, D.C., he concludes in his own inimitable style:

Everything will be tax exempt—in other words, subsidized by you and me.

The anti-American application of some tax-free moneys—in addition to their uncontrolled giveaway of moneys contributing to the responsibility for the inflation scare ballyhooed to raise income taxes—is the reason I introduced House Resolution 1066 to investigate organizations granted tax-free status under section 501(c) of the Internal Revenue Code for the purpose of revising the law so some of these funds become taxable or their uses greatly curtailed.

It has come time for many wealthy tax-free organizations to come of age—to be responsible and like all good citizens pay their taxes. Working people do, soldiers do, businessmen do. Why should not destructive tax-free foundations?

I include George Schuyler's article and House Resolution 1066 following my comments:

THANKS TO THE TAX-EXEMPT FOUNDATIONS—
THE BLACK REVOLUTIONISTS NEED NO NEGRO
DOLLARS

(NOTE.—George S. Schuyler, the outspoken Negro conservative has been a newspaperman for more than half a century. He is the author of "Black No More" and "Black And Conservative.")

(By George Schuyler)

NEW YORK.—It takes no Sherlock Holmes to deduce that with the government's anti-poverty agencies and the white funds and foundations subsidizing the black revolutionists, those dedicated hustlers need no Negro followers to survive and prosper.

It is no accident that none of the numerous local and national groups financing nuisance and disorder in our cities during the past decade has been bankrolled by blacks, with the partial exception of the National Association for the Advancement of Colored People, which despite vigorous recruiting, is losing membership. The others can justly hum the turn-of-the-century song hit, "I Got a White Man Working for Me."

In its incipency, the "revolution" got its money from innumerable white Northern college chapters of Snick (Student Nonviolent Co-ordinating Committee), CORE (Congress of Racial Equality), Jewish leftists, assorted liberals and Martin Luther King's roaming bands of peripatetic parsons who stayed long enough in a Southern community to skim the cream off the collections in local churches, stage public prayers for the souls of white folk with television cameras grinding, and then move on.

Today big funds and foundations, local and national, have taken over the financial obligations of backing the "revolution" with substantial long green. The Ford Foundation recently announced a \$200,000 grant to Dr. King's Southern Christian Leadership Conference to aid nonviolent protest (which always seems to end up violently). Previously King's clansmen were trained at the Highlander Research and Education Center in Knoxville, Tenn., and the Dorchester Center in Liberty County, Ga., whence they scattered over the Deep South infecting the populace.

The Ford grant of \$200,000 will enable Dr. King's group to operate on a much larger scale, to conduct its schools in 15 of the 25 cities having Negro populations of more than 100,000. McGeorge Bundy, head of the Ford Foundation, says: "Religious leaders of all faiths are recognizing the need for a new and broader role for the ministry in the crisis of the cities." There will be five-day seminars for about 150 Negro ministers exploring the fields of education, housing, employment and business opportunities:

almost everything except religion. Thus will the urban Negro masses be enlightened through the political pastors.

The SCLC will operate this program in cooperation with Dr. Kenneth B. Clark's Metropolitan Applied Research Center (MARC) in New York City. Dr. Clark, a City College psychologist who has specialized in the alleged slum shock in black "ghettos," is credited with helping to persuade the Warren Supreme Court to hand down the 1954 public school desegregation decision. There were then 2.2 million Negro children in all-Negro schools; 14 years later there are 2.5 million black children in all-Negro schools.

In a generous mood, the Ford Foundation has also given \$522,200 to the leftish National Catholic Conference for Interracial Justice for its interdenominational program, Project Equality, which seeks to overcome racial discrimination in employment. It already operates in 12 metropolitan areas, pressuring religious institutions and suppliers to review their hiring practices "and to act to improve them if necessary," a seemingly ominous note.

Not long ago the Ford Foundation handed over \$150,000 to the Cleveland CORE, which came just in the nick of time. The landlord was about to oust the group from its headquarters and the telephone had been cut off. It looked as if the agitators who had worked so valiantly to incite the Hough race riot in the Ohio metropolis would have to get jobs.

Ford saved the day and the sighs of relief could be heard in Hanoi. The persuasive national director of CORE, Floyd B. McKissick, should probably be credited with this triumph of pandering. And significantly the public has been left in the dark as to just what it is Ford wants CORE to do in Cleveland. CORE can have no doubt about what it is going to do. Roy Innis of New York has just become its associate national director, and it was Roy who two years ago led the ideological fight for Black Power within the organization.

The hotbeds of radical agitation in the "ghetto" are well stocked with assorted Negro "intellectuals"—actors, writers and singers—who have recently switched from integration back to segregation. Not surprisingly, the Ford Foundation came up with the money needed to accelerate the avant-garde trend. In 1967 it made a \$434,000 grant for a three-year period to the Negro Ensemble Company. The first play it produced off-Broadway was an alien import devoted to the "horrors" of the Portuguese Africa. That's show business, these days.

A separate Negro theater has been established in an old theater building in Harlem where, without white subsidy, a group of Negro actors produced Shakespeare and current Broadway hits as far back as 1912 and periodically until the Depression. To the new Jim Crow enterprise Ford gave \$18,000. Rockefeller gave \$17,500. The New York State Arts Council forked over \$5000, and two anonymous members of the Rockefeller family gave \$2500 each. All tax-exempt, of course.

The Rockefeller Foundation gave a grant of \$62,500 over three years to the Free Southern Theatre, an integrated group of actors which has roamed the rural South since 1963 where propaganda plays have been taken to communities without theaters. Its repertoire has been less concerned with Shakespeare than with Marx.

The Mellon millions, siphoned through the late Stephen Currier's Taconic Foundation, helped to sustain the "revolution" in Mississippi and elsewhere. The National Council of Churches helped bankroll the Delta Ministry and aided the "revolution" in the Mississippi boondocks, even to the take-over of Federal property. Along with funds from UAW's treasury and coin shifted from anti-poverty funds, the Mississippi Freedom Democratic party was long sustained, and

will rise again to bedevil the Democratic National Convention in Chicago this year.

Some sort of accolade should perhaps be given Saul Alinsky of Chicago's Woodlawn Organization for his ability to scrounge funds for purposes of the "revolution" not only from liberal religious and lay organizations but the Federal Treasury as well, to no discernible advantage to Negroes, poor or otherwise. He has garnered millions in Rochester, Syracuse, Buffalo and other cities from those who believed he had some magic formula for solving the racial problem in the cities.

His \$927,000 Chicago program, funded directly by the Office of Economic Opportunity, is currently under investigation. His formula is to organize black ex-convicts, delinquents and mental retardates under pious pastors, pay "trainees" salaries which they could not earn after a decade's instruction, and bulldoze local businessmen and authorities. Alinsky is a director of the Highlander Center.

Fattened with additional funds, Dr. Martin Luther King has just appointed Rev. Bernard Lafayette Jr., a Snick founder, to coordinate the "Poor People's Campaign for Jobs and Income," scheduled to descend upon hapless Washington this spring. Rev. Lafayette, a veteran bedeviller of white folks in Dixie and organizer of the Selma-Montgomery march, is also an alumnus of the tax-exempt American Friends Service Committee. With Rev. Andrew J. Young, former director of the Dorchester Center, to aid Rev. Mr. Lafayette, the Ford Foundation will be comforted by the assurance that the scores of ministers King's schools train will be well mobilized for the SCLC upcoming invasion of Washington. Everything will be tax-exempt—in other words, subsidized by you and me.

H. RES. 1066

Resolved, That there is hereby created a select committee to be composed of nine Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of organizations which have been granted exemptions from Federal income taxes under section 501(c) of the Internal Revenue Code of 1954, for the purpose of determining whether such organizations comply with the provisions of such section, and whether modification of such provisions would be in the public interest by restoring to taxable revenue the incomes presently declared tax free.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

National Church Council Pleads for Bombing Halt

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. BROWN of California. Mr. Speaker, the general board of the National Council of Churches, meeting in San Diego last Thursday, adopted a resolution on the Vietnamese war. This resolution is an urgent plea to both Hanoi and Washington to use "restraint" in the war "in order to promote possible peace negotiations."

While the National Council of Churches does not represent all churchmen in our country, it does speak for the major portion of Protestant and Orthodox churches. This amounts to about 42 million Americans who are being guided toward examining the activities of the Vietnam war on moral grounds.

I believe that there is a moral issue involved in the war and especially in the bombing of North Vietnam. I also believe that this Government's position cannot long be defended from an ethical point of view after our people realize what is happening. We should each remind ourselves that Americans are a moral people, and they will hold this Government responsible for what history records that we here did or failed to do as their Representatives. I urge that we all reexamine our positions on the war and the bombing, and give serious consideration to the moral questions involved.

I put in the RECORD the NCC's resolution on Vietnam because I believe it will be useful in taking another look at our own personal stand on the Vietnam issue:

RESOLUTION ON VIETNAM

1. The General Board of the National Council of Churches makes the following observations concerning the situation in Vietnam.

2. Prime Minister Harold Wilson is reported to have stated in the House of Commons on February 13, 1968, concerning the prospect of negotiations: "There is a very narrow gap to be bridged now, very narrow indeed." On February 14, The New York Times reports: "Secretary General Thant believes that if the United States unconditionally stopped the bombing of North Vietnam for as long as about two weeks, Hanoi would begin meaningful negotiations." The General Board welcomes these statements and considers that at this time no possibility of a peaceful settlement should be left untested by our government.

3. Secretary General Thant is further reported as saying that there is "a not unhopeful prospect for negotiations despite bloody military developments of the last few weeks." In the light of this, we view with disquiet the statement attributed to President Johnson: "that the search for peace appeared to be exhausted and therefore the time for debate had come to an end while brave Americans made their stand in battle." The General Board believes that this is a time when hardening of attitudes should be avoided, when there should be continued examination of U.S. objectives and methods in Vietnam, and when the search for a negotiated peace should be intensified.

4. Recent military and political developments in Vietnam indicate that the fundamental issues remain, and indeed grow more

acute. Pacification programs appear to be in disarray, and the effective loyalty of large elements of the South Vietnamese people to the Saigon Government appears to be in grave question. The Americanization of the war appears to grow in serious measure. There are many statements calling for intensification of the U.S. military effort. Assurances by General Wheeler that atomic weapons will not be used at Khesanh lead us to welcome and support the reported statement of President Johnson that the use of nuclear weapons has at no time been considered or recommended. Whatever the provocation might be, we do not believe that nuclear weapons should be used in Vietnam. Indeed further intensification of the U.S. military effort, whether by invasion of Laos or Cambodia or North Vietnam or by large increase of manpower or firepower appears to us to be futile, tending to the destruction rather than the attainment, of U.S. objectives in Vietnam. Similarly we believe that a massive attack on Khesanh by Hanoi will produce a hardening of attitudes in the U.S.A. and we appeal to Hanoi for restraint. Further, we ask that Hanoi, instead of simply rejecting the "San Antonio formula," initiate in its own way the stabilization of the present confrontation in the South even as talks are in preparation or underway. Intensification of fighting by either side appears to us to be self-defeating.

5. Encouraged by world leaders and members of Congress who feel that an early, negotiated peace is possible, we urge the President to take leadership now along the following lines:

(a) Hanoi has made repeated statements, the latest on February 8 by the Foreign Minister, that meaningful talks will take place once the bombing of the North stops. We believe that we should move beyond the "San Antonio formula." Recognizing the grave risks involved, we ask for immediate cessation of the bombing of the North, realizing that this step will provide a definitive test of Hanoi's integrity which if successful will lead to negotiations.

(b) Simultaneously with the above, we ask for reference to the United Nations General Assembly or other international body, to the end that cease-fire arrangements and negotiations be facilitated.

(c) We believe that the U.S. should restate its willingness to negotiate with all major elements of the Vietnamese population including the National Liberation Front, and with all parties to the conflict. We believe also that the U.S. must recognize the necessity for flexibility in negotiations.

(d) We believe that it is necessary that the U.S. restate now with decisive clarity its willingness and determination to withdraw militarily from Vietnam at an early date once a peaceful settlement has been attained.

6. We appeal to our churches to continue and augment study and debate concerning the U.S. involvement in Vietnam and to resist hardening of attitudes. Especially in this election year, we ask the churches to increase activity in respect of these matters to the end that both officials of our Government and candidates by hearing from voters who will have participated in such study and debate will be aware of the voice of Christian conscience concerning these fateful issues.

Private Enterprise

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. BROOKS. Mr. Speaker, never before has President Johnson made it so clear and convincing that business must

work with the Federal Government in meeting the urban challenge as he did in his recent message on housing.

The President's message should allay any lingering fears that the administration's program carries a threat to the business world. Rather, he has shown that the only sensible course to follow is one that offers our free enterprise structure greater opportunities to bring its resources to bear on the problem at hand.

The President has now called on private enterprise to use all the force of its technical, financial, and innovative strengths to spearhead the attack on the blight, poverty, and misery that pervade our troubled cities.

In the past, Congress has enacted much legislation that opened many doors of opportunity for private enterprise to engage profitably in homebuilding, mortgage financing, manufacture of building products, and property sales and management. The Congress and the administration have worked to encourage businesses to contribute time, talent, and resources to urban growth. Thus, such recent programs as the model cities, rent supplement housing built by private sponsors, the public housing turnkey method, and others seek to engage private enterprise in our urban crisis.

The response has been heartening, but as the President indicated, the commitment must be wholehearted. His new housing programs seek also to enlist the efforts of the business community. These and the President's efforts to create a working partnership with private enterprise deserve our full support.

Nations, Like Individuals, Need Motivation

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. KUYKENDALL. Mr. Speaker, I would like to commend to the attention of my colleagues an article in the March 1 issue of Life magazine written by Henry Luce III on the present state of England. The article raises some provocative questions which we perhaps should think about in this country.

I was especially impressed by a quote in the article from a series of articles, "What Britain Needs," by Dr. Immanuel Jakobovits, England's chief rabbi. It seems to me there is a deep moral lesson for all men and all nations in Dr. Jakobovits' remarks and I include them at this point:

"Britain's economic tribulations are but a symptom of a deeper moral crisis. . . . Empires, like families, may be disrupted by the intrusion of others: nations, like individuals, fade away because of the enemies within." There is a "vacuum of motivation," Rabbi Jakobovits said, and the times call for a new set of virtues: "Vision more than experience, idealism rather than compromise, the search for challenges instead of for precedents, the excitement of innovation and experimentation rather than tried and trodden paths." He suggested that the welfare state may unintentionally have dampened the citizen's

initiative "by inducing a sense of indolence and apathy born of oversecurity." It may well be, he concluded, that the muted voice of religion explains why England "now gives the lead in the hedonistic cult and in the new mini-morality which exchanges the pleasure of worship for the worship of pleasure."

Court Decisions Frustrating—But Not Surprising

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. DERWINSKI. Mr. Speaker, the New World, the official newspaper of the Catholic Archdiocese of Chicago, in its February 2 issue carried a penetrating commentary by its editor, the Very Reverend Monsignor John M. Kelly, on recent Supreme Court decisions and their relationship to the battle against filth. The article follows:

COURT DECISIONS FRUSTRATING—BUT NOT SURPRISING

The Supreme court of the United States this past week declared unconstitutional Chicago's movie censorship system. Since 1906 this board has been reviewing Chicago's movies with the objective of protecting our populace and in particular our children from the sick erotic movies now flooding our country. Judge Cornelius Harrington, presiding judge of the Circuit court on Aug. 8, 1966, after viewing the two films involved, found them to be obscene. At the same time he held that the Chicago movie censorship system was based on valid constitutional grounds. Last Sept. 29, the Illinois Supreme court ruled on the cases in question and similarly upheld the constitutionality of the ordinance and after viewing the films ruled that they "deal not merely with sex, but with sexual deviations which can only appeal to those with a shameful and morbid interest in nudity and sex," and confirmed the lower court ruling that they were obscene.

Now comes the United States Supreme court in what appears to be the quickest appeal decision from that tribunal in its history and on Monday, Jan. 29, 1968, declared the movie censorship ordinance of Chicago to be unconstitutional. They cite the fact that the city's method of reviewing films and its procedure for appealing a ruling in court were "too slow." It would appear that the U.S. Supreme court can certainly act with dispatch when its unconstitutionality sword is out of its scabbard.

A number of lawyers who have been dealing with this law agreed that this U.S. ruling need not be fatal to the movie censorship board set up in Chicago. They point out that amending the ordinance so as to make it conform to the recent ruling can be accomplished. We most sincerely urge the proper authorities to accomplish this without delay. Chicago has been protected from the worst of the filth movies by virtue of its censorship board. Such a board has been ruled valid in the past. Most certainly great pressure will be applied to bury the board for all time.

It seems strange that the U.S. Supreme court can be unanimous in overturning the previous decisions. It has been reported that three or four of the justices indicated that they did not regard the pictures as obscene and that they were not particularly concerned with the constitutionality of the time element. This is not surprising. Neither is their overturning of the federal gambling

tax law and the weapons control statute. Their rulings should make a lot of folks happy—especially established purveyors of filth, gangsters and would-be gangsters. I fail to see where their rulings help anyone else. This must be tremendously frustrating for the good judges and law enforcement men who are struggling to maintain a decent and secure atmosphere for God-fearing, law-abiding Americans. But then, no one has ever accused the present U.S. Supreme court of being very much concerned about such things.

The West Comes Alive in Bits and Pieces

HON. WILLIAM HENRY HARRISON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. HARRISON. Mr. Speaker, a western magazine, small in size, but great in stature, is rapidly gaining notoriety in the West. The publication is Bits and Pieces, the product of the pen and editorial creativity of Mrs. Mabel Brown, of Newcastle, Wyo.

Now in its fourth year, Bits and Pieces has sought to record the little-known incidents and stories of Wyoming and neighboring States "before it is too late."

Through an informative article in the February 1968 Wyoming Travel Commission's Travel Log, Mrs. Brown explains that she wanted to publish a magazine "dedicated to the hope that fragments of history contained in its pages will fill some of the many gaps which exist in the jigsaw puzzle of the past."

Articles for the magazine have been written by several outstanding Wyoming freelance writers in addition to contributors from throughout the area. Subscribers come from nearly every State in the Nation and from several foreign countries. Bits and Pieces is noted also for its many and varied old photographs.

The current edition of Bits and Pieces, volume 4, No. 1, for 1968, contains an article, "Lost Treasures of the Black Hills," by Watson Parker, who also authored "Gold in the Black Hills" some years ago. The article is an indication of the high literary standards of Bits and Pieces.

To better explain the publication to readers of the RECORD, I ask to include the article by Mr. Parker and the writeup on Bits and Pieces to which I have alluded at this point in the RECORD:

[From Bits and Pieces, vol. 4, 1968]

LOST TREASURES OF THE BLACK HILLS

(By Watson Parker)

"There's Injuns a-comin'! Git the gold—Let's put it in the cave and make a run for it. Jim, you git the hosses! Bill, you help me pack up!" Frantically startled miners rush to ward off or survive the attack, but it is too late. Arrows rain down, bullets crack through the air, and a triumphant war-whoop echoes through the wooded valley as the Indians ride off, leaving death and smoking ruin behind them. Slowly a single figure stirs, struggles to its feet, and staggers off toward immortality. The inevitable sole survivor has survived again, and his tale of a lost mine or a buried treasure will echo longer than the war-whoops ever did.

The earliest of these Black Hills disasters may be that described by the so-called Schoepen Stone, found in Deadwood in 1965 by Peter Schoepen of Sturgis. Signed by D. York and B. Carlon (or Carlow, or Carlow), it says "1712 Came to the Hills in 1708 Leaving with all the gold we can carry." On the other side is a more onimous message, "Gold cached in cave," and the signatures. It might be quite a bit of gold, if the two men worked four years in Deadwood Gulch to get it, but where is the cave? Actually, it is unlikely that anyone using the word "cache" as a verb in 1712 would have spelled it in so modern a way: "cache'd" would probably be the way he would write it. "Leaving", too, is a rather modern usage. And undoubtedly someone writing in 1712 would write that would look to us like "hillf", using the old-fashioned long "s" of our forefathers. Furthermore, these were called the Black Mountains until 100 years after this supposed tragedy. Yet it is safe to say that this message, passed on in newspapers and by word-of-mouth, has started a search that will never end.

The next account is about 120 years later—in 1834 to be exact—when a miner named Ezra Kind is presumed to have scratched the message onto a rock: "Came to these Hills in 1833 seven of us, De La-compt, Ezra Kind, G. W. Wood, T. Brown, R. Kent, Wm. King, Indian Crow, all ded but me, Ezra Kind. Killed by Ind. beyond the high hill got our gold June 1834. Got all of the gold we could carry our ponys all go by the Indians I have lost my gun and nothing to eat and indins hunting me."

If the stone is authentic, that ought to be quite a bit of gold, but so far nobody has found it. Here, too, the text seems somewhat dubious, for the errors seem to be those of a learned writer trying to appear unlettered. The man who would carefully write "got all of the gold we could carry" is not one who would write "ded" or "ponys", or who would spell "Indians" correctly twice, only to later spell it "indins." The construction "I have lost my gun and nothing to eat" using "have" in a double sense is neither an English nor a Germanic usage, but may be somewhat Scandinavian—and Louis Thoen, who found the stone in 1887, was a Norwegian. Frank Thompson, of Spearfish, has devoted long years to the Thoen Stone, and his book on the topic published in 1966 by the Harlo Press, presents a good case for the existence of Kind and his party. But I don't think that anybody will ever find their gold.

A more authentic tale is that of the Douglas party of 1852 but the fate of the party's members and their gold is equally vague. In 1852 a group of miners, led by a Captain Douglas of the St. Joseph Valley, Michigan, left Council Bluffs, Iowa, for the California mines. At Fort Laramie thirty of the miners left the party to prospect in the Black Hills. In November, eight of these prospectors caught up with the main body on the Humboldt River, and reported that gold had indeed been found in the Hills, first on what appears to have been Rapid and Spring Creeks, and later in the northern Hills. The twenty-two men who remained in the Hills were never heard from again, unless the tale of Thomas Renshaw of Cincinnati, who later claimed to be one of the party and to have barely escaped the inevitable Indian massacre, can be relied upon. When prospectors came to Deadwood in 1875 they did find old shafts and tunnels, and a breastworks behind which lay two skeletons and a notebook, illegible except for a date 1-52 (1852?). But if these twenty-two murdered miners found enough gold to keep them in the Hills for a fall and summer, where is it now?

Another story of gold and massacre is that of a party of sixteen French Canadians who came to the Hills in 1854 and were success-

ful in their hunt for gold along the bars and placers of Castle Creek. Jumped by Indians, they hid their gold in a jug which they concealed in a nearby cave or crevice in the rocks. As late as the 1930's there were old Indians who claimed to be able to show—for a price—just where it was.

On Beaver Creek—the one which runs along the east side of the Hills—there is a flat stone, and under it, so they say, is a poke of gold dust worth \$40,000. It seems that in the early days a band of Indians jumped a group of miners and stole their gold. Active soldiers from Camp Collier rushed after the thieves in hot pursuit. Before they caught them, the Indian with the gold managed to slide it under a rock along the creek bed. He never could find it again. Its probably just as well—it would weigh well over 100 pounds, and anybody who can handily carry a bag that heavy probably could earn a living by his own exertions.

Would you like to spend some time in the Bear Lodge Mountains northwest of Sundance? Why not try to find what is left of "Crazy Hank" Joplin's horde—it's also somewhere along Beaver Creek. In 1866 Joplin left Omaha for the Montana mines accompanied by Henry Ganson, Albert Royer, Jerry Detrich, Michael Powers, John Ferrell, and James McIntosh. Near Fort Laramie they met an Indian boy whose arrows were tipped with beaten gold. The boy indicated that he had found the precious metal in the nearby Bear Lodge Mountains. The seven miners there panned out gold at the rate of \$3,000 a day, until they had some \$70,000 worth. Indians attacked the party and killed all of them but Joplin, whom they left for dead. Reviving, he caught a horse that the Indians had overlooked, loaded two hundred pounds (!) of gold dust on its back, and burying the rest, headed for civilization. He made it, but the experience so unhinged his mind that he was little better than an idiot until years later, when, of course, he could not find the spot again.

Do you know of a place, a day's ride northwest of Deadwood, where "water runs in four directions." If you do, perhaps you can find the 286 pounds of gold buried there by a party of New Yorkers who were returning from the Big Horn in 1876, when they were attacked by Chief Crazy Horse. They buried their gold, but never could find the place again. Now that there are reliable topographical maps the place shouldn't be hard to find.

Camping near Sheridan Lake? Go down the valley about two miles to the site of the old Burnt Ranch mining camp, and see if you can find the \$3,000 secreted by the murderer of Norman McCully. McCully had prospered in the diggings near Sheridan and was on his way to Rapid City with his gold. Waylaid by a deserting soldier, he was murdered and his gold hidden, somewhere. The soldier, apprehended, could not be convicted of the murder, but was sentenced to a term in the guard house at Fort Benton, Montana, for desertion. Put to work in the prison sawmill, he was one day chided by a fellow convict about the suspected murder. Without a word he seized his accuser and shoved him into the circular saw, "parting his hair clear down to his naval." The outraged sawmill gang hanged him from the rafters without pausing to inquire about the missing gold. It is still missing.

How much would a box of gold coin that it took two men to lift be worth? Well, there are two such boxes hidden in Palmer Gulch, probably somewhere near where the old Hill City-Keystone road cuts across it. It seems that a prospector once lived in what is now Addie Camp—at least he prospected for the fun of it—and made his living growing vegetables to sell to other miners. The mines and the truck garden together were so profit-

able that he accumulated two big boxes of raw gold, boxes so heavy that when he headed up to Deadwood with them and stopped for the night at Pactola, he had to have help lifting them out of the wagon. At Deadwood, he changed the raw gold for gold coin, and returned again to Palmer Gulch. It is said that he buried his gold somewhere in the area. Old Uncle Bill Gordon always used to think it was near on the old Merle Hendricks place, later owned by Martin Kuehn, about a mile east of the Gulch along the old Hill City-Keystone road.

But listen! Frank Mills, a rancher in the area, once told a friend that he dreamed of riding past two great split rocks, and saw, in his dream, the corner of a wooden chest, exposed by a fall of loose rock. He never went to the place himself, though, probably because he really didn't know where it was. Perhaps Mills actually did once ride past those rocks and subconsciously noticed the wooden chest, and then later dreamed it. Do you know where there are some huge split rocks near Palmer Gulch which might have two heavy boxes of gold nestled between them?

Old Mike King was a prospector who had hunted gold all over the world—in Australia, Alaska, and South Africa—and he knew whereof he spoke. When I was a small boy my sister and I used to get mother to bake an apple pie; then we'd carry it down to old Mike's place, near the Golden Summit Mine, just to hear him tell of his adventures. He knew where the Lost Dutchman Mine was, in Arizona's Superstition Mountains, and he knew how to find the faulted lead in the Golden Summit—and he knew just about where two big diamonds were, in the blow-down south of the Grizzly Bear Mine.

It seems that about the turn of the century a miner had come to the Hills from South Africa bringing with him two rough diamonds, which he hid in the log wall of his cabin while he worked in a nearby mine. Along came a violent tornado—the green aspens south of the Horse Thief Lake Road across from the Grizzly Bear still mark the place—and the miners clung fearfully to the walls of their shaft as the wind endeavored to suck them upward. When the storm had passed nothing was left of the surface workings: no mine buildings, no cabins, no diamonds. Nobody has ever found them.

Cornelius "Lame Johnny" Donohue was a good boy gone bad. A graduate from Girard College (actually an orphanage in Philadelphia) he came to the Hills in the 1870's, took to a life of crime, and eventually ended up decorating the limb of a tree near where Battle Creek crosses South Dakota highway 79, south of Hermosa. As well as a crippled leg, he had a distinctively large mouth, and one of his executioners posted a sign over his grave: "Here lies Lame Johnny beneath the sod—if he opens his mouth, you're gone by God!"

But what happened to all Lame Johnny's treasures? Some say he was mainly a horse-thief, and never did have any gold to hide. Others claim that he had a cave on Fall River, near the present Angostura Reservoir, where his loot may still be buried. But the most persistent rumor is that he had a bucket full of stolen gold watches, and that these are buried somewhere near Horsethief Lake. This artificial lake, you see, now fills a long, narrow valley, which in earlier days could be converted into a corral by stretching a rope across its end. Here Lame Johnny is said to have kept the horses he stole, and it's only reasonable to think that he kept his loot nearby. On the other hand one can't help wondering about the decrepit ladder which used to lead to the inaccessible basins up the crick from the Elkhorn Camp Ground and it may have been in these Basins where Johnny hid his watches.

There's a two-hundred pound lump of gold, stolen from a Homestake treasure shipment, somewhere up in the limestone country. The story is that a bandit named Big Nosed George was a part of a gang which fitted their horses with special saddles to carry these ingots, and then successfully robbed the treasure coach. Wounded, George nearly made his way to the bandit hideout, but growing weak had to cache his gold under an overhanging cliff. When he recovered he went on into Wyoming, and was there arrested and put in jail until the 1930's. He came back to the limestone country in 1934 to hunt for his gold but could never find it, and to enlist help, eventually had to tell the story. It didn't do him any good, for the gold is there still, waiting for you under the pine needles in the shelter of a limestone cliff.

Maybe it was this same gold shipment—some \$140,000 worth—that was reputedly stolen from a treasure coach, and hidden somewhere on Lame Johnny Creek, where it crosses South Dakota highway 79. That would be just about where Lame Johnny Donahue is buried, and perhaps his ghost watches over the money. One can't help but feel that it would make him feel good to have it with him.

Another whole treasure chest is said to have been buried in the foothills, near Hat Creek, about four miles south of Battle Creek. It was stolen from a treasure coach bound for Sidney. Those treasure chests were built pretty solid—it ought to still be there.

Most of these big gold hoards are supposed to be the loot from the famous Canyon Springs robbery of 1878. But, alas, as far as the records show, only \$27,000 was stolen in this holdup, and most of that was ultimately recovered. Perhaps the Homestake never would admit how much money it had lost, or perhaps the stagecoach company didn't want to publicize how much money could be stolen from the heavily-laden treasure coaches. There was a man named "Big Nose George" involved in the robbery, but as he was killed on the spot it doesn't seem likely that he carried any of his gold very far. All told, it seems unlikely that any of this treasure still remains undiscovered.

The Metz family gold, supposedly hidden somewhere in Red Canyon, is another Black Hills will-o-the-wisp. Metz, a successful baker in Custer, sold out his business in 1876, and took the proceeds, \$3,000 in gold, with him as he left the Hills. When the party was ambushed by the Indians in Red Canyon, only William "California Bill" Felton survived the massacre. Did the Metz family have time to hide their gold before the Indians killed them? Or did Persimmons Bill, a local bandit who may have joined in the attack, get the gold from the Indians and later hide it somewhere in the canyon? Whichever it was, folks still look for it in the area around Metz Spring, and one shepherd is said to have found at least a portion of it, a single nugget in an old tin can.

All of these stories of treasure and mines seem to rest upon a common foundation: the gold is found, then through accident it is lost, and through some mischance the story is revealed to the public, but always in a brief and garbled form, so that the location of the treasure itself cannot be exactly known. The size of the hoard always seems immense, and yet so easy to find that one wonders why someone has not simply walked to the place and dug it up. But it is not that easy, for time dims and twists the stories, subtly alters directions and distances, and casts over the lore of hidden riches a golden glow of mystery, so that gold, once lost, remains concealed forever.

(NOTE.—Some of these stories were current in the West before the Civil War. Others got their start during gold rush times in the 1870's, and were originally recorded in the

newspapers of the Black Hills and the surrounding towns. Some of them may be found in Leland Case's Guide Book to the Black Hills and Bad Lands, or in Robert Casey's Black Hills and Their Incredible Characters. Whatever the source, all of these tales are a part of Black Hills folklore, and now pass from facile lip to trusting ear as the gospel truth, a certain guide to fortune and adventure.)

[From the Wyoming Travel Commission Travel Log, February 1968]

BITS AND PIECES FILLS GAPS

A deep love and respect for history, especially that of northeast Wyoming and the Black Hills region, has resulted in a monthly magazine dedicated to the hope that "fragments of history contained in its pages will fill some of the many gaps which exist in the jigsaw puzzle of the past."

"Bits and Pieces," now in its fourth year of publication, is the brainchild of Mrs. Mabel Brown, of Newcastle, Wyo., who does all of the work on the award winning publication.

"I have always been interested in western history, partly I suppose because both my father and mother came from pioneer families. After my own family was grown, I had more time to devote to the study, and I saw all of the wonderful old pioneers and heard their stories. Everyone talked about starting a publication to preserve these stories, but no one ever did anything about it. I decided to get at least some of them before it was too late and started 'Bits and Pieces,'" Mrs. Brown notes.

The history-rich northeast section of the state, site of many brief-lived mining towns as well as a storehouse of western Americana, is a fertile field for the pen of Mrs. Brown.

"Each issue contains and will continue to contain at least one story about northeastern Wyoming and the Black Hills. Although I probably would not pass up a particularly good story about a more distant western state, I plan to use only articles about Wyoming and its surrounding states (and North Dakota as it is impossible to tell the history of Dakota without including North Dakota)," said the editor-publisher.

Mrs. Brown has collected a superb collection of rare books, and "I try to share bits from these with my readers as well as stories of pioneers and histories of places." She recently reprinted the entire "Hand Book of Wyoming, published in 1877 by Robert Strahorn as a guide to gold seekers and immigrants to Wyoming and the Black Hills. This book is long out of print and hard to come by. Strahorn was a far-sighted man. He told of the importance of the soda ash in areas which are just now beginning to develop the resource.

"Bits and Pieces" is noted for its many and varied old photographs.

Mrs. Brown has won various state and national awards for her own articles and for the publication.

Accuracy is the byword with the publisher, and she checks "as carefully as possible to see that my own articles as well as those I receive are accurate." Stories concerning pioneers are checked but they are published as "tales told" and can, of course, be considered as folklore but there is a great deal of important history to be found in these tales.

"I have often found bits that when checked against court records and old newspaper files have been just the piece needed to fill a gap in a particular page of history," notes Mrs. Brown.

Articles for the magazine have been written by several outstanding Wyoming freelance writers in addition to contributors from throughout the area. Familiar names include Elsa Spear Byron, Sheridan; Elizabeth Thorpe, Newcastle; Helen Oliver and Edith Jackson, daughters of Newcastle pio-

neers who themselves have seen more than 75 years of living in the region; Mildred Fielder, author of "Wild Bill Hickok" and "Early Deadwood" and several other books; Lucy Peterson, a 90-year-old pioneer and newspaper woman from Bell Fourche, S.D.; Mrs. Grace Ries, Mrs. Anna Freel and Louise Flynn, all of Cheyenne and Tom Nicholas of Casper, just to name a few.

Poets from throughout the Nation and several from Canada have appeared on the Poetry Page. These poets include well known writers and college professors as well as housewives, cowboys, sheepherders and students.

Subscribers come from nearly every state in the Nation and from several foreign countries. Many college libraries have subscriptions as well as a number of public libraries.

"I love the West and particularly Wyoming's Black Hills and Big Horn areas. Wyoming has a little bit of everything. There is no place on Earth quite so wonderful," concludes Mrs. Brown.

How C. R. Smith, Evans Built an Airline

HON. RICHARD FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. FULTON of Tennessee. Mr. Speaker, a pioneer in aviation in our Nation has now been named Secretary of Commerce.

Mr. C. R. Smith, formerly president of American Airlines, can be expected to bring those outstanding qualities of leadership which he has demonstrated in private industry to his new post as Secretary of Commerce.

Mr. Smith has deep ties with my home congressional district, dating back to 1933. He was a major influence in developing airline traffic in Nashville, Tenn. The same energy and enthusiasm he had shown in pioneering air transport, airmail, and airlines in his native Texas was brought with him when he was assigned to Tennessee, and both Tennessee and Texas are fortunate to have been the recipients of his influence.

The achievements of our new Secretary of Commerce, Cyrus Rowlett Smith, are chronicled in an article by Mr. Joe Hatcher, of the Nashville Tennessean. Mr. Hatcher has firsthand information of Secretary Smith, and worked with him when he first came to Tennessee in 1933. This article gives an insight into the man, his abilities and his accomplishments and should be read by every Member of the Congress. Therefore, I include the following article by Mr. Joe Hatcher, of the Nashville Tennessean, in the RECORD at this point:

How C. R. Smith, Evans Built an Airline
(By Joe Hatcher)

Cyrus Rowlett Smith, the new Secretary of Commerce,—we knew him back when—back when he first came to Nashville as a young lobbyist in the legislature and through the years as an influence in Nashville's development in airline traffic.

Back in 1933 when the legislature met, a tall young Texas known as "C. R." came to Nashville to "lobby" against a proposed state tax on gasoline used in airplanes. He was little known outside his native Texas, but his personality and enthusiasm first gained Nashville newspaper support against extend-

ing the gas tax to aviation gasoline in the infant air transport system.

BASIC RESPONSIBILITY

C. R. was then and is now a man who thought that industry and business interests had a basic responsibility of winning public acceptance. His idea of lobbying in those days was unique in the terms of the way some lobbyists proceed today.

It was C. R. Smith's idea that he should take his argument about a public issue to the public, through every means possible—and that included the public press.

And so that year he came to the Nashville Tennessean to convince us of the right purpose of his trip to our state. He was candid, direct, forthright—and because of these things he won the confidence of those he met.

It was our privilege to be associated with "C. R." through that session and spend time with him in his quarters in the Hermitage hotel. The legislature turned down the new tax, and Nashville was to know C. R. Smith well through the years that followed.

We will always remember the occasion of "C. R." becoming President of American Airlines. In those days the airlines—like the railroads at the time—used "passes" in lobbying.

It was through "C. R." that we had American airlines passes in 1934 to attend the National Air Races at Cleveland, Ohio. The passes were subject to the terms "if space available"—in other words if no pay passengers wanted the seats.

SPACE AVAILABLE

My wife and I found two seats aboard the American plane late one afternoon, and who should be aboard but C. R. Smith, then a vice president of the Southern division of American Airways. He too was bound for Cleveland and the air races—and incidentally a board meeting of American.

C. R. Smith's story was that he too was traveling on a "space available" ticket, so together we sweated out the seat problem at Louisville, at Columbus, O. and then at Akron O. At Akron, something went wrong with a battery and the plane wouldn't start. The tension mounted as the time elapsed, and "C. R." figured out he could make it by train if he were bounced. None of us were.

The next afternoon, we read in a Cleveland paper that one C. R. Smith, at 35, had been elected President of American Airlines. To this day, Smith swears that he did not know he was to be elected, and that he was actually sweating out his passage. Somehow, we never quite believed he would have been bounced even as badly as the airlines needed dollars in those depression days.

But we were to know Smith through the years afterwards.

His exalted position never changed his warm, down-to-earth friendship.

A CLOSE FRIEND

A few years later, Silliman Evans Sr. came onto the Nashville scene to purchase the Nashville Tennessean. He, of course, was a close friend of Smith's. And so through our new publisher our association with Smith was to grow.

Smith and Mr. Evans had pioneered air transport, air mail, and airlines in Texas in the previous years. Together they had located airports and promoted air transport in Texas. They had been associated in Texas Air Transport, Inc., and then in Southern Air Transport, in which Smith became a vice-president before becoming part of American Airways, Inc. Smith directed the division from Nashville westward to the Pacific Coast.

Mr. Evans had become a director in the new American Airlines when it was formed, and as a member of the board of directors he had backed "C. R." for the Presidency of the airline in his election at Cleveland in 1934.

It was our pleasure to have listened in at

some of their gabfests on Smith's visits to Nashville with Mr. Evans, on their experiences in those early days of air transportation in Texas.

DEMAND FOR BROWNING

In 1946, there was a strong demand in Tennessee that Col. Gordon Browning, then military governor of Bavaria in Germany, return home to run for governor. We were assigned to fly to Germany on American Overseas Airlines, long since consolidated with American, and it was C. R. Smith who arranged our transportation quickly and stretched the red carpet all the way to Frankfurt and Berlin.

We failed to persuade Browning to return to make the race, but he did agree to let his friends leave his name on the ballot and he received well over 100,000 votes in absentia. He returned by 1948 to win the governor's race going away.

Through all those years, "C. R." visited Nashville frequently, with Mr. Evans, or as speaker before the Chamber of Commerce in connection with airline business. He rode his airlines almost constantly, showing up for flights wherever the planes were going without notice.

ORGANIZED ATC

With the outbreak of World War II, he was "drafted" to organize the Air Transport Command, starting as a colonel. In 1942 he became a brigadier general and in 1944 a major general and deputy in command of the worldwide organization transporting troops and supplies to Europe, India, Burma, Africa. He was awarded the Legion of Merit for the African service before his discharge in 1945.

In his capacity as commander of the Air Transport Command, he was further associated with the Evans family through Silliman Evans Jr., who was to serve under him as a transport pilot through most of the war.

Young Evans, still in his teens, learned to fly along with his mother and got his private license. He was to become the youngest pilot in American Airlines history, and was commissioned a Lieutenant in the Army Air Force to become the youngest active service pilot in the service, in August, 1942 at 17 years of age.

LANDED IN PARIS

He was pilot of the first plane to land in Paris after the city was freed from the Germans, serving overseas from February, 1944. He was promoted to first lieutenant in December, 1944. While stationed in Paris and in England, he flew many distinguished guests and high Army personnel to points in Europe, Africa, and the mid-East—including General C. R. Smith on several occasions. He was to retain his close personal relationships with "C. R." until his death in 1961.

After the war Smith returned to American Airlines, and came here in 1949 to speak to the Chamber of Commerce. He was here in 1966 to attend the 30th Anniversary party honoring the Evans' family ownership of the Nashville Tennessean. In recent years he has served as Chairman of the Board of American.

Smith's successor as President of American Airlines was Marion Sadler of Clarksville, who started with American on the ramps at the Nashville airport, and first came to Smith's attention here. Sadler only recently announced his retirement from the airlines because of health. Smith will retire as chairman of the board to join President Johnson's cabinet as Secretary of Commerce.

Smith's life history reads like a Horatio Alger success story. He started as an office boy at nine years of age in Amarillo, Texas. Along the way he sold magazines, chopped and picked cotton, clerked in a store, and drove a grocery delivery wagon. At 17 he became officer manager for a cotton mill.

He worked with the state of Texas later, and attended the University of Texas School of Business Administration before entering the banking business and then the airlines business, then in its pioneering stages. And it was there that he found his niche.

He knew every pilot and mechanic and airport employee on those early lines and every type of plane that flew. He led American Airlines to a top place in the industry.

At 68 years of age, he will become a member of President Lyndon Johnson's cabinet, probably one of the best equipped and most qualified men for the post of Secretary of Commerce to ever hold that job.

Here's a salute to "C. R."

George A. Spater, New President of American Airlines

HON. SAMUEL N. FRIEDEL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. FRIEDEL. Mr. Speaker, as chairman of the Subcommittee on Transportation and Aeronautics, I am always interested in the activities of our domestic airlines and their plans for the future.

In this connection, I would like to call to the attention of my colleagues an article from Forbes magazine about Mr. George A. Spater, who was recently elevated to the position of president and chief executive officer of American Airlines. I was particularly interested in Mr. Spater's background because American Airlines is one of the pioneers serving the people of the Baltimore-Washington area through Friendship International Airport.

I include the article at this point in the RECORD with my remarks:

GOODBYE TO ROBIN HOOD?

(George Spater's No. One job as American Airlines' new boss is to get some new routes. He is taking over just when the CAB is starting to figure that it has made the once-poor smaller airlines rich enough.)

American Airlines has a new boss, a lawyer and the question is, "Why?" George Alexander Spater took over as president and chief executive officer last month after having served American for only nine years. He replaces the seriously ill Marion Sadler, 56, who took early retirement.

But the significance of the move goes beyond the fact of Sadler's illness. Until recently American was pretty much run by a triumvirate consisting of Sadler; Chairman C. R. Smith, the airline's 68-year pioneer; and William J. Hogan, American's long-time financial boss. Sadler departed around the same time as Hogan, who retired recently when he turned 65. Which makes George Spater CEO in fact as well as in name.

But why a lawyer? For the simple reason that American's chief problem is the pressing need to improve its route structure, a job that calls for intricate and patient negotiating. Spater is admirably suited for the job.

The situation is rooted in American's own history and in the long-term policies of the Civil Aeronautics Board. The CAB has broad regulatory powers over the whole civil air transport industry. At the beginning of the Sixties, that industry had nothing like the fat and sassy look it displays today. In fact, it seemed deathly sick: In 1960, for example, the 11 trunk lines (major domestic carriers) barely broke even on combined revenues of nearly \$2 billion, and in 1961 they showed a combined \$35-million loss. In this setting the CAB continued its so-called Robin Hood policy of awarding new routes in such a way as to beef up the poorer and smaller lines at the expense of their bigger and better-heeled brethren. It did so partly by cutting the smaller lines in on lucrative routes flown by

the big carriers, partly by awarding them new routes while excluding the big carriers.

Among the big lines, no one was better off than American in those days. It made \$12 million even in the lean year of 1960, when such lesser lines as Delta made less than \$3 million, Northwest less than \$2 million and National suffered a \$3-million loss. American also had the best domestic route pattern—from the biggest northeastern and midwestern cities via the all-weather southern route and the Texas oil centers, to the biggest, fastest-growing part of the West Coast.

Therefore the CAB saw little reason to favor American in route awards—or, for that matter, the other three of the Big Four trunk lines, United, Trans World and Eastern. The four lines became the victims in the game of Robin Hood. In 1961 the CAB handed down its decision on the so-called Southern Transcontinental case regarding who should provide service from Florida and Georgia via Texas to and from the West Coast. The nod went to National (Miami to the West Coast via Houston) and Delta (Atlanta to the West Coast via Dallas). The big lines got nothing. By and large, through the mid-Sixties the only significant route awards the Big Four carriers got were on existing routes against other Big Four carriers.

Route Man. But now the situation looks altogether different. The Southern Transcontinental decision, says Spater, "had a double effect on us. Up until that time we had about 85% of the business on the route through interchange agreements with Delta and National [a single plane flying under the banner of two separate airlines], and the decision cut us out completely. Now these smaller companies are way ahead of the industry and us by a wide margin. Their return on equity is way over 25%, and their return on capital is far above the CAB standard of 10¼% set for the largest domestic carriers. It was an unfair policy. Delta has a 124-million-passenger-mile route that is a monopoly route. Our largest monopoly is roughly one-twentieth that size." Spater has figures to support his point. In fact, American's 7.4% return on capital last year contrasted sharply with Delta's 14.2% and National's 13.5%, while Northwest, fattened by its sole possession of the New York-Minneapolis run and the best U.S.-Tokyo route, reached 17.2%.

Spater would seem to have the background to deal with this kind of problem. "Before I came to American Airlines," he says, "I had over 20 years' experience expanding the Trans World Airlines system, establishing new routes to Europe and subsequently to Asia in a period when American expanded very little." That experience came with the law firm of Chadbourne, Parker, Whiteside & Wolf, which was TWA's outside legal counsel. But he was so intimately involved with TWA affairs that when the offer from American came in 1958, he thought it only fair to brainwash himself of TWA by taking a six-month vacation before joining American.

The thing that caught C. R. Smith's eye about Spater, however, was not his route expertise but his 1957 devising of the airline mutual-assistance pact. This provided that a strike-bound airline is generally recompensed for any traffic thereby diverted to other lines that are still flying. At American, Spater first set about building the company's first legal department, then began to branch out, with C. R. Smith's encouragement. "C. R. made his mind up about Spater long ago," says an industry executive who knows both men well, "and the time schedule is about what it was supposed to be."

Abroad Again. Spater's immediate wants in terms of routes are at once both simple and monumental: "We want the new Pacific route [U.S. to Honolulu, Japan and South-east Asia] to be on equal terms with our

competitors," he says, "and we want back some of the southern transcontinental business that was taken from us."

To those with long memories, it is ironic that American should be casting its eyes overseas again. After World War II American had a foreign line of its own, American Overseas Airlines, with routes from the U.S. to West Germany and on (hopefully) to Moscow. C. R. Smith concluded that there was no economic future in overseas air travel. In 1949 he decided to sell American Overseas to Pan American; for this he received many a plaudit over the next decade for his seeming realism. The sale to Pan Am was bitterly though unsuccessfully opposed by TWA with the best legal strategems George Spater could concoct.

American frequently gets the needle from the competition about its new-found love for overseas service, now that the passenger jet has made such service highly profitable. In discussing the awarding of Pacific routes a couple of years ago, TWA President Charles C. Tillinghast Jr. remarked: "It would not seem inequitable to make a distinction between those who had the courage and foresight to pioneer international air transport during the questionable years and those whose affection for this arena lay dormant until its economic viability had been so clearly established that none could fail to see it." In plain English, TWA should get credit for being in early.

Everybody sees it now. Every single U.S. trunk line except Northeast has applied for rights to fly the Pacific—not counting nine other carriers. All 11 trunks plus several other carriers have applied to be added to the southern transcontinental routes that have so fattened National and Delta by giving them in a single quarter last year 160 million and 130 million competition-free revenue passenger miles respectively, and eight trunks plus others are applying to be added to the northern transcontinental routes that have helped to make Northwest fat and rich.

New Spirit? The number of applicants for a new route does not, of course, necessarily have any relation to how many or who are certified. As one airline lawyer remarks, "Nowadays everybody seems to get in on these cases, hoping that a few fruits will fall off the tree into their basket." But there are signs that American and the other big trunk lines may be in a better position today for route awards.

For one thing, the Robin Hood policy plus the surge of air traffic has made the medium-sized to smaller lines richer on average than the big ones, as Forbes Jan. 1 ratings show. The industry talk is that the transpacific, southern transcontinental and northern transcontinental routes, if not also some other smaller ones, are ripe for additional competition. That such awards could well go to the big carriers is suggested by last year's St. Louis-Seattle route award to Eastern—the first major new domestic route that Eastern has picked up in at least 20 years.

This is the setting in which George Spater has taken over at American. Given his own background and the hard realities of airline life, it would seem to be a promising setting.

WE'LL STILL BE NICE TO PEOPLE

In an interview with a Forbes reporter early this month, American's new president discussed a wide range of topics. "I'm not the only lawyer in airlines," George A. Spater said. The president of Western Airlines is a lawyer and so is Tillinghast at TWA. "Not all lawyers are conservatives, you know. Some of us like to take risks."

What are Spater's plans? "As president and chief executive I would like to retain the things that Mr. [Chairman C.R.] Smith has done. It was his idea of being nice to people and they in turn would be nicer to you.

"But as a company gets bigger the problems become more complicated and require

more discipline. I expect to use more long-range planning and try to get better use of our resources."

The SST? "The whole world is tired of noise and pollution. For the SST to be palatable, it will have to be quiet. I take this noise problem very seriously. I even keep my office door closed so I don't have to hear the typewriters."

As for future equipment, Spater said, "The [Boeing] 747 picture has changed a bit because of the new three-engine jet we designed," the so-called airbus. Smaller than the 747, the new plane can be used in off-peak hours and on shorter runways.

Like his predecessors, Spater has big plans for air freight. "It has a great future," he said, but concedes: "It is not growing today at the same rate it did 18 months ago. Competition has come from the railroads and their piggyback operations. The growth will come but it won't just drop off the tree like a ripe plum."

Why, when the vacation business is booming, does American still direct its advertising at the "professional traveller"? "We always felt that if we got the professional, the non-professional would fly with us also; just like seeing a movie star driving your car."

In the past, there has always been the question: Would C. R. Smith really let another man run the airline that he built? "I am not responsible to C. R. Smith," Spater declared, "but to the board of directors. Of course I will always discuss things with him."

Marine Science Affairs

HON. HASTINGS KEITH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. KEITH. Mr. Speaker, the President's Annual Report on Marine Science Affairs is expected to be transmitted to the Congress next week; it will contain proposals for our national oceanographic program for the coming year.

With the increasing evidence that the Soviet Union has given oceanography top priority, it behooves all of us to study the President's report with care and to support a vigorous oceanographic program in order that the United States can maintain its position as the world's leader in oceanography.

The February 21 edition of the Cape Cod Standard-Times contains an editorial which cogently states the necessity of maintaining a strong oceanographic program that is adequately funded. The author points out:

The United States spends billions for space exploration while only millions are expended for research of the ocean depths.

Mr. Speaker, I am inserting the editorial in the RECORD because it contains a message for all of us who are concerned with our Nation's future marine activities:

MARINE FUNDS NEEDED

Predictions have been made that if Russia continues at its present pace in marine research it will be the world's leader in oceanography within 20 years.

This news is not reassuring on the Cape, long noted for its oceanographic activity. Research has been accelerated in the United States within the past five years, but even more funds are needed now that the Soviet has entered the field.

Hopefully, new U.S. directions in oceanog-

raphy will be set in this term of Congress. The annual report of the National Council on Marine Resources and Engineering Development is expected to be made to President Johnson within the next few weeks. The recommendations will be forwarded to Congress.

The United States spends billions for space exploration while only millions are expended for research of the ocean depths.

Fortunately, now, there is beginning to be a realization that the seas contain untold wealth. The world's food problems can and probably will be alleviated by farming and herding fish. It has been estimated that a world catch of 200 metric tons a year could be made without thinning out the world supply.

Public pressure for research in oceanography, on which, as President John F. Kennedy once said, "our very survival may hinge" must be continued to insure U.S. leadership.

Alfred H. Kirchhofer Honored

HON. RICHARD D. McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. McCARTHY. Mr. Speaker, one of Buffalo's most distinguished sons, Alfred H. Kirchhofer, was honored Saturday for his 50 years of zeal and affection for his city. He received the coveted Buffalo Club Medal.

A former Buffalo Evening News Washington correspondent, he is well known to countless temporary and permanent residents of the Nation's Capital.

Since I was fortunate enough to learn journalism under his firm but fair tutelage, I want to add my tribute to Mr. Kirchhofer. As editor of the News and president of WBEN, Inc., he was for many years the strong chief of four of western New York's most powerful media of public information: The Buffalo Evening News, KBEN-TV, WBEN radio and WBEN-FM.

Quoting a comment he has heard about Al Kirchhofer, another distinguished Buffalonian, former New York Republican chairman, Edwin F. Jaekle, declared at Saturday's ceremonies:

No one who has lived or worked in Buffalo for any time in the past 50 years can fail to have been touched by his work.

Al Kirchhofer's efforts and work, Mr. Jaekle emphasized, "have left a definite imprint on the people of our community."

Mr. Jaekle recalled that Mr. Kirchhofer has been "ceaseless in campaigning for civic improvement and honest government" and has given generously of his "time and energies to business, educational, and philanthropic organizations."

Responding, Alfred H. Kirchhofer looked back over a half century of dedication to the city he loves.

Buffalo has seen great days—

He recalled—

Today we are at the crossroads, but let us look ahead—not backward, except as it may help chart our course toward the 21st century.

The respected editor expressed confidence in younger Americans who will meet "big problems" as they assume leadership.

These young men and women—

He declared—
will be equal to the needs of the times for they, as one writer has said, will be the "best prepared, least inhibited, most opportunity-conscious generation America has ever produced."

The environment of the 20th century—

The young-minded retired editor concluded—

is not designed for the static, the stagnant, the complacent or the smug. It is designed for men who dare greatly and dream, and let their work catch up with their dreams.

Mr. Speaker, I know of no one who has had a greater influence on the minds of western New Yorkers or who has been a stronger force in the molding of their values and shaping their outlooks than Alfred Kirchofer. And, Mr. Speaker, I think you will agree from his stirring message of Saturday that he has been a powerful force for good in upstate New York.

Lt. Frank Schap Dies in Vietnam

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. LONG of Maryland. Mr. Speaker, Lt. Frank J. Schap, a young soldier from Maryland, was recently killed in action in Vietnam. I wish to commend the courage of this young man and to honor his memory by including the following article in the RECORD:

LT. FRANK SCHAP DIES IN VIET WAR—AIRBORNE INFANTRYMAN WAS WEST POINT GRADUATE

First Lt. Frank J. Schap, an East Baltimore native who went to West Point as a regular Army appointee, was killed in action in Vietnam February 14, the Defense Department said yesterday.

An Airborne infantryman with the 173d Airborne Brigade, he was on a combat mission in the Pleiku area when he was killed by enemy small arms fire, members of his family said.

Lieutenant Schap was a 1959 graduate of Loyola High School and won a scholarship to Loyola College, but he chose to enter the Army instead, his brother-in-law, John R. Huber, of the 2500 block Anders road, Parkville, said yesterday.

REPORT CHANGED

Meanwhile, the Defense Department changed from missing to killed in action its report on Spec. 4 Ronald B. Brown, of Hyattsville, Md.

Specialist Brown was the husband of Mrs. Gwenda K. Brown, of Hyattsville.

Lieutenant Schap was the son of an East Baltimore lawyer and political figure, the late Frank J. Schap, Sr., who was at one time a magistrate.

The father, who died about 15 years ago, maintained a law office in the 2100 block East Baltimore street and was affiliated with the First District political organization of Thomas D'Alesandro, Jr., the former Mayor, and George Hofferbert.

VOLUNTEERED FOR VIET DUTY

Lieutenant Schap enlisted in February, 1960, and won a regular Army appointment to the United States Military Academy at West Point in July, 1962. He was commissioned upon graduation in June, 1966, and volunteered for Vietnam duty a year later, Mr. Huber said.

When his first tour of duty in Vietnam ended, he signed up for another six months

and repeatedly requested a return to front-line duty rather than the support positions to which he would normally have been assigned, Mr. Huber said.

A career Army officer, he had been a member of the squash team at West Point.

Mr. Huber and his wife, the former Barbara Schap, and another sister, Alice Mary Schap, of the 3100 block Southern avenue, are his survivors.

A Joint Select Committee on Government Program Analysis and Evaluation

HON. THEODORE R. KUPFERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1968

Mr. KUPFERMAN. Mr. Speaker, I am pleased to join with my colleagues from Michigan, Congressman GARRY BROWN, and 69 of my other colleagues in the House, in introducing a concurrent resolution calling for the establishment of the Joint Select Committee on Government Program Analysis and Evaluation.

The primary goal of this committee is the determination of means for improving the effectiveness and efficiency of government operations. This new committee would be comprised of five Members of the House appointed by the Speaker, and five Senators appointed by the President of the Senate.

The concurrent resolution directs this newly created committee to study the various legislative alternatives presented to the Congress as suggested responses to the urgent need for an objective, scientific review of growing Federal expenditures, and for establishing a system of priorities in national programing and spending.

With each new piece of equipment and innovative technique developed for the study of problems confronting this country, there is a coordinate need for a re-examination of the role technology plays in solving those problems in the public domain. A modern means of examining and solving the problems of our time is found in the technique known as the "systems approach," that facet of management planning that emphasizes the structuring of relevant information so that the overall relationships among problems and their potential answers become apparent and meaningful.

Government bureaucrats are too often notorious for their resistance to change and their rejection of solutions for no reason other than it is different from what they are used to doing.

It is my hope that this Select Committee on Program Analysis and Evaluation, and its report which this resolution mandates be issued by June 30, 1968, will force the adoption by Congress of the most efficient means for treating our ailing Federal bureaucracy, and injecting into the Federal Government the spirit that we so often see in the private sector for solving seemingly insoluble problems.

It was a similar interest in promoting efficiency in Government operations that prompted me to originally cosponsor in the 89th Congress, H.R. 17332, to estab-

lish a National Commission on Public Management, and again in the 90th Congress as H.R. 121.

Deputy Postmaster General Frederick C. Belen Honored

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. MILLER of California. Mr. Speaker, the George Washington University of Washington, D.C., deserves special appreciation for its recognition of a brilliant Government career in conferring its Alumni Achievement Award upon Deputy Postmaster General Frederick C. Belen, who received his law degree from that institution.

Very appropriately, this award was presented to Mr. Belen on George Washington's Birthday, February 22, 1968. The First President said of our Government, "let us raise a standard to which the wise and honest can repair." Certainly, Mr. Belen has demonstrated those qualities in a very special way in more than 30 years of distinguished public service.

I can attest to this personally, because I have known Fred Belen during virtually all of this time, starting with his service on the staffs of two Members of the Michigan delegation back in the 1930's. Then, after 5 years of distinguished World War II military service, during which he rose to the rank of lieutenant colonel in the Army, he returned to service in this body, serving as counsel and later as chief counsel of the Committee on Post Office and Civil Service.

During many of the 15 years he was on the committee staff, I was also a member, and knew first hand of his work, gaining a particularly clear insight into the unusual ability of this man. Through long hours of extremely difficult work and amid unceasing demands for help from every committee member—and indeed many other Members of this body—he gained a reputation for his ability to find solutions to problems which seemed insoluble, for his capacity for work where it seemed he just could not have any energy remaining, and for his willingness to help every Member when it seemed that nothing would help.

He had gained the respect of every Member of this House when he was called by President Kennedy back in 1961 to become Assistant Postmaster General for Operations. And his subsequent elevation to the post of Deputy Postmaster General by President Johnson was received with acclaim in both Houses. Many Members of this House testified to his high ability and unswerving integrity at the Senate hearings on his nomination.

Now, after 7 years as a right hand of the Postmaster General, the George Washington University award has brought to attention some facets of his postal career that constitute one of the most unusual personal achievements in Federal service.

The citation reads: For bringing an outstanding administrative talent to the Federal Government, for applying perception and imagination to exploding demands on Postal Service, and for achievements which reflect distinction upon the University.

If anything, the citation is understated, because Fred Belen has the unusual distinction today of carrying out under another outstanding public servant—Postmaster General Lawrence F. O'Brien—many of the progressive programs and policies for which he helped write the legislative foundation.

As a member myself of the House Post Office and Civil Service Committee, during the 15 years of Fred Belen's service, I know that such great progressive steps as postal mechanization, the nationwide improved mail service program, the ZIP code sectional center concept, labor-management reforms, merit promotions; and a host of other forward-looking steps would not have been possible had not Fred Belen helped us pioneer in the studies and legislation upon which they are largely based. Moreover, today they could not have reached their present stage of fulfillment had he not been carrying them out.

I congratulate the George Washington University on this recognition. Not only do Fred Belen's achievements do the university honor; the university does itself honor in giving him this recognition.

At this time I would like to insert in the RECORD an article which appeared in the February 23 issue of the Washington Post taking note of the achievement award.

GW ALUMNI HONORED

Composer David Amram and Deputy Postmaster General Frederick Belen were honored with Alumni Achievement Awards yesterday in Constitution Hall during the winter convocation of George Washington University.

Amram, a European history major, received a B.A. at GWU in 1952. He is the composer of "Autobiography for Strings" and "King Lear Variations," both of which have been performed by the National Symphony Orchestra.

Belen, received his law degree from GWU in 1942. He has served as deputy postmaster general longer than any other appointee to that office. He served as chairman of a study committee which came up with the Zip Code concept of postal mechanization.

About 600 persons received degrees at the convocation.

Our Responsibility as a Maritime Power

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. ROGERS of Florida. Mr. Speaker, the events of yesterday afternoon off the coast of Virginia continue to cause concern.

Many questions are being asked about the actions, or rather lack of action, by the U.S. Coast Guard vessels and men which apparently stood by while a small vessel containing three Cubans seeking political asylum in the United States was rammed by *The 26th of July*, a Cuban merchant vessel.

The fate of the three persons in the small craft is not yet known, but it is presumed that they were killed or seriously injured.

I think that it is time this Nation assumed some responsibility on the seas of the world.

I am today introducing a joint resolution which would change the territorial limits of the United States at sea.

The current 3-nautical-mile limit would be maintained, except in cases where another maritime nation claims a greater territorial limit, in which case our limit would be changed to be equal to that of the other country, up to a maximum of 12 nautical miles.

I think this approach is necessary if we are to act responsibly as a maritime power and maintain this Nation's integrity on the high seas.

Bishop John J. Carberry

HON. EDNA F. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mrs. KELLY. Mr. Speaker, it is with a great sense of pride that I recently learned that Bishop John J. Carberry, who is presently bishop of Columbus, Ohio, had been appointed archbishop of St. Louis, Mo. Archbishop-designate Carberry, who is chairman of the U.S. bishops' committee for ecumenical and inter-religious affairs, is a native of Brooklyn, who was consecrated a bishop in 1956 at Our Lady of Perpetual Help Church in Bay Ridge, Brooklyn, N.Y.

Prior to that Bishop Carberry who is a scholarly priest and also a fine musician and athlete, served in the Brooklyn diocese as a young priest, assistant pastor, spiritual director, chaplain, teacher, retreat master, and judge.

I am honored to be able to include and cherish the archbishop-designate as a warm personal friend and a long-standing friend of the Kelly family in Brooklyn. Earlier this month, I was in communication with Bishop Carberry after learning that the Ohio Council of Churches had honored him with the Pastor of Pastors Award. It is believed to be the first time that a statewide Protestant organization had presented its highest award to a Catholic clergyman.

At this time and especially on this first day of the holy season of Lent, I would like to take the opportunity to wish Bishop Carberry good luck and Godspeed in his new assignment.

Mr. Speaker, it is my desire to bring to the attention of my colleagues and the great State of Missouri and especially those from St. Louis an article from the *Tablet* of February 22, 1968, entitled "Brooklyn's Bishop Carberry Archbishop of St. Louis," which tells just a little bit about this fine and wonderful priest:

BROOKLYN'S BISHOP CARBERRY ARCHBISHOP OF ST. LOUIS

Bishop John J. Carberry of Columbus, Ohio, who was born in Brooklyn, has been appointed Archbishop of St. Louis. He suc-

ceeds Joseph Cardinal Ritter, who died June 11, 1967.

One of 44 bishops with ties to the Brooklyn Diocese, Archbishop-designate Carberry is the second native of Brooklyn to be appointed to the archbishopric. The first was John Cardinal McCloskey of New York (1810-85).

Well known for his leadership in interfaith and interracial activities, the Archbishop-designate is a member of the administrative committee of the National Conference of Catholic Bishops and of the administrative board of the U.S. Catholic Conference. He also serves as chairman of the U.S. Bishops' Commission for Ecumenical and Interreligious Affairs.

He is only the sixth Ordinary in the history of the 141-year-old See. The archdiocese covers 5,968 square miles in the east central part of Missouri, on the Mississippi River. There are 518,142 Catholics in a total population of 1,928,295, two auxiliary bishops, 1,109 priests, 441 Brothers, 4,053 Sisters, 249 parishes, 213 elementary schools, 43 high schools, seven colleges and universities and 14 hospitals.

HOLDS FOUR DOCTORATES

Archbishop-designate Carberry's early career as a priest of the Brooklyn Diocese encompassed a wide range of tasks.

The scholarly priest—he holds doctor's degrees in philosophy, theology, canon law and laws and letters—served here as an assistant pastor, spiritual director, chaplain, teacher, retreat master and judge.

The future bishop was born here July 31, 1904, one of ten children of James J. and Mary O'Keefe Carberry. His father, who was a clerk of the county court, died Jan. 21, 1954, and his mother April 9, 1950.

John Carberry was baptized Aug. 10, 1904, in St. James Pro-Cathedral by Father John McGoldrick. He received his first Communion on Trinity Sunday, May 18, 1913, in St. Boniface Church and was confirmed May 27, 1917, in the same church by Bishop Sebastian Walleser, O.F.M. Cap.

MUSICIAN AND ATHLETE

He studied at St. Boniface School and Cathedral College. He was elected president of his class four years in a row. His other activities included the presidency of the athletic association, three years of baseball and three years of orchestra.

The seminary yearbook, "Gargoyle," commented on his musical inclinations; under his picture it said: "The accompanying photograph can hardly give a fair idea of John since it fails to show either his feet, his hands or his voice, all of which are musical."

"TINKERS" WITH PIANO

The bishop still plays the violin for recreation, and "tinkers" with the piano and organ.

Bishop Carberry was the first Cathedral graduate ever to become a bishop and is now its first alumnus-archbishop.

Bishop Thomas Molloy sent the young seminarian to study theology at the North American College in Rome, where he was ordained July 28, 1929, by Archbishop Marchetti-Selvaggianni.

A thorough student, a jovial-spirited fellow, an athlete, a convincing talker and above all a leader of men, all these and more are the attributes applicable to him, and well, indeed, does he deserve them.

"A sunny disposition added to sterling qualities of a fine character go to make him a fellow who will never be forgotten by his classmates who have held him in such high regard that they have elected him president of our class for the past four years."

"In any phase of school and class activity," the "Gargoyle" said "John has always played a prominent part. He has labored to place our class high in the estimation of our professors. And in all his efforts can be seen the one quality that leaves its impress on everything which he does, his sincerity."

From 1931 to 1934, he was assigned to graduate work at the Catholic University of America, Washington, D.C., where he received his doctor's degree in canon law.

Father Carberry served several parishes as assistant pastor: St. Patrick's, Glen Cove; St. Patrick's, Huntington; St. Benedict's and St. Brigid's, Brooklyn.

From 1935 to 1940, the young priest served in the Trenton, N.J., Diocese as assistant chancellor and secretary to Bishop Moses Kiley, later Archbishop of Milwaukee.

In 1940, Father Carberry returned to this Diocese. His first assignment was in St. Dominic's, Oyster Bay, a post he held for one year. He served as professor of canon law at Immaculate Conception Seminary, Huntington, from 1942 to 1945. He had served a short time at the seminary earlier, from January to June 1935.

In 1944, he was named Officialis—head—of the diocesan marriage tribunal, a post he held till he was named a bishop.

HEADED CANON LAW SOCIETY

During this period, he served as president of the Canon Law Society of America.

Pope Pius XII named Father Carberry a papal chamberlain in 1948, and a domestic prelate in 1954.

At a testimonial dinner for Bishop Carberry in 1956, Msgr. Francis Donnelly of St. Mary's in Flushing told of some of his work during this time:

RADIO AND TV PRIEST

"More truly than anyone else, he is Brooklyn's 'radio and TV priest.' His voice has gone out on the airways and over the networks. Because of this experience, he was appointed diocesan director for radio and television by Archbishop Molloy . . .

"There is hardly a church in the Diocese where Bishop Carberry has not preached a sermon for a special occasion . . . He has heard countless confessions of Religious and lay people, who sought him out for his spiritual counsel and help . . .

"Over a 15-year period he has visited the Nassau County Sanatorium at Farmingdale on the average of once a week . . . This was a labor of love to which he was most faithful and this he did on his free day. Who can estimate the consolation and encouragement and help he has given over these years to so many in great need? We do know that some souls were converted because of his efforts."

He also served the Brooklyn Diocese as director of the Archconfraternity of the Honor Guard and the Confraternity of the Holy Hour.

On May 9, 1956, Pope Pius XII appointed Msgr. Carberry as Titular Bishop of Elis and Coadjutor Bishop of Lafayette, Ind.

CONSECRATED IN BAY RIDGE

On the feast of St. James the Apostle, July 25, 1956, he was consecrated a bishop in Our Lady of Perpetual Help Church in Bay Ridge.

Archbishop Molloy presided at the ceremonies. Auxiliary Bishop Raymond Kearney of Brooklyn was the consecrating bishop.

On the feast of the Immaculate Heart of Mary, Aug. 22, 1956, Bishop Carberry was installed in St. Mary's Cathedral, Lafayette.

Bishop Carberry became Bishop of the Lafayette Diocese Nov. 20, 1957, upon the death of Bishop John Bennett, and was enthroned as Bishop of Columbus March 25, 1965.

HIS GOODBYE TO BROOKLYN

At a testimonial given to Bishop Carberry by laymen just before he left this Diocese in 1956, the newly-consecrated prelate expressed the hope that his many friends in Brooklyn would keep him in their prayers, that Almighty God might guide and bless his work, and that the Blessed Mother might be a constant source of encouragement and sustenance.

At the same time, Bishop Carberry promised to prayerfully remember those esteemed

friends whom he was leaving, with a heavy heart, only because it was demanded by the responsibility and challenge which took him to Lafayette, Ind.—then to Columbus, Ohio, and now to St. Louis and the heavier responsibilities and challenges of the archbishopric.

A New Era for the Papago Tribe

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. UDALL. Mr. Speaker, on February 17 the Papago Tribe of Indians in Sells, Ariz., installed as its new tribal chairman Thomas A. Segundo, a young, well-educated, and able Papago whose career has attracted much attention of Indians and non-Indians alike.

Officials of the Bureau of Indian Affairs were among the guests attending the impressive ceremony at which Chairman Segundo was installed. Following his swearing-in Mr. Segundo gave an address which contains a message of importance to all who are interested in helping the Indians of this country advance toward a more secure and prosperous status in our society. Without objection I will insert the text of Chairman Segundo's remarks at this point in the RECORD:

INAUGURAL ADDRESS OF THOMAS A. SEGUNDO

Judge Antone, Chairman Mackett, Vice Chairman Moristo, Commissioner Rogers, Area Director Mr. Head, Superintendent Artchoker, Superintendent Merchant, Dr. McConnor, Honor Guests and Friends—we come here today, to observe the solemn ceremonies which were prescribed a century and three quarters ago by the fathers of our American Government, and, to signalize the beginning of a new era in the history of our Papago Tribal Government—an era which shall bring forth an unprecedented surge of the greatest effort towards the development of our Papago people and their resources.

To you the people of Chukut Kuk and Sells Districts whence came the origins of my parentage; to you people of Santa Rosa village and the neighboring villages of Covered Wells, Ak Chin, Little Field, Achi and Anegam, in Gu Achi and Sif Oldak Districts, who raised me and shared with me of your cultural and spiritual origins, giving me that richness that is to be found in Papago culture—our ancient Heritage; to you people of San Xavier, Schuk Toak, Baboquivari, Pisine-mo, Gu Vo, Hickiwan, Sif Oldak and Gila Bend Districts who, in my youth, gave to me the special privilege of serving with you and learning from you in those formative years of our Papago Tribal Government, I salute you this day with my heart full of the greatest feeling of gratitude and thankfulness.

To you, our friends from the other Indian Reservations, with whom we share a common bond, we welcome you this day and pledge to you the loyalty of faithful friends, for there is much we can do if we unite in a host of cooperative ventures.

To you, our friends and neighbors of the surrounding towns, cities and areas of our great State and Country, we welcome you and thank you for your continuing interest and support. Though we shall not always expect to find you supporting our particular view, we yet offer our pledge for a new alliance that our words may be converted into deeds for progress towards our mutual benefit.

To our Papago people in the villages widely scattered across this great Reservation of ours, we pledge our best effort to help you

help yourselves in your long struggle, year in and year out, against our common enemies: poverty, disease, ignorance and the lack of opportunities for development.

So we begin anew today—remembering that we are not alone and that civility and sincerity are prerequisites in the long struggle that must be ours.

To the Bureau of Indian Affairs and the Department of Interior we pledge an exploration of the problems which unite us that we may formulate serious and precise proposals for the development of our human and natural resources, and that we may push back the jungle of suspicion and permit a cooperative and coordinated new endeavor for our peoples welfare.

We invite the Public Health Service, the Public Schools, the Parochial Schools, the Bureau of Indian Affairs, and all other State and Federal agencies and institutions to join us as we seek the knowledge and the resources of the sciences, and invoke their powers in our effort to relieve the heavy burden of our people, and to raise the standards of their living and performance.

We shall set our goals and our aims high just as the sacrifices, devotion and the patience required of you will be great.

But you have always manifested your faith and devotion, and I am confident that you will again bring it to this present endeavor, for in your hands will rest the final success or failure of our course.

Our progress, in the past, has been slow for there are cultural and traditional factors to be accommodated. So our present endeavors will take time, perhaps this administration may not even see the fruition of our labors, but let us all join together in our common effort to lead our Papago people, invoking the blessing and help of our God.

We pray to our God that Papago history, the final judge of our deeds, may yet record that in our era we gave our measure of devotion and effort.

Prosecution by Press Release

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. TENZER. Mr. Speaker, in May of last year I took note of a decision of the U.S. District Court for the District of Columbia and suggested that it may prove a landmark in Federal administrative law. In this case—now known as the Cinderella case—the court enjoined the Federal Trade Commission from issuing press releases related to that agency's charges until there has been a final adjudication of the guilt or innocence of the firms charged. Since I last discussed this matter, and brought to the attention of the House comments which appeared in the press, the case has been commented upon in the spring 1967 issue of the Columbia Journalism Review:

CONSUMER NEWS: A MIXED REPORT

(By Arthur E. Rowse)

Like the Fairy Godmother in the story of Cinderella, the Cinderella Career College and Finishing Schools Inc. specializes in making princesses out of ugly ducklings. It conducts extensive advertising campaigns, mostly in television supplements of local papers, to enroll girls who are looking for exciting careers in modeling, public relations, and kindred fields.

Among the avid readers of its ads, however, has been the Federal Trade Commis-

sion, an agency frequently on the lookout for business firms that may promise more than they can deliver. The Commission issued a formal complaint on March 3, accusing Cinderella of misleading advertising and deceptive practices. For example, said the FTC, the College is not a college, and "Miss USA 1965" is not a graduate though represented as such. Nine misrepresentations and two deceptive practices were charged.

To that point, Cinderella was a pretty routine FTC case, scarcely of interest beyond the eight cities where Cinderella schools operate.

But then the story grew, thanks to a Washington lawyer named Alan Y. Cole. As attorney for Cinderella (and its principal stockholder), Cole decided not only to deny the charges, but to seek an injunction barring the FTC from issuing the press release that normally announces a formal complaint. In his petition to the court, he claimed that publicizing the charges before a formal hearing or final decision by the commission was unfair and might damage business by cutting enrollments.

Although many business firms over the years have felt the sting of unfavorable publicity stemming from release of FTC complaints, this was apparently the first time the agency's publicity practices had been challenged in court. Cole's suit immediately turned a local story into a national issue, with deep significance to some basic rights, such as the "right to know" and the right to a fair trial. Also at issue was the role of information in the protection of consumers.

The action was ironic in several respects. For if what Cole wanted was minimum publicity, he might have done better by remaining silent himself. As editors know all too well, not many FTC cases get into the news channels even (especially?) when they involve local advertisers.

As it turned out, coverage was better than usual. One of the three major dailies in the Washington area carried a full account of the complaint. This came in the *Evening Star*, two days after the details had been released. The *Daily News*, true to its custom in such matters, chose not to inform its readers, many of whom are prime candidates for the Cinderella curriculum. The *Post*, which occasionally runs brief items about FTC complaints on its financial pages, ran eleven lines at the end of a roundup of miscellaneous local items six days after the release.

Meanwhile, the case was argued in court, and the judge ruled the request for an injunction moot because the release had already been issued. This decision got a total of two sentences in the city press, both in the *Star* story.

The first account of the constitutional issues—and Cole's intention to appeal the decision—came in the March 13 *Advertising Age*, which got the story in a tip from within the FTC. Despite similar reports in other trade journals, including *Editor & Publisher*, telling of the upcoming appeal hearing, the only members of the press present on April 4 to hear Judge Joseph C. McGarraghy grant the unprecedented injunction were Stanley Cohen of *Ad Age* and this writer.

The *Post* learned of the injunction decision only when I telephoned to inform a reporter later that day. The story appeared the next morning among the classified ads. The *Star* picked it up twenty-four hours later. The first wire report came two days after the event. Coverage on radio and television was extremely spotty.

Mr. Speaker, this important case has also attracted the attention of the legal scholars and has been the subject of a note in the December 1967 issue of the *Columbia Law Review*. It has also become the precedent for other cases as the following article indicates:

[From the Washington Daily News, Sept. 19, 1967]

SMALL FIRMS HURT—JUDGES PADLOCK FTC RELEASES

(By William Steif)

Two Federal district court judges have restricted the flow of information from the Federal Trade Commission and the Commission is appealing on grounds that its ability to protect consumers is being crippled.

Lawyers for companies under FTC investigation previously have tried to keep the Commission from disseminating news of its actions, but until recently have been unsuccessful. The cases may go to the Supreme Court.

The cases differ in detail but their impact is similar. In both, Federal judges have enjoined the FTC from issuing press releases and sealed the lips of commissioners and the FTC staff.

COMPLAINT

In the case of the Cinderella Career and Finishing Schools Inc., here, the FTC's Bureau of Deceptive Practices last February issued a complaint containing several charges.

Cinderella's lawyer, Alan Y. Cole, vainly fought to stop FTC's first announcement of the action, but then got an injunction from Judge Joseph C. McGarraghy forbidding any further press releases on the case.

"I happen to know," says Mr. Cole, "that FTC pushes very hard to put its press releases in the various news media and this is a kind of a club which is especially harmful to small businessmen and firms dealing with the public."

All allegations against Cinderella are concerned with misrepresentation and false and misleading advertising. They were aired in nine days of FTC hearings which ended July 14. Cinderella's side will be presented starting next Tuesday and two officials of the FTC's Bureau of Deceptive Practices have been called to testify. Mr. Cole maintains they have "polluted the atmosphere by talking to the press."

He adds that he is "mindful of the right to know" and doesn't ask that FTC proceedings and hearing records be closed to the press and public. He notes that the FTC "may or may not win its cases," but says that by the time cases are adjudicated, the Commission may have issued "as many as four press releases and the businessman may be out of business."

In the second case, Judge Joseph C. Waddy last month enjoined the FTC from issuing a press release if the Commission ever issues a complaint against a local furniture store which has been under investigation for many months.

NO OBJECTION

Judge Waddy said he had no objection to issuing as a press release the full text of any complaint which the FTC might make against the firm. But he forbade a summary.

The argument advanced by the store's lawyers is similar to that in the Cinderella case. They say a press release would be unfair to a firm confronted with unproved allegations. A further argument is that the companies' denials—ordinarily reported later in FTC press releases—never catch up with the original charges.

Normal FTC procedure is to settle nine of every 10 investigations before a complaint is issued. "Assurances of voluntary compliance" are often obtained from investigated firms. Another method, more formal than the assurances, involves getting a consent agreement from the investigated firm.

Only after these procedures fail are complaints issued.

An FTC source said the furniture firm went to court after consent efforts fell through. A complaint may never be issued, this source added.

The Federal Trade Commission has appealed the District Court's injunction order but the Court of Appeals has not yet rendered its decision.

In the meantime, there has been a noteworthy development in this litigation. During the summer and fall of 1967, extensive hearings were held on the Federal Trade Commission's charges against Cinderella and the other concerns named as respondents; and a few weeks ago Leon R. Gross, a Federal Trade Commission Hearing Examiner, issued a meticulously detailed initial decision of 93 pages dismissing all charges against all respondents. Following is a sampling of the press comments concerning this latest event:

[From the Advertising Age, Feb. 12, 1968]

FTC'S CINDERELLA CHARGE BASELESS,

EXAMINER DECIDES

WASHINGTON, February 6.—A case which the Federal Trade Commission has been prohibited from discussing reappeared in the public record last week, when an FTC examiner called for dismissal of the FTC complaint against a charm school.

Shortly after FTC issued its complaint against Cinderella Career & Finishing Schools Inc., Washington, attorneys for the school induced Joseph C. McGarraghy, federal district court judge, to issue a temporary restraining order preventing FTC from issuing further press releases about the pre-decision progress of the case. FTC protested that its announcements only provide the public with information about its actions, and that this is the normal procedure in all cases, but Judge McGarraghy held that the company should not be exposed to unfavorable publicity based only on unresolved charges.

In his initial decision, today, following hearings on the charges, FTC Examiner Leon Gross said that the FTC had failed to prove its charges of deceptive advertising and other deceptive practices.

The examiner found that "all of the representations" in the school's ads challenged by the FTC are actually true, including statements that Cinderella is the official Washington headquarters for the Miss Universe Pageant and that it teaches courses which qualify girls for better jobs in the airline transportation and fashion merchandising fields.

Mr. Gross also found that, contrary to FTC charges, the school's ads cannot be construed as suggesting that Cinderella confers academic degrees, or that funds for tuition are available from a government agency.

The initial decision to dismiss the case can be reviewed and changed by the commission.

[From the Women's Wear Daily, Feb. 6, 1968]

CINDERELLA SCHOOLS AD PRACTICES UPHELD

WASHINGTON.—A Federal Trade Commission hearing examiner ruled this week that Cinderella Career & Finishing Schools, Inc., here had not engaged in deceptive practices as a previous FTC complaint had charged.

In his initial decision, which can be overruled by the full commission, the hearing examiner cited a lack of "reliable, probative and substantial evidence" to support the complaint's charges of misleading advertising.

Earlier, Cinderella got a temporary restraining order from Federal district court here against issuance of any further publicity or press releases in the case. Cinderella charged that FTC's policy of making public its charges against the company before they were litigated was unfair, and prejudicial.

The 93-page initial decision was made available to reporters on request at FTC's docket section without a press release. FTC

officials on all levels have reportedly been warned not to discuss any part of the case with the press.

This matter of "trial by press release" has been taken by FTC to the Court of Appeals, here, where no decision has yet been made.

The case is regarded as a precedent-setter, since several other regulatory agencies, including Food and Drug Administration, also issue press releases citing companies and individuals before matters are litigated.

After the Cinderella situation developed, FTC revamped its complaint press releases to include a prominent paragraph stating that the FTC had "reason to believe" the law had been violated, and that no litigation of the charges had been made.

Mr. Speaker, the dismissal of the charges against the Cinderella respondents indicates the wisdom of the injunction granted by the district court. The prohibition against premature publicity of unproven allegations prevents the unjust public condemnation of businesses before they have had their day in court. The Cinderella case indicates that not all charges made by the Federal Trade Commission will be sustained after a full hearing. Here is an instance in which the charges have been dismissed; and the unrestricted use of press releases could have worked a serious injustice.

The "Pueblo": Forgotten—Never

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. RARICK. Mr. Speaker, 82 American seamen from the U.S.S. *Pueblo*, specialists in a security job to defend our Nation from Communist aggression, remain in a stinking Communist prison camp denied of their liberties as a result of a do-nothing-but-talk reaction to piracy. To the shame of our great people and country.

If, as the Russian puppets proclaim, the U.S. boys are to be tried and punished for so-called criminal acts—the American people must understand the Communists are not trying 82 military men—they are trying us all, symbolically, because we dare to be free men; we dare to help our friends; we dare to deny atheistic communism.

Criminal acts—so many words, but what are the acts? An intelligence vessel armed with .50-caliber machineguns which offered no resistance? If having a spy boat offshore was criminal, imagine what propaganda charges could be levied against the Soviets through spying and subversion at their Embassy and the some 1,000 Soviet spies in our country under the cloak of being U.N. representatives or on a diplomatic visa.

As for the *Pueblo*, the American people will never forget, nor forgive. The anguished cries from the unforgotten graves of millions of free men executed by Communist terrorists urge us to say, "Never."

I include editorials from the San Diego Union for February 3, and the Amarillo Daily News for February 10,

and comments from American Opinion following my remarks:

[From the San Diego (Calif.) Union, Feb. 3, 1968]

NO SUBSTITUTE FOR VICTORY: HISTORY CALLS FOR "PUEBLO'S" RESCUE

Recent history and the thoughts of Kim Il Sung, head of Communist North Korea, can be guides for the United States of America in dealing with the crisis of the USS *Pueblo*.

History is particularly fruitful.

In Korea the first mistake of the United States and the non-Communist world was in 1948. The Free World did not insist then that the Soviet Union must follow the edict of the United Nations in unification of Korea. The result was a divided nation and the kind of conflict on which communism thrives.

In predictable fashion Communist North Koreans attacked the South in 1950. Tragically, the non-Communist world again had a chance for victory in its grasp and again it retreated in diplomatic halls before the Communists.

Gen. Douglas MacArthur, the brilliant American general who pleaded for victory then as our military commanders are doing today, spoke some prophetic words in the 1950s.

"There is," he said, "no substitute for victory." There still is not today.

And warning against the folly of "stale-mated attrition," Gen. MacArthur said prophetically: "... by meeting naked force with appeasement we would not only perpetrate a military disaster in Korea, we would enable communism to make its bid for most of Asia."

As Gen. MacArthur predicted, communism today is making a bid for the domination of Asia. The capture of the USS *Pueblo* to coincide with a new Vietnam offensive is a part of that bid.

Our history of dealing with communism shows it retreats when the United States makes a stand and advances when we retreat. Berlin, Cuba and the Dominican Republic are cases in point.

History showed also how to deal with aggression last June when Israel responded forcefully to the threat of Arab aggression. As a result Israel now holds the upper hand over the United Arab Republic.

And Kim Il Sung, through his representatives at Panmunjom the day after the USS *Pueblo* capture, had a thought for Americans when he said: "Our saying goes, dogs bark at the moon." In short, Communists take talk as a sign of weakness and lack of determination to act.

If the President had moved immediately to rescue the USS *Pueblo* and her men his popularity with Americans would have reached a peak. If he fails to rescue the men and the vessel, Mr. Johnson will go down in history as the only president who let an enemy capture an American ship and get away with it unscathed.

Each day of vacillation without action makes the recovery of the *Pueblo* much more difficult and expensive.

[From the Amarillo (Tex.) Daily News, Feb. 10, 1968]

FINDS "PUEBLO" TRAGEDY REVEALS SHOCKING UNPREPAREDNESS—SOUND ECONOMY RULED OUT

(By Ruthven E. Libby)

The first Korean war caused the precipitate departure of Secretary of Defense Louis A. Johnson from the Washington scene by revealing the shocking state of unreadiness to which he had reduced our military establishment by "cutting the fat but not the muscle."

History has now repeated itself in part. Secretary of Defense Robert S. McNamara is

on his way out, but the seizure of the USS *Pueblo* by North Korea, creating the threat of a second Korean War, once again revealed the shocking state of unreadiness to which McNamara's policies (including his fetish of "cost-effectiveness") have reduced our military establishment.

Despite repeated needlings by the Senate Preparedness Committee and other comparably competent groups, the Pentagon by repeated denials of their revelations and by clever public information manipulations has contrived to keep an indifferent public pretty much in the dark as to the true state of affairs.

Now that same public, a sizable portion of it bitterly indignant over what it regards as the administration's disgraceful failure to act to force North Korea to return the *Pueblo* and her crew, can no longer ignore the fact that our military forces, at their present strength and levels of equipment, would be hard put to take on another war in addition to the one now raging in Vietnam.

Nor is the country in any better case economically, since sound fiscal and economic programs consistently have been ruled out by the Johnson administration because they were deemed politically harmful to its chances come November.

Several factors have contributed to the sorry state of our military readiness. One was the President's insistence for so long that the Vietnam war could be handled on a "business as usual" basis without requiring any cutbacks in his Great Society giveaway programs, and the efforts of Secretary McNamara, as a loyal member of the President's cabinet, to support this contention.

The Stennis Committee pointed out on several occasions that the Pentagon was meeting the mushrooming demands of the Vietnam war by a widespread robbing of Peter to pay Paul—by stripping the forces not deployed to Vietnam of their trained personnel and most modern equipment, while at the same time denying that these raided forces had been reduced in combat readiness to any appreciable degree. Unfortunately it now turns out that they have been.

Another factor was the combining of over-optimistic estimates by the Defense Secretary's office as to when the war would be over and McNamara's determination to end the war with the last bullet and the last can of beans in the pipeline. This has meant that in many important areas, war production has not kept pace with consumption or losses by enemy action.

Perforce, then, supposedly combat-ready army units in the United States have been required to furnish helicopters, tanks, artillery, M-16 rifles and other equipment to the deployed forces without receiving replacements in kind. Stocks of bombs, ammunition and other munitions in the United States, severely depleted in order to supply the Vietnam demands, have not been rebuilt because adequate production lines no longer exist.

National Guard and Air Force reserve units have surrendered most of their modern F-100 and F-102 fighter planes and are now reduced to F-86s which are so slow they can scarcely get out of their own way.

Similarly, Army reserve units are making do with obsolescent equipment. Even if they become proficient in its use, their combat effectiveness will be less than it should be.

At the time of the seizure of the *Pueblo*, U.S. ground and air forces in South Korea were inadequate to defend that country against a North Korean onslaught. The U.S. Air Force had only 24 fighter-bombers, and the U.S. Army had only two divisions plus supporting troops—about 50,000 men in all, compared with 350,000 they had at the height of the Korean War. It is true that the ROK Army numbers over 500,000, but its equipment is not of the best, and two of its crack

divisions are now fighting in Vietnam. Hasty deployment of some Air Force and Navy units to the areas has improved the situation only slightly.

As for the 750,000 Army troops in the continental United States, possibly a third could be deployed overseas in a hurry, but of these, two armored divisions are earmarked for reinforcement of our North Atlantic Treaty Organization forces and hence are not available for deployment elsewhere.

Our naval forces already are hard put to supply combat ready ships to the Sixth and Seventh fleets; forces can be and have been diverted to the Sea of Japan, but largely at the expense of the war effort in Vietnam. As for the Air Force, something over half of that force, less the Strategic Air Command, already is committed to that war.

So, militarily, we would have trouble taking on another war at this time. On the economic front the situation is equally precarious. Unquestionably the expense of the Vietnam war has contributed to the fiscal mess we are now in, with its staggering budget deficits, the prospect of runaway inflation, an unmanageable balance of payments problem, and a persistent and powerful foreign attack on the dollar.

Any hope that the President would urge restraint in spending and a return to fiscal responsibility was dashed by his budget message calling for an all-time record spending program of \$186.1 billion and for a planned deficit of 8 billion if he gets his 10 per cent tax surcharge and a much bigger deficit if he does not.

Under this frightening proposal the already astronomical national debt ceiling (\$358 billion) would have to be raised to \$363.9 billion by June of next year.

Why does the President, in times as perilous as these, urge such a suicidal fiscal program? Well, one of our outstanding fiscal experts, New Hampshire's Alden R. Wells, puts it this way:

"All governments at all times are under pressure to spend more money. Present recipients want more, nonrecipients would like to participate, idealists want programs at no personal sacrifice. Governments also have plans for spending in their own interests. To enhance their status or security they spend money on those who will maintain them in office . . . to be astonished or angry that such pressures exist is unreasonable. To recognize that the greater the power of any single government, the greater the pressure to spend, is to recognize reality."

If we are not to become in fact the paper tiger that our failure to react to the Pueblo seizure makes us appear to the world, the Congress had better recognize and face the hard realities and get to work with some constructive action.

(NOTE.—The writer is a vice admiral, retired, of the U.S. Navy.)

[From American Opinion]
ABOUT THE "PUEBLO" CASE

An American "spy ship" is seized in waters near Korea by the North Korean Communists. The circumstances are so contrived that there can be all of the usual arguments about such trifles as whether or not the ship actually was within the twelve-mile limit "enforced by North Korea," and about other "rights" and "wrongs" of the action on both sides. Word goes out to a subservient press to give the whole episode "the works," and to influence and excite the populace about it in full Roman holiday style.

The reaction of most good citizens to this incident, and of many patriotic Congressmen, would be vastly encouraging if it were not so ridiculously naive, and so obviously and exactly what the Communists have planned and desired. Many things, basically far more shocking than this one, have been happening regularly, even to our armed forces in Asia during recent years, and going almost en-

tirely unnoticed in the Liberal press. The current hullabaloo merely proves how easily the American people can be manipulated, and turned on and off at will. The impresarios of the performance unrolling before us simply use the mass communications media to tell us what to applaud and when to be horrified. And lo, we react on schedule, entirely according to signal.

The brazen piracy of the Pueblo, the indignity and danger to American men in uniform, are maddening of course, and should not be given the "silent treatment," as was the murder of Captain John Birch by Communists of the same stripe over twenty years ago. But before discussing it further, let's mention briefly something else which happened at approximately the same time. This was the crash of an American military plane in Greenland, with incredibly powerful hydrogen bombs aboard. After the first brief reports, that incident was dropped like a hot potato, although it involved a question twice as interesting and far more mysterious than the Pueblo affair.

That question, which nobody has answered and—so far as we have been able to discover—nobody else has even asked, is this: Where was our plane going with those bombs? Where had it come from? To whom, and for what purpose, were these American bombs being transported across arctic waters of the Atlantic? Was this a legitimate SAC activity, or was there some more sinister explanation? For the plane crash almost certainly was an accident, unplanned and unexpected, from which we might learn something we do not already know about the joint conspirings of Washington and Moscow. The play has been, however, to have the whole thing forgotten by the American public as promptly and completely as possible.

The ship seizure in Korean waters, on the other hand, was clearly a part of the stage-managed Asiatic show. For the Communists act always and only on instructions from above. There is no chance whatsoever that the North Korean stooges of Moscow perpetrated this act of extreme provocation without the prior knowledge and the orders of the top worldwide Communist command, and except as a part of the strategy of that command. This piece of dramatic action—and the even more dramatic reaction of the American people—were both written into the script to serve Communist purposes. And any idea that this script was not read in advance in Washington is as absurd as was the original thought that Franklin D. Roosevelt did not know in advance all about the forthcoming Japanese attack on Pearl Harbor. (That he did know has long since been admitted, of course, by even his most idolatrous biographers.)

The real question, therefore, about this particular act of piracy, is why? For what purpose, on the part of the Washington-Moscow axis? It is too soon, and the conspirators are too subtle, for us to claim to know the answer. But we can give you the possibilities within which that answer is to be found, as time will prove.

Some five years ago, when the United States had only twenty thousand men in Vietnam, and when Robert Strange McNamara—deliberately lying as usual—stated that no more American boys would be needed over there because victory was already in our hands, we began saying that the American forces in Vietnam would be steadily increased until they reached huge numbers, because it was the obvious plan of the conspiracy to make Vietnam the nucleus of a full-scale Third World War. With half a million men in southeast Asia now, we keep on saying with equal assurance that it is the intention of the insiders to raise this total to at least two or three million within the next few years; and to have the war spread over all of eastern Asia, with Red China supposedly running the team on the Communist side.

You needed only to observe the frantic

building (especially of hotels) going on in and around Bangkok a year or or more ago, for instance, to realize that the insiders expected it to become another Saigon. The fact that now we already have forty thousand men in Thailand, and that our government is visibly dragging Laos and Cambodia into the war as well, simply confirmed our analysis—before further confirmation was added by the present preparatory move for spreading the war all the way to Korea (thus "encircling" Red China, and giving Peking that much more excuse and "necessity" for "defending itself"). The only unsolved puzzle is that of timing, as affected by the American presidential elections.

It was at least possible—and still is—that the Johnson Administration would be allowed to engineer some kind of long truce during 1968, and use this "approach to peace" as a campaign argument. If so, the hotter the war becomes before a moratorium is declared, the more effective the argument will be. On the other hand the strategy might be just the opposite. If the war is made materially wider and larger and hotter during 1968, then the old adage about not changing horses while crossing a stream could be brought into play with its usual powerful impact. The present excitement and concern over North Korea could be fitted into either scheme. And we certainly do not know which plan has been plotted.

Also, let's remember that the ultimate purpose of the insiders, and of their whole war, is to have everybody—the Soviets, the Red Chinese, the United States, and all but a very few other areas on the face of the earth—come in out of the horrors of war by sacrificing all sovereignty to a Communist super state disguised as the United Nations. So that building up the "peace-making" prestige of the United Nations is a very important segment of the total strategy at work. It is entirely possible that a major purpose of the present action on the Asiatic stage is to enable the United Nations to step in, give us our ship back, and thus help to convince the American people of its value and its power.

In this connection it is worth noting that General Eisenhower has now begun urging that all nations turn all their atomic weapons over to the United Nations. In the UPI press report of January 16 the General was quoted further as saying that the United Nations should then have these nuclear weapons used by its "peace forces" in emergency situations. Such as, we presume, when these UN peace forces *deliberately* (by the unanimous testimony of all forty-six civilian doctors in the area) *shelled ambulances and hospitals* in Katanga in their campaign of terror to enable the Communists to take it over.

This is the same General Eisenhower who, among his other major moves to strengthen the hand of Stalin in Europe at the end of World War II, instituted *Operation Keelhaul*, whereby at least two million refugees from Communist Russia were forced at bayonet point—amid countless suicides—into box cars which returned them to torture and death by Stalin's agents. Not only was Eisenhower directly and personally responsible, but for the first several months of this operation he was brazenly exceeding his own authority in carrying out this massive cruelty on behalf of the Communists. (For full and conclusive documentation, see *The Politician*, Pages 31-46. Belmont Publishing, \$1.00.)

This is the same General Eisenhower who, while at Columbia University, founded the American Assembly, of which he is still Honorary Chairman; and which organization is right now all out for aid and trade with our Communist enemies, and is boldly promoting treason disguised as idiocy in such policy statements as the following: "There is no inconsistency of purpose in working for improved relations with Eastern Europe and the

Soviet Union at the same time as we oppose communist aggression in Viet Nam and other parts of the world."

So the drive is now all out to build up the prestige of the United Nations, and encourage its acceptance by the American people. You can judge the purpose of that drive by the past actions and sympathies of those who promote it. And the Pueblo affair could be primarily just a move in that particular chess game, with an American ship and American lives as nothing more than pieces on the board.

Also, the incident enables the very people in Washington most likely to have known about this seizure in advance, and even to have helped to plan it, to be the very loudest now in expressing their horror, and in being most outspokenly "patriotic" about the whole affair—while serving Communist purposes by doing so. And this, almost certainly, was at least a collateral purpose.

Again, we do not know. But we do know that everything about the whole business is as phony as was the way our earlier war in Korea was conducted, or the way our war in Vietnam is being conducted today. And that any members of these same Administrations—Eisenhower, Kennedy, Johnson—which have allowed thousands of American boys to remain as captives of the North Korean Communists ever since that earlier war, without an ounce of real concern about them—who pretend to be so virtuously disturbed today over the Pueblo, are stretching their hypocrisy to the point where treason is showing through. And also that, while it is important and necessary to demand and enforce the return of our ship and our men, it is far more important for the American people to demand the exposure and removal of the traitors who infest Washington.

In that endeavor, you will get precious little help, and tremendous obstructionism, from the American press, radio, or television. But it is still possible to create enough understanding on the part of the American people for an aroused public to sweep the whole pack of rats out of their high positions.

Critical Stage in the Vietnam War

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. MOORHEAD. Mr. Speaker, the attacks on the cities of South Vietnam during the Tet holiday last month signaled the beginning of a critical stage in the Vietnam war. The outcome of the military battles now underway could well determine the political solution to the conflict.

Mr. Speaker, we should be aware that the outcome of the battles now being fought is by no means certain, and we must be prepared to deal with a broad range of eventualities.

This was the point of a column by Crosby S. Noyes in the Washington Evening Star of February 27. Under leave to extend my remarks, I insert the column at this point in the RECORD and commend it to the attention of my colleagues:

Reaction in this town to the current phase of the war in Vietnam is reaching new heights of absurdity.

It is almost as though it were not a war at all, but simply a debate. Victory, one might suppose, would go to the side which talked the loudest, which made the most

convincing claims, which succeeded in persuading the opposition that all was lost.

Yet wars—real wars, that is—are not won and lost this way. Victory will not go in the end to the side which scores the most debating points. It will go to the side which holds the ground after the battle is over which has suffered the least and which has the most capacity to make good its losses.

No one at this point can predict with assurance the outcome of the battle which started January 30 with the attack on the cities. Even for the opening phase, the returns are not yet in. The results of the Viet Cong offensive, measured against the real objectives, are about nine-tenths conjecture. What is not conjecture is that the decisive rounds of the battle are yet to come.

In this situation, the precipitous rush to judgment in the opening stages of promises to be a determining military effort—the claims of victory and the concessions of defeat—amounts to a curious phenomenon.

It is as if attitudes, rather than military realities, were the determining factor in this war—attitudes which will not be changed by the outcome of any battle. And this, in turn, is linked closely to another popular obsession about Vietnam: that a "military solution" of the conflict is impossible.

The implication, quite clearly, is that battles are irrelevant and that if military action could be restrained—starting with a halt of the bombing in the north—the diplomats could then get on with the job of working out a "political solution" in which there would be no winners and no losers.

Yet nothing could be more unrealistic than this notion. For when it comes to the central issue of the war in Vietnam—the question of who controls the government in Saigon—one side or the other must prevail.

Whatever other compromises may be reached through negotiation, the Communists will either control the government or they will not. There is no miracle of diplomatic sleight of hand which can conceal the result or prevent the political repercussions which would be produced far beyond the borders of Vietnam.

It is this fact which has successfully frustrated all the well-intentioned efforts by such people as United Nations Secretary General U Thant and Britain's Harold Wilson to get peace talks started. It is not a problem of finding a satisfactory formula.

The problem quite simply is that neither Ho Chi Minh nor Lyndon Johnson is willing at this point to accept a defeat at the conference table on the central issue of the war. And as long as this is the case, a negotiation would stand no chance whatever of success.

So it would seem that there is, after all, a rather close connection between the prospects of peace talks and the battle which is now in progress in Vietnam.

If Gen. Glap succeeds in the coming weeks in achieving a significant military victory, if a second wave of attacks on Saigon and other provincial capitals results in a general paralysis of the country or the popular uprising which Hanoi has predicted, if the Marine outpost at Khe Sanh is overrun—then it is quite possible that Ho will press hard for negotiations.

If he falls in these objectives at great cost to his military force, it is also quite possible that he will at last be willing to give up his dream of ruling in South Vietnam and settle for some face-saving formula which will leave the real power in non-Communist hands. Once the central issue is settled, there are a variety of concessions that could be made—including perhaps even the appearance of a "coalition government"—to make a settlement more palatable.

But the important point is that any "political solution" in Vietnam must be preceded by a military solution in which one side or the other tacitly admits defeat. The battle

that may decide this is under way and the outcome is uncertain. And for all the current cries of victory or defeat, it is the battle that counts.

Crime: A National Disgrace

HON. GERALD R. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. GERALD R. FORD. Mr. Speaker, one of the leading spokesmen in the House of Representatives in the fight against crime is my friend and colleague, CLARK MACGREGOR, of Minnesota. He was one of the legislative architects of the amendments to the Law Enforcement and Criminal Justice Assistance Act which the House adopted last August 8.

In the Minnesota Police Journal, the official publication of the Minnesota Police and Peace Officers Association, for January-February 1968, Congressman MACGREGOR is the author of an article entitled "Crime: A National Disgrace." He emphasizes the need for immediate action on crime control legislation, as he says:

America at times seems to be the land of the bigger—if not always the better—anything and everything. And if there was ever an example of "bigger but not better," it is the continuing unchecked escalation in the incidence of crime. It is clear that the fundamental proposition of rule by law, and equal justice under law, is being tested as never before in the history of our country.

Mr. MACGREGOR's article also appears in the current issue of the Peace Officer, the official publication of the Fraternal Order of Police, State Lodge of Michigan. I am pleased to insert it in the RECORD at this point:

CRIME: A NATIONAL DISGRACE—UNITED STATES CONFRONTED WITH CRISIS

(By Congressman CLARK MACGREGOR)

On December 11, 1967, the President of the United States, with fitting solemnity announced the latest FBI figures showing that for the first 9 months of 1967 crime in the United States increased 16 percent over the corresponding period in 1966.

Population goes up, gross national product goes up, prices, sales, salaries, stocks, and the national debt all go up and there is a temptation to feel a certain inevitability about it. America at times seems to be the land of the bigger—if not always the better—anything and everything.

And if there ever was an example of "bigger but not better," it is the continuing unchecked escalation in the incidence of crime. It is clear that the fundamental proposition of rule by law, and equal justice under law, is being tested as never before in the history of our country. The first nine months of 1967 saw 16 percent more murders, 15 percent more cases of larceny, 17 percent more auto thefts and a whopping 27 percent increase in robberies over the 1966 record. At this rate, the number of robberies alone will have more than doubled in less than three years. And the statistics are incapable of projecting the dire significance of last summer's looting, burning, rioting and murder which flared in major urban areas throughout the country.

We are confronted with a national crisis and a national disgrace.

Our quest for "liberty and justice for all"

threatens to become "license for many and security for none." Without even-handed law enforcement, there can be no equality of justice for anyone. Yet far too many have seemed content to settle for less than equal justice and firm enforcement.

We are all aware that fear, cynicism and despair are the legacies of our failure to come to grips with this mounting wave of lawlessness. And in 1967, again there was only timid and halting progress on the part of the federal government to help provide law enforcement officers with the tools they so desperately need to bring this problem under control. However, there are hopeful signs that in 1968, Washington, D.C. is finally prepared to become a partner with the states in their efforts to solve this immense problem.

I have been fortunate in this regard to have been asked to serve on a number of committees designed to explore solutions to these problems including the House Republican Task Force on Crime, the National Republican Coordinating Committee Task Force on Crime and Delinquency, and the sub-committees of the Judiciary Committee which are responsible for developing much of the crime legislation in the House of Representatives.

I would like to summarize for you some of the major bills currently before the Congress designed to strengthen your hand in the performance of your duty.

Certainly the most significant crime legislation currently before us is the Law Enforcement and Criminal Justice Assistance Act of 1967, formerly known as the Safe Streets bill. It was a privilege for me, both in committee and during House debate last August, to be one of its architects.

The provisions of this legislation as adopted by the House include the following:

State Law Enforcement & Criminal Justice Planning Agencies—The proposed law would authorize the Attorney General of the United States to distribute 22.5 million dollars uniformly among the states for the establishment and operation of state law enforcement and criminal justice planning agencies. What this means is that each of the 50 states will receive an initial \$100,000 plus additional funds provided on a per capita basis to assist in carrying out this essential planning function. The legislation would require that the members of the planning agency to be appointed by the governor of the state be representative of law enforcement agencies throughout each state.

Law Enforcement Innovations—Once these state planning agencies submit plans to the Attorney General, he would be authorized the first year to distribute 39 million dollars among the states for the purposes of developing new approaches to and improvements in law enforcement and criminal justice at all levels of state and local government. In addition these funds could be used to acquire new equipment and for construction of buildings which fulfill a significant innovative function. The purpose here is to stimulate the development of new and imaginative approaches to crime control and prevention.

The House bill properly requires that priority attention be given to the truly national objectives of detecting, preventing, and controlling organized crime and violent civil disorders. This type of emphasis in my judgment is essential. The President's Commission on Crime revealed gambling, narcotics trafficking and loan sharking alone yields organized crime 10 billion dollars each year, or the equivalent of \$50 for every man, woman and child in America.

Research & Training—This legislation authorizes the establishment of a National Institute of Law Enforcement and Criminal Justice to conduct research and training programs and to develop improved methods of law enforcement. Regional Training Institutes would be established to assist in the training of state and local law enforcement

personnel. Again the institutes would be required to provide programs in controlling riots and combatting organized crime.

Two points need to be made concerning the overall philosophy embodied in this legislation. First and most important the House-passed bill continues to place the fundamental responsibility and control of law enforcement in the hands of local and state law enforcement officials and elected representatives. The Administration's original proposal very unwisely sought a major departure from this tradition by placing discretionary authority in the hands of the Attorney General. He who pays the piper must call the tune, and Americans do not want to have state and local law enforcement decisions determined by a non-elected official in Washington.

Secondly, the Law Enforcement and Criminal Justice Assistance Act would place the federal government in the job which it has demonstrated in the past it can do most effectively, namely the collection of revenue and the stimulation of state and local activity to meet specific problems such as organized crime and violent civil disorder. But the point is, we have been careful to retain state and local initiative and control in this vital function.

These much needed legislative reforms were adopted by a substantial majority in the House of Representatives back on August 8, 1967 and the bill was sent to the Senate. All of us interested in law and order are deeply disappointed at the Senate's failure to approve this bill or any comparable bill in committee, despite the fact that the President called for early action on this type of a proposal over a year ago in his 1967 State of the Union message. While the Senate fiddles, the crime rates continue to soar.

PREVENTION OF JUVENILE DELINQUENCY

More recently, the House passed a related piece of important legislation entitled the Juvenile Delinquency Prevention and Control Act of 1967, which authorized 25 million dollars in grants to states for juvenile delinquency control programs.

Again we succeeded in incorporating the block grant approach to funding so as to retrain traditional state and local initiatives in coping with juvenile offenders.

This bill authorizes the federal government to provide up to 75% of the cost of state-approved projects or delinquent youths as well as programs for preventive programs for diagnosing, treating and rehabilitating services for youths in danger of becoming delinquent. Funds would also be available to the states on a 50-50 matching basis to help upgrade our inadequate juvenile detention facilities. Finally the House again emphasized the need for training qualified personnel to perform these diagnostic treatment and rehabilitation services.

In this instance, the Senate has completed hearings but taken no final action on this bill. Again the continuing delay is proving to be far more costly than the dollars carefully spent to control the problem.

ELECTRONIC SURVEILLANCE

Finally, a number of us in Congress have introduced legislation to outlaw the use of electronic surveillance by private citizens but permit its use, under strict court authority and supervision, by law enforcement officers investigating the most serious of capital and organized crimes. Unfortunately, our efforts to have this idea even considered in the House Judiciary Committee have been unsuccessful. Reversing the course of his last three predecessors, the present Attorney General of the United States continues to oppose the use of any such surveillance techniques except in those instances where he or the President determines that national security is involved. Obviously, this attitude delights those who profit from organized crime.

On the other hand, there is virtual unanimity in favor of such legislation from such diverse interests as the United States Judicial Conference, headed by Earl Warren, Chief Justice of the U.S. Supreme Court, by the 1000 member Association of Federal Investigators, the National Association of Attorneys General and the International Association of Chiefs of Police.

As the counsel for the Association of Federal Investigators has pointed out, "from the experience of the membership, these devices are necessary, useful and effective investigative weapons particularly where organized crime cases are concerned."

The President's own Commission on Law Enforcement and the Administration of Justice is equally forceful on this point:

"The great majority of law enforcement officials believe that the evidence necessary to bring criminal sanctions to bear consistently on the higher echelons of organized crime will not be obtained without the aid of electronic surveillance techniques."

Recent Supreme Court decisions give assurance that a carefully-drawn bill would meet any constitutional test and could still be an effective aid in the vital war on organized crime. There is simply no justification for denying this tool to our harassed law enforcement officers and criminal justice agencies. This legislation should be passed without further delay.

There are a number of other relevant bills currently before the Congress, but the three measures discussed above are of major importance and are indicative of congressional efforts to provide the law enforcement officer with improved tools to do his job. It is my most sincere hope that this promise of assistance will soon be converted into a reality.

Our law enforcement officers continue to demonstrate abundantly their ability, perseverance and devotion to the cause of equal justice under law. Never before has this nation needed so urgently to nurture just these qualities. We as a nation must do everything in our power to insure that each law enforcement officer and criminal justice agency has the tools and the public confidence needed to confront and overcome the forces of lawlessness.

Pfc. James C. Foster, Jr., Killed in Vietnam

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. OTTINGER. Mr. Speaker, it is my sad duty to report that one of my constituents—Pfc. James Clair Foster, Jr., of Patterson, N.Y.—died in Vietnam last week.

I wish to commend the courage of this young man and to honor his memory by inserting herewith, for inclusion in the RECORD, the following article:

[From the Putnam County (N.Y.) edition, Patent Trader, Feb. 24, 1968]

PATTERSON BOY 19, KILLED IN VIETNAM

PATTERSON.—Pfc. James Clair Foster Jr., 19, of Birch Hill Road, Patterson, was killed in action near Hue, Vietnam, Monday. He had been serving with the 501st Infantry, 101st Airborne Division, at the time of his death.

He was born November 5, 1948, in Brewster, son of James and Amy Bush Foster, who survive. He attended schools in Carmel and was a lifelong area resident.

While attending Carmel High School, Private Foster was a member of the Carmel

High School Varsity Club. He participated in football for three years and basketball and baseball for two. He was a member of the high school wrestling team for one year and a member of the Patterson Little League for several years.

Private Foster left school to enlist in the service, February 28, 1967, serving his basic training at Fort Gordon, Ga. He received advanced paratroop training at Camp Campbell, Ky., and had been in Vietnam since December 13.

Besides his parents, he is survived by three brothers and five sisters. They are Richard Lott, of Pennsylvania, Louis Foster, of Carmel, Edward Foster, of Patterson, Mrs. Beverly Buechel, of Montrose, Pa., Mrs. Bertha Braley of New Fairfield, Conn., Mrs. Ellen Osborne of Pawling, Mrs. Sharon Boo, of Carmel and Mrs. Carol Bauer of Pawling.

His brother Louis suffered leg injuries in Vietnam twice last year while serving with the U.S. Marines in Phuá Phien Province. He is presently stationed at the Marine Barracks in Brooklyn for rehabilitation.

Funeral services, with full military honors, will be conducted at the Patterson Presbyterian Church upon arrival of the body in this country. Rev. James Frost, pastor, will officiate.

Funeral arrangements will be handled by the Dwyer funeral Home, Patterson. Burial will be at Milltown Rural Cemetery, Brewster.

Address of Gen. Harold K. Johnson, Chief of Staff, U.S. Army

HON. BASIL L. WHITENER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. WHITENER. Mr. Speaker, it was my privilege recently to be a host at the Presidential prayer breakfast at which Gen. Harold K. Johnson, Chief of Staff of the U.S. Army, made a talk.

General Johnson's words were an inspiration to me and I feel sure to all those present. I include his remarks in the RECORD at this point:

ADDRESS OF GEN. HAROLD K. JOHNSON, CHIEF OF STAFF, U.S. ARMY

INTRODUCTION

Senator CARLSON. We have as our guest speaker this morning a great Christian layman, one of our nation's great military leaders, the Chief of Staff of the United States Army, General Harold Johnson.

ADDRESS

General JOHNSON. Mr. President, Senator Carlson, friends in God:

"I'll go where you want me to go, dear Lord; Real service is what I desire.

I'll say what you want me to say, dear Lord; But don't ask me to sing in the choir.

I'll say what you want me to say, dear Lord—

I like to see things come to pass. But don't ask me to teach girls or boys, dear Lord.

I'd rather stay in the class. I'll do what you want me to do, dear Lord; I'll yearn for the kingdom to thrive.

I'll give you my nickels and dimes, dear Lord.

But please don't ask me to tithe. I'll go where you want me to go, dear Lord, I'll say what you want me to say.

But I'm busy now with myself, dear Lord, I'll help you some other day."

Does that strike a familiar note to anyone? Three years ago, when the honor, the privi-

lege and the responsibility of appearing before this distinguished audience was accorded to me, I was pretty apprehensive. I asked then and I ask now: What in the world is this Johnson doing up here this morning?

And I said then and I say now that I don't believe that it's because I happen to share the same name as my Commander-in-Chief, but because, like our President, I believe in the power and the glory and the strengths of Almighty God. And as the task of preparing for this appearance this morning began to close in once again, I asked: What more can I say? And then I began to reflect back over a great number of events in my own life, and I started out with a number that I was going to tie together. And I had them boiled down to two last night, and this morning as we sat here at breakfast, I reduced it to just one that I want to relate very briefly:

I reflected back to late September, 1945, when I returned to the shores of this magnificent country after more than five years' absence, of which nearly 41 months had been spent out of communication, with little information and no sensing at all of public attitudes here at home. And the most vivid impression that I received when I came home and that I still carry with me—and, I might add, the greatest shock that I felt when I returned—was a national attitude of "what's in it for me?"—money under the counter if you expected to rent an apartment, must know a friend to get nylons for your wife or even a white bath towel, must know someone on the Ration Board to get tires for your car—"What's in it for me?"

And as I thought about this, I decided I had become so presumptuous as to try to give a brief message today despite the fact that I know in my heart that my qualifications really place me as a listener rather than as a speaker up here. I acknowledge that I am no paragon of virtue and that I violate the very things that I am going to speak about much more and perhaps much, much more than anyone who listens this morning.

And I want to use the third chapter of the letter of James, the thirteenth through the eighteenth verses, and I am going to read from Phillips' translation, and I quote: "Are there some wise and understanding men among you? Then your lives will be an example of the humility that is born of true wisdom. But if your heart is full of rivalry and bitter jealousy, then do not boast of your wisdom. Don't deny the truth that you must recognize in your inmost heart. You may acquire a certain superficial wisdom, but it does not come from God. It comes from this world, from your own lower nature, even from the devil. For wherever you find jealousy and rivalry, you also find disharmony and all other kinds of evil. The wisdom that comes from God is utterly pure, then peace-loving, gentle, approachable, full of tolerant thoughts and kindly actions, with no breath of favoritism or hint of hypocrisy. And the wise are peacemakers who go on quietly sowing for a harvest of righteousness in other people and in themselves."

Our nation today is troubled and uneasy. We have those who believe that we should pull out of Vietnam and all of Southeast Asia. We have those who believe that we are not doing enough in Southeast Asia. We have those who believe that we are not doing enough for the underprivileged of our country. We have those who believe that we are fostering and harboring a segment of parasites within our population. We have those who believe that the laws of our land can be flouted and that they can choose the laws they will obey and the laws they will ignore. We have those who believe that disrespect for the law should be confronted with a club or a gun.

Parents across our land are concerned with the use of drugs and dope among our young people.

So where do we turn? What do we do? How many of us—referring back to James—and I quote: "deny the truth that you must recognize in your inmost heart"? How many of us have given real thought to the commandment that was read in our first scripture: "And thou shalt love the Lord thy God with all thine heart and with all thine soul and with all thine might. And these words which I command thee this day shall be in thine heart"?

We are part of a social structure that is growing more crowded with each passing day. It is becoming more difficult for an individual to establish an identity. The older among us are too busy and too preoccupied to communicate with the younger. Our consciences are becoming hardened by continued exposure to both the contemptible and the pitiable. Unable or unwilling to take corrective measures, we offer at first only our contempt or our pity. Contempt and pity give way to acceptance; acceptance leads finally to the worst attitude of all—uneasy indifference, anomalous as that may seem. We ignore with the vain hope that the distasteful or the hard-to-solve problem will somehow go away.

And I wonder if it isn't time for each of us to reflect upon the eighth and the ninth verses of the fourth chapter of Genesis. Remember that after Cain slew his brother, the Lord said to Cain, "Where is Abel, thy brother?" And Cain replied: "I know not. Am I my brother's keeper?" And the answer is: "Yes, I am my brother's keeper." Each of us is his brother's keeper, and in the eyes of God, all of us are brothers.

We dare not be indifferent to our brothers' needs, whether those needs be material, spiritual or just plain communication.

Now, there is a solution to the problems of this world: Turn to God. There is a solution to the conflict between nations: Turn to God. There is a solution to the problems of our cities and our streets: Turn to God, not in a superficial way, but in a human and compassionate way. As man to man and friend to friend, there is a solution to the problem of our young: With them, turn to God.

What's in it for me? Just the satisfaction of becoming a compassionate human being.

Finally, if we ever wonder how far we should carry our love for one another, remember that Jesus was not content with the old commandment to love our neighbors as ourselves. True to His manner, He added glorious new dimensions to that injunction by saying, in the words of our final text this morning: "This is My commandment—that ye love one another as I have loved you."

We can never hope to match His matchless love, but we grow in grace and glory every time we try.

Young GOP Units Switch to Nixon—He Pulls Even With Governor Reagan—Others Fall Back

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Pittsburgh Press of February 27, 1968:

YOUNG GOP UNITS SWITCH TO NIXON—HE PULLS EVEN WITH GOVERNOR REAGAN—OTHERS FALL BACK

(By Ted Knap)

WASHINGTON.—Former Vice President Richard M. Nixon has moved ahead of California

Gov. Ronald Reagan as the presidential choice of most young Republicans, interviews with delegates to the Young Republican (YR) National Leadership Training School indicated today.

What little support there was for Michigan Gov. George Romney among Young Republicans appears to have shifted to New York Gov. Nelson A. Rockefeller.

NIXON GAINS IN SOUTH

The trend toward Mr. Nixon appears to be nationwide among the 700 young men and women attending the six-day YR conference here. It is most noticeable in the South, where Gov. Reagan had been the overwhelming choice.

"Six months ago, if Reagan had given the word, you couldn't have walked in the South without stepping on Reagan posters," said Mike Hudson of Mississippi, a national YR field director.

"Now it's pretty even, with maybe a slight edge toward Nixon, because Nixon is a candidate and Reagan is not."

Alabama YR Chairman Ed Allen, Birmingham, said Mr. Nixon is the choice of most Young Republicans in his state.

"Reagan has faltered," Mr. Allen said. "A lot of Young Republicans still like him, but they're being practical—they don't want to lose. Nixon is their choice because he's a pro, and the most capable."

REAGAN LED BY 16 PERCENT

When Young Republicans held their convention last June, in Omaha, Neb., a poll of more than 400 delegates showed 46 per cent for Gov. Reagan and 30 per cent for Mr. Nixon.

Far behind in the conservative-dominated organization were Gov. Rockefeller with 11 per cent, Sen. Charles Percy of Illinois with 7 per cent and Gov. Romney 6 per cent.

Dorothy Ecklund, Harrisburg, Pa., said Mr. Nixon's loser image is "in the past."

"He has improved immensely," she said, "I think he can make it."

Pennsylvania YR Chairman Ben Sinclair, of Media, remains staunchly for Gov. Rockefeller and said the overwhelming majority of his members are for Mr. Nixon or Gov. Rockefeller. He said Gov. Romney is "pretty well out of it."

MICHIGAN DELEGATE LOYAL

Michigan Delegate Ann Young, Grand Rapids, said she "must mention Gov. Romney first," then added, "I also like Mr. Nixon."

Walt Blank, Poughkeepsie, immediate past-president of New York Young Republicans, said he prefers Mr. Nixon and so do most Republicans in Dutchess County. Even in a statewide poll, he said, Mr. Nixon would come close to Gov. Rockefeller among Young Republicans.

"I was for Rockefeller until the garbage strike," said Neal Corson, chairman of the Maine State College Young Republicans. "Now I'm up in the air. I guess I lean to Nixon."

Another YR from Maine cited a poll of Oxford County Republicans, showing 222 for Mr. Nixon, 91 for Gov. Rockefeller and 20 for Gov. Romney. He said that was a top-off to the March 12 primary in neighboring New Hampshire.

Charlotte Lewis, Barbourville, Ky., said she favors Gov. Rockefeller "because he can win," but believes most Kentucky Young Republicans prefer Mr. Nixon because he is better known there. She said Gov. Rockefeller never has campaigned in Kentucky.

Bill Fawley, Lynchburg, Ohio, said Gov. Rockefeller has gained strength in Ohio because Gov. James A. Rhodes "seems to favor him."

But Susan Roberts said the trend among Young Republicans at Casper College, Wyo., is toward Mr. Nixon "because he has experience in the White House" and because "he

looks more like a winner than he formerly did."

The American Effort in Vietnam

HON. JOSEPH Y. RESNICK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. RESNICK. Mr. Speaker, Mr. Vincent S. Jones, executive editor of the Gannett newspapers, recently returned from a trip to Vietnam. In a perceptive column, Mr. Jones attempts to answer some of the key questions raised about American effort in this conflict.

His column follows:

[From the Ithaca (N.Y.) Journal, Feb. 23, 1968]

QUESTIONS ON THE WAR—ONE ANSWER: "WE CAN'T LOSE IT"

(By Vincent S. Jones)

Ever since Governor Romney's monumental goof last year, anyone who returns from Vietnam is certain to be asked not whether, but how, he got brainwashed.

In the course of a 25,000-mile trip last fall, I talked with scores of knowledgeable people—ambassadors, generals, admirals, soldiers serving in the Mekong Delta, aviators aboard an aircraft carrier, correspondents, consular officials, editors, businessmen. All were refreshingly frank; none ducked tough questions; most of them had strong feelings—and none had a simple solution to the most frustrating problem of our time.

There is no censorship—except at the source of the news. With 500 correspondents covering the war and going out with the troops, it would be difficult to hide anything for long.

Where the press and officialdom have disagreed since the beginning has been in their assessment of the over-all situation. Our Government has indulged in a great deal of wishful thinking and has been unjustifiably optimistic.

Inevitably a visitor is asked for his opinion. Here, based on long reflection and study of the most recent reports and opinions, are the answers I give to the questions that bother most Americans.

What about our Army?

Veteran correspondents say that this is the finest army in American history. Morale is high. The men serve only a year. Rescue systems and superb medical care mean that most of the wounded will recover. But there is less confidence in our top leadership, which has been unable to solve the age-old problem of fighting guerrillas, despite overwhelming firepower and complete domination of the air.

Why can't 500,000 men accomplish more in a little country?

It isn't as small as you might think. The entire Vietnamese coastline is equivalent to that of the 13 original American colonies. Much of Vietnam is jungle country and the swampy Mekong Delta is no place for conventional military operations.

Two years ago, when we first moved in large forces, the South Vietnamese were on the edge of defeat. But Vietnam is a primitive country, and we had to spend two years building roads, camps, airfields, docks, warehouses. This has been done with typical American zeal and efficiency. There are eight jet bases with 10,000-foot runways and 80 other airfields. Six new deep water ports. Barracks for hundreds of thousands of men. We have enough machinery there to dig the Suez Canal in a year and a half, or to pave the New Jersey Turnpike every month!

How can the Viet Cong cause so much trouble?

The recent attacks on Saigon and other cities came as no surprise to anyone who has visited the area. We rule this unhappy land only by day. Thousands of hamlets never have been pacified. At night we retreat into our strongholds, and cities observe strict curfews. A handful of desperate men can create havoc. Even main highways are unsafe to any but heavily armed convoys.

This is a reflection of the deep split in the populace—unlike South Korea, where guerrillas from the North get no help and are quickly hunted down by a populace which is united and which remembers vividly the horrors of being overrun by Communists.

Why don't the South Vietnamese fight harder?

They've been fighting somebody for 22 years. Many of the braver, abler, people of South Vietnam are on the other side. We are, in effect, intervening in a civil war. As the late Bernard Fall put it, "This isn't a Munich, it's another Spain." The people also remember that we supported the French and paid for most of that losing war. The Vietnamese don't like any outsiders. The peasants, who can live well in the incredibly fertile Delta, wish everyone would go away.

Should we stop the bombing?

It has hurt North Vietnam and slowed the flow of arms and men. It also has hurt our image in other parts of the world. But it would be folly, I believe, to stop bombing without a comparable gesture from North Vietnam. We learned, the hard way, in the Korean War that negotiations are a Communist tactic. We lost 20,000 men during the two years that these talks dragged on—and never did get a permanent settlement.

Are we risking war with China or Russia?

The Chinese showed us in Korea that they are sensitive when their border is threatened. But China is in no position to mount an invasion of its own. Unlike Vietnam, China has big cities and industries which are vulnerable to bombing.

Could we stand a second operation of this size?

I doubt if the American people would tolerate defense of another big front. How many Americans realize the extent of this country's commitments? The documents cover 71 pages—and most of the Free World. They range from solemn treaties to this ringing reply by Vice President Humphrey to a question at a press conference in Korea:

"So long as there is one American soldier on the line of the border . . . the whole and the entire power of the United States is committed to the security and defense of Korea . . ."

The North Koreans may be on the verge of testing the validity of that big blank check.

What about the dangers of escalation?

What if the other side starts escalating things? Russian or Chinese missiles or bombers certainly could make a shambles out of Saigon and endanger our Seventh Fleet units which now operate only a few minutes flying time off Haiphong, with lights on, refueling and rearming casually at sea. By seizing the USS Pueblo, the North Koreans have shown us the limitations of even our vast strength when it is stretched too thin.

Can we win the war?

We can't lose it—if we use whatever force is necessary. I wish that we could get out, even at great loss of face. We have made some ghastly mistakes in the last 20 years and the biggest one was to go into Vietnam in such force. But most of the proposals for disengagement seem to me to break down when you face the prospect of abandoning people we have fought to protect, as well as our allies in southeast Asia.

What can we do?

Our army has shown that it can beat the enemy in formal battle. The Viet Cong guerrillas are another matter. They should be handled by the South Vietnamese. The pacification program must be stepped up.

Only then will the people believe that we offer security.

The new South Vietnamese government should be made to do something about the corruption and oppression which have been the way of life for centuries. So long as we are doing most of the fighting and paying the bills, I think we are entitled to run the military show instead of continuing the polite fiction that we are "advisers". I don't share the broad optimism in official quarters. Even if we win, we will have to keep a strong force in Vietnam for years. But could hope to build up the South to the point of self-sufficiency.

Whenever I am attracted by proposals to get out, I think of a reminder by General Bonesteel, the U.N. commander on the truce line in Korea: "In 1949," he said, "the United States pulled its troops out of South Korea. We saved \$15 million that year. But it cost us 33,000 lives and \$30 billion in the next three years."

Young Republicans Salute Baltic States' Independence

HON. WENDELL WYATT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. WYATT. Mr. Speaker, this year 1968 marks the 50th anniversary of the short-lived freedom of the Baltic States: Estonia, Latvia, and Lithuania. The hardy, freedom-loving peoples are presently oppressed by Russian totalitarian rule, having lived less than 30 years as free and independent nations.

On February 14 of this year the Young Republicans Club of Arlington, Va., passed a resolution supporting the indomitable will of these Baltic peoples, and calling for support for my bill, H.R. 13493 and others which would request the Post Office to issue a commemorative stamp calling the attention of the free world to the 50th anniversary of the Baltic States.

At this time I present the Arlington Young Republicans' resolution in its entirety:

RESOLUTION

Be it resolved by the Young Republican Club of Arlington, Virginia:

Whereas the year 1968 marks the fiftieth anniversary of the proclamation of independence of the three Baltic States—Latvia, Lithuania, and Estonia; and

Whereas there exist historical, cultural, and family ties between the people of the Baltic States and the people of the United States; and

Whereas the occupation and subsequent annexation of the Baltic States by the Soviet Union is violative of both fundamental human rights and international law and has never been officially recognized by the United States and other nations of the free world; and

Whereas the Congress of the United States has overwhelmingly expressed its deep concern for the plight of the Baltic States, therefore

The Young Republican Club of Arlington, Virginia requests the United States Post Office Department to issue a commemorative stamp to call the attention of the free world to the fiftieth anniversary of the proclamation of independence of Latvia, Lithuania, and Estonia.

Adopted by the Young Republican Club of Arlington, Virginia February 14, 1968.

Largest Minute Man Flag Awards Presented to the Philadelphia Naval Supply Depot Compound

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. EILBERG. Mr. Speaker, on February 23, 1968, I had the privilege of presenting the U.S. Treasury Department's Minute Man Flag Awards to each of the seven activities of the Philadelphia Naval Supply Depot Compound. I am very proud that the Naval Supply Depot is in the Fourth Congressional District of Pennsylvania, which I have the honor to represent.

It is a pleasure for me to include a story which appeared in the February 16 issue of the Compound Chronicle which describes these awards as the largest presentation made at a U.S. Government installation in the Greater Delaware Valley area since the inception of the savings bonds program:

MASS MINUTE MAN FLAG PRESENTATION SCHEDULED FOR COMPOUND FEBRUARY 23—MULTIAWARD IS LARGEST IN PHILADELPHIA AREA SINCE BOND PROGRAM STARTED IN 1941

On February 23rd the U.S. Treasury Department's Minute Man Flag will be presented to each of the Compound's seven activities. The Minute Man Flag is awarded to those organizations (both governmental and industrial), whose employees are participating in the U.S. Savings Bonds Program with a 90 percent or better average. The February 23rd multiple presentation on the Compound is the largest such presentation made at a U.S. Government installation in the Greater Delaware Valley area since the inception of the Savings Bonds Program.

Each and every employee on the Compound can "take a bow" for attaining this unique distinction. Of this award it can truly be said, "this WE did!" For without the wholehearted support, and the consequent financial sacrifice, of the entire Compound workforce this remarkable record could not have been achieved.

Presidents of the United States, from Franklin D. Roosevelt to Lyndon B. Johnson, have urged the citizens of our nation to help our country achieve financial stability by investing in U.S. Savings Bonds. The overwhelming response of Compoundites is reflected in the following U.S. Savings Bonds participation percentages: NPPSO—98.2%; DISC—96%; NSD—94.7%; NATSF—92.5%; NODO—92.3%; ASO—91%; and NRFC—90%.

A Minute Man Flag bearing two gold and two silver stars (denoting 12 years with a 90 percent or better average in the U.S. Savings Bonds Program), will be presented to DISC, NATSF and ASO. NSD will receive a flag with two gold stars (10 years); NPPSO will accept a flag with one gold star (five years); four silver stars (four years) will adorn the NRFC flag; while NODO will be presented with a flag carrying two silver stars (two years).

PRINCIPAL SPEAKER

U.S. Representative Joshua Ellberg, D-Pa., will present the flags at a formal ceremony to be held in the Executive Dining Room at 11:30 a.m. on February 23. Representative Ellberg, a graduate of the Wharton School of the University of Pennsylvania, and the Temple University School of Law, will be the principal speaker at the presentation ceremony.

Rep. Ellberg has served in numerous governmental posts including that of Assistant

District Attorney for the City of Philadelphia, and as Majority Leader and Chairman of the Rules Committee of the Pennsylvania House of Representatives. A U.S. Navy veteran of World War II, he is active in many civic and fraternal organizations in the Greater Delaware Valley.

DISTINGUISHED GUESTS

Captain E. F. Anderson, Jr., SC, USN, Commanding Officer of NSD, will serve as Master of Ceremonies for the affair. Rear Admiral H. J. P. Foley, Jr., SC, USN, ASO's Commanding Officer, will make the opening remarks on behalf of the Navy activities; and Rear Admiral G. C. Heffner, SC, USN, DISC Commander, will make the closing address on behalf of the Defense Supply Agency activity on the Compound. Other distinguished guests scheduled to address the gathering include: Rear Admiral Robert Speck, USN, Commandant of the Fourth Naval District, will speak in his capacity as the U.S. Savings Bonds Inter-Departmental Coordinator for Federal Employees in the Southeast Pennsylvania area; and Mr. John Utz, Southeast Pennsylvania Area Manager, Savings Bonds Division, U.S. Treasury Department. Mr. Utz also serves as the Philadelphia "Share In Freedom" campaign manager.

ACTIVITY HEADS ACCEPT

Accepting the flags on behalf of their respective activities will be: Admiral Foley, ASO; Admiral Heffner, DISC; Captain C. W. Pittman, USN, Commanding Officer NATSF; Captain Anderson, NSD; Commander R. E. Turnage, SC, USN, Commanding Officer NRFC; Lieutenant Commander C. V. Thorup, SC, USN, Officer-in-Charge NODO; and Mr. B. C. Haueter, Director of NPPSO.

Representatives of the Compound Employees' Association, labor organizations active on the Compound, and members of management and labor from the seven Compound activities will be on hand to view the presentation.

Further, I include herewith the text of my address entitled "Savings Bonds and the Importance of Buying and Saving Them":

American patriotism in time of armed conflict can be displayed in many ways: from service in the Armed Forces to work in the Defense Industries to economic assistance through the purchase of U.S. Savings Bonds. All of these contributions are vital to our National Security, and every contributor is worthy of commendation.

In the several wars involving American military forces, from 1776 to date, the financial issue has immediately presented itself, sometimes looming larger than the prospect of physical conflict itself. In every instance, however, the American people have taken up the burden of financial responsibility with negligible protest. For clearly, the Nation cannot be defended by bravery alone. The cost of National defense is monumental today, as it always has been throughout our history.

At latest count, Americans have more than 50 billion dollars invested in U.S. Savings Bonds, in tribute to the value of our National ideals. This is highly encouraging, but must not be regarded as a basis for relaxing popular interest in this terribly vital area of American responsibility. We must continue to purchase U.S. Savings Bonds, and, most important, we must actually *save* them, if they are to perform their necessary service to our cause.

In December, 1967, Americans cashed in so many Savings Bonds, presumably for the purpose of buying Christmas presents, that the total amount paid out by the Government, in this respect, exceeded the amount collected through the purchase of new Bonds. This did not, however, offset the fact that by the close of the year the accrued interest of holdings of E and H Bonds had reached \$51.4 billion—

the highest ever in American financial history.

There are still good economic reasons for buying U.S. Savings Bonds. They pay well. Series E Bonds are now issued in eight denominations—\$25, \$50, \$75, \$100, \$200, \$500, \$1,000, and \$10,000—and are sold at 75% of face value. Interest is added to the value of the bond each six months and at the original maturity date will equal the difference between the purchase price and the face value. The interest rate is low at first and provides little benefit to the purchaser if cashed in quickly. But during the seventh year of its ten-year maturation period the interest rate increases to 4.64%, and over the entire seven-year period averages 4.15 percent.

Series H Bonds can be purchased in denominations of \$500, \$1,000, \$5,000, or \$10,000. Freedom Shares, formerly titled United States Savings Notes, will be issued through April 30, 1969, or until the end of the War in Vietnam if it extends through that date. Freedom Shares are sold in denominations of \$25, \$50, \$75, and \$100, at 81% of face value and mature in four and a half years.

It is not only good patriotism to buy U.S. Savings Bonds, it is also a good investment, especially if you keep the Bonds until they mature!

Don't think that by keeping them that long you will be in a class by yourself, because you won't. Indeed, we are advised by the Treasury Department that some good patriots are still hanging on to \$5,000,000 worth of World War I Liberty Bonds and Victory Notes!

Education on the Dangers of Drug Abuse

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. ROGERS of Florida. Mr. Speaker, in January of this year a national conference on public education on drug abuse, cosponsored by the American Pharmaceutical Association and the U.S. Food and Drug Administration was held here in Washington.

As a result of that meeting, a task force of 12 national organizations was proposed to develop a plan for the national coordination of drug abuse education. Organizations invited to participate in the task force are the American College Health Association, American Medical Association, American Pharmaceutical Association, American Social Health Association, Boy Scouts or Girl Scouts of America, Food and Drug Administration, General Federation of Women's Clubs, National Association of Student Personnel Administrators, National Congress Parents Teachers Association, National Institute of Mental Health, Pharmaceutical Manufacturers Association, and others.

This effort is even more important today than it was in January. The Congress has received additional expert testimony on the serious effects of LSD and marijuana on the youth of America. The President has proposed the transfer of the policing of all drug abuse matters to the Justice Department, and additional legal penalties are being readied by the health committees of both Houses of Congress.

As a participant in the January con-

ference also attended by 150 representatives from the professions, government and educational, youth and service organizations, and as a member of the Health Subcommittee of the House, I can say without hesitation that I know of no more important work with young people today than to provide them with the facts on drug abuse. Every Member of the Congress should become familiar with the pending legislation, and the efforts being made by public and private groups to help bring the message and warning to the youth of our country.

The Job Corps

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. WILLIAM D. FORD. Mr. Speaker, one of the primary tasks facing any new program of great educational, social, and economic change is the uphill struggle to overcome, not only the inertia of conditions, but also the stagnation of ideas and attitudes. Thus, among the priority tasks facing the Office of Economic opportunity in the past has been to wage our war on poverty in such a manner as to consolidate community feelings and public sentiment in support of these educational, social, and vocational projects.

Mr. Speaker, the Job Corps is one of these projects which, at first, received more than its share of public skepticism and opposition. It has taken a lot of effort on the part of Job Corps officials, private organizations, and corps members themselves, to change this attitude and to bring across to the American people the concept and the goals of such an ambitious and important program.

Today, we are witness to the fruits of the Job Corps, and to the all important community support and encouragement which the young Job Corpsmen have gained for themselves and for the program. It is unfortunate, however, that this support should materialize with such strength as it does now, only after the Office of Economic opportunity has been forced to close down several of its Job Corps centers for lack of sufficient funds. As a result of cutbacks in the fiscal year 1968 budget, precipitated by legislative mandates in new directions, 16 centers will have to be closed down by March 31, 1968.

Those individuals who have had the good fortune to come into contact with the Job Corps program know of the tragedy that this setback will mean for not only the potential Job Corpsmen of today, but to the communities that have housed such centers and to the American society in general. These individuals know of the time and lives which we are now wasting through idle facilities and idle hands, and they know that we can not afford to repeat this mistake.

I must urge my colleagues to give their support to the effort of this generation to eliminate poverty and injustice from our civilization and I urge in this effort, that the consent of this body be given

to the full funding of the fiscal 1969 war on poverty authorizations.

Congressman Daniel E. Button and the Urban Crisis

HON. THEODORE R. KUPFERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. KUPFERMAN. Mr. Speaker, I would like to commend my friend and colleague, DANIEL E. BUTTON, of Albany, for his continuing effort in the battle to resolve the crisis in our cities.

Representing the important tricity area of Albany, Schenectady, and Troy as he does, Congressman BUTTON has taken the initiative in forming a New York State Capital District branch of the Urban Coalition, a privately sponsored group concerned with developing means effectively to solve urban problems.

As a Representative from New York City, I am also deeply concerned with this important domestic problem and want to bring to my colleagues' attention articles from the Albany Times-Union of February 24, 1968, and an editorial from that paper of February 27, 1968, which detail Congressman BUTTON's leadership in the drive to improve conditions in our Nation's cities, as follow:

URBAN COALITION FOR THE AREA

John Gardner, retiring Secretary of Health, Education, and Welfare, is soon to head a new national organization known as the Urban Coalition. Privately sponsored, the unit has been formed to promote government-business cooperation in an effort to help solve urban problems. Very much involved as well are representatives of civil rights and labor organizations. All four segments of our society have a great deal to gain by working together to overcome the deterioration of our urban centers.

It should be highly encouraging to all who are concerned with this field to learn that last Friday, at a joint dinner meeting of the Albany and Schenectady Chambers of Commerce, Congressman Daniel E. Button proposed formation of a Capital District branch of the Coalition. In both of these cities and in Troy as well, which is certainly included in Button's thinking, problems of urban blight have had their impact on the economic, social, cultural, and all other aspects of city life.

The Congressman's plans call for a meeting of local government officials of all political faiths, business and labor leaders, and representatives of anti-poverty agencies as a first step.

Understandably, before a business audience, Mr. Button emphasized the business aspects of urban deterioration:

"Many of you here tonight are from the central cities of Albany, Schenectady and Troy. Most of you know full well that your profits have been suffering in comparison with your suburban competitors . . ." The flight of more affluent population to suburbia and resultant concentration in the city cores of low-income families "has resulted in a reduction of purchasing power of the families who do most of their shopping in your central business districts."

And aside from the direct economic aspects, as Congressman Button pointed out, "is that solution to the problems confronting

our cities must be found if domestic peace is to be preserved . . ."

The national Urban Coalition is supported by responsible, capable leaders in all fields. Our local political, civil rights, business, and labor leadership, we hope, will welcome Mr. Button's effort to establish a branch in the Capital District. Certainly any effort which holds the promise of effectiveness to the degree that this one does deserves the broadest possible support.

BUTTON PLANS TO FORM URBAN COALITION UNIT

Rep. Daniel E. Button of Albany said Friday that he expected to "take the initiative" within the next two weeks to form a Capital District branch of the Urban Coalition.

The Coalition is a privately sponsored national group of business, labor, government and civil rights leaders who have joined to promote business-government cooperation as a means to solve urban problems.

In discussing his move Friday, Button said that he had been discussing the possibility of forming an area branch with national Urban Coalition leaders, and had been encouraged to set up a local meeting.

Invited to such a meeting, the congressman said, will be governmental figures—regardless of political affiliation, representatives of anti-poverty agencies, and business and labor leaders.

Among those active in the Urban Coalition movement are Henry Ford and Mayor John Lindsay of New York. Retiring Secretary of Health, Education and Welfare John Gardner will soon head the coalition.

Button's announcement that he hoped to serve as a catalyst to bring together area leaders came at a joint dinner of the Albany and Schenectady Area Chambers of Commerce.

Button told the businessmen that "the factors making the solution of the urban crisis a matter of self-interest to businessmen (as well as all other concerned citizens) should be obvious to all of us.

"The first and perhaps most important factor is that solutions to the problems confronting our cities must be found if domestic peace is to be preserved.

"(In addition) Many of you here tonight are from the central cities of Albany, Schenectady and Troy. Most of you know full well that your profits have been suffering in comparison with your suburban competitors.

"This is a direct result of unsolved urban problems. The flight of the middle-class to the suburbs, and consequent concentration of low-income families in the center city has resulted in a reduction of purchasing power of the families who do most of their shopping in your central city business district."

Questionnaire Polls Feelings on National Issues

HON. WENDELL WYATT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. WYATT. Mr. Speaker, for the fourth consecutive year I am polling the constituency of Oregon's First Congressional District in an attempt to discover the views on important national issues of those people I represent in Congress. The response to my questionnaire last year was overwhelming, and I hope to receive an even greater percentage of replies to this year's poll.

In an effort to make the questions as completely unbiased as possible, my questionnaire is annually compiled by a political science professor at Oregon State University. I would like, at this point, to insert a copy of my 1968 questionnaire:

QUESTIONNAIRE POLLS FEELINGS ON NATIONAL ISSUES

FEBRUARY 1968.

DEAR FRIEND: This year the Congress must deal with many issues of high importance. A possible tax increase, the War in Viet Nam, and inflation are but a few of the problems with which we must come to grips in 1968.

For the fourth year in a row I am sending out this list of questions so you may have an opportunity to indicate to me your opinions on some of these crucial matters. While the final responsibility for my voting record rests with me alone, the excellent response to my previous questionnaires has been very helpful to me in formulating my legislative stands.

I would very much like to know your opinions on these issues. The following questions may serve as a guide. A simple Yes or No answer may not fully express your feelings. If you have further thoughts on an issue or opinions on matters not covered by the questions, I welcome your comments in letter form.

To return this questionnaire, simply fold it over and affix a six cent stamp. There is no requirement that it be stapled or taped closed.

Sincerely yours,

WENDELL WYATT,
First District, Oregon.

1. The War in Viet Nam:
 - a. Should the United States withdraw immediately and unconditionally from Viet Nam?
 - Yes
 - No
 - No opinion
 - b. Should the United States take the military steps necessary to close Haiphong and the other ports of entry in North Viet Nam?
 - Yes
 - No
 - No opinion
 - c. Should we continue to increase the commitment of American ground troops to Viet Nam?
 - Yes
 - No
 - No opinion
 - d. Do you favor the taking of whatever military actions are deemed necessary to force North Viet Nam to the conference table?
 - Yes
 - No
 - No opinion
 - e. Should the United States cease, unconditionally, its bombing attacks on North Viet Nam?
 - Yes
 - No
 - No opinion
2. Foreign Aid:
 - a. Should we continue to extend military assistance to other countries?
 - Yes
 - No
 - No opinion
 - b. Should we continue to extend economic assistance to other countries?
 - Yes
 - No
 - No opinion
3. Do you favor the current administration policy of promoting trade with the Soviet Union and other communist-bloc countries in Eastern Europe?
 - Yes
 - No
 - No opinion
4. Federal Budget:
 - a. Do you believe that, except in times of grave crisis, the budget ought to be balanced each year?
 - Yes
 - No
 - No opinion
 - b. In light of the increased expenditures made necessary by the war in Viet Nam, do you think that the funds for various "Great Society" programs should be cut back?
 - Yes
 - No
 - No opinion
5. Tax increase
 - a. Do you favor the President's proposal of a temporary increase (a 10% surcharge) in the federal income tax?
 - Yes
 - No
 - No opinion
 - b. Do you think that the President should be required to schedule a general reduction of federal spending as a precondition to the enactment of a tax increase (surcharge)?
 - Yes
 - No
 - No opinion
6. Do you favor the adoption of a plan to provide, either in whole or in major part, for the public financing of presidential campaigns?
 - Yes
 - No
 - No opinion
7. Should taxpayers be allowed an income tax deduction (of, say, up to \$100 a year) for political campaign contributions?
 - Yes
 - No
 - No opinion
8. Do you favor the lowering of the voting age to 18?
 - Yes
 - No
 - No opinion
9. Should Congress propose a constitutional amendment to grant to the District of Columbia one or more seats in the House of Representatives?
 - Yes
 - No
 - No opinion
10. Do you favor the requirement (added by Congress at the close of the last session) that all persons receiving assistance under the aid to families with dependent children (AFDC) program, except for children and the infirm, must participate in a work-training program as a condition for receiving such aid?
 - Yes
 - No
 - No opinion
11. Do you favor the continuation of the Federal Highway Beautification program (including such matters as billboard and junkyard control and landscaping efforts)?
 - Yes
 - No
 - No opinion
12. Do you favor the President's proposal to improve the U.S. balance-of-payments position by imposing restrictions on the travel of American tourists outside the Western Hemisphere?
 - Yes
 - No
 - No opinion
13. Should Congress enact a statute designed to make juries in Southern States more representative of the local population?
 - Yes
 - No
 - No opinion
14. Should Congress propose a constitutional amendment to permit voluntary prayer in the public schools?
 - Yes
 - No
 - No opinion

15. How you do rate the present Administration's performance?

Good
Fair
Poor

What's Worse Than Disaster?—A Worse Disaster

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. UDALL. Mr. Speaker, for most Americans, I think, these past few weeks have been weeks of painful and agonizing reappraisal of the many academic and philosophical arguments originally presented for our Nation's involvement in Vietnam. We have seen utter disarray in the cities of South Vietnam. We have seen a near total failure of the Saigon government to start any rebuilding program or reestablish its pacification program in the rural areas. The presidential candidate who came in second in the recent national elections has been jailed along with dozens of other top-ranking South Vietnamese. Our own Armed Forces have had to reduce the ancient citadel of Hue to rubble in order to "liberate" it. Many in the South Vietnamese Army seem more interested in looting than fighting. And out of all this has come a huge increase in the throngs of homeless, destitute refugees requiring immediate help and comfort.

Last Friday the Wall Street Journal in its lead editorial addressed itself to this new situation, and what it said has to be significant. The Wall Street Journal is no oracle of the "new left." It is not known for its sympathy toward war protesters, draft-card burners or anti-napalm demonstrators. And yet we now find even the Wall Street Journal, with all of its sound, substantial and restrained outlook, asking whether it is in our national interest to continue this war.

Granting that abandonment of the U.S. effort would be a disaster, the Journal editorial arrives at this startling alternative to disaster:

The only thing is that continuing in circumstances so unprepossessing could be a worse disaster.

Mr. Speaker, this editorial makes so much sense, it cuts through so much fog and mishmash about commitments and honor, that I hope it is being read by the administration and that it will be read by all of my colleagues who are making their own reassessment of where we stand in this treadmill war.

Without objection I will insert the Wall Street Journal editorial at this point in the RECORD:

THE LOGIC OF THE BATTLEFIELD

We think the American people should be getting ready to accept, if they haven't already, the prospect that the whole Vietnam effort may be doomed; it may be falling apart beneath our feet. The actual military situation may be making academic the philosophical arguments for the intervention in the first place.

Granted, there is an opposite theory, the "last gasp" notion that the weeks-long wave of assaults on cities and hamlets is the enemy's final outburst before greatly decreasing the war's intensity and coming to the bargaining table. Perhaps it will turn out that way, but right now the evidence does not lend the theory much support.

Hanoi is believed to have relatively large numbers of troops still uncommitted in North Vietnam. The Communists appear to be getting ample supplies of weapons from the Soviet Union and Red China. As long as the arms keep coming and there are Vietnamese Communists to use them, you would suppose they could keep up the struggle more or less indefinitely. Thus far, at least, they are showing with a vengeance their ability to sow destruction and demoralization everywhere.

Meantime the present South Vietnamese government, never very impressive, looks worse and worse. Most important, the government can't protect the people even in the heart of the cities. The Saigon-U.S. effort to secure villages and woo villagers to the government side has been brought to a halt. This is a government and a nation in chaos; how long can it go on? The falling, it should be stressed, is not in U.S. will or valor, but basically in something lacking in Vietnam itself.

As for the U.S. military undertaking, the current tactic is sad to see: The wholesale destruction of towns and cities in order to "save" them, killing or making homeless refugees out of thousands more civilians. While it is certainly true that an American commander has to destroy a building or a town if he considers it necessary for his soldiers' safety, the scale on which it is going on is hardly endearing the U.S. or Saigon to the populace.

Hence the question: Are developments on the ground making hash of our original, commendable objectives?

The U.S. went in to keep South Vietnam out of Communist hands. But no matter what our forces do, they can't seem to do that. If practically nothing is to be left of government or nation, what is there to be saved for what?

The U.S. also went in to demonstrate to Communist China that it couldn't get away with this kind of indirect aggression and that it hadn't better try direct aggression either. But the Communists are getting away with it; they are putting the mighty U.S. through a wringer, and they may be encouraged to try more of it.

Should such be the upshot, that the U.S. abandons the effort not because it "should" do so but because its purposes have become irrelevant in the light of events on the battlefield and of Vietnamese politics, let no one blink the fact that it will be a disaster. It will be a stunning blow to the U.S. and the West in the larger struggle with international communism. At home it will be a traumatic experience to have lost a war in which thousands of Americans died in vain.

The only thing is that continuing in circumstances so unprepossessing could be a worse disaster. If it had in fact been possible for the U.S. to intervene three years ago and accomplish, at reasonable cost, the objective of saving South Vietnam, it probably would have been well worth doing. But since it seems increasingly doubtful that the original purposes can any longer be achieved, the logic of the battlefield suggests that the U.S. could get forced out of an untenable position.

We don't know that the possibility is being squarely faced in Washington; it seems rather unlikely. The Administration insists that the Communist drives are falling of their aims, which Senator Fulbright describes as "wholly irrational, a fantastic analysis." President Johnson seems more firmly committed to Vietnam than ever.

Now stubbornness up to a point is a virtue, but stubbornness can also go beyond the realm of reasonableness. We believe the Administration is duty-bound to recognize that no battle and no war is worth any price, no matter how ruinous, and that in the case of Vietnam it may be falling for the simple reason that the whole place and cause is collapsing from within.

Conceivably all this is wrong; conceivably the Communists are on the brink of defeat and genuine peace talks are about to begin. It doesn't look that way, and as long as it doesn't everyone had better be prepared for the bitter taste of a defeat beyond American's power to prevent.

Estonian Independence

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. GARMATZ. Mr. Speaker, on February 24 and in the following days, Estonians all over the world observed the 50th anniversary of the declaration of Estonian independence.

After centuries during which long periods of captivity were interspersed with short periods of independence, Estonia was able to proclaim its independence in 1918. While much damage was done to the land during its subjugation by foreign powers, nothing could undermine their strong desire for freedom and independence or quell their desire for education and culture. Their literature can be documented to 1535, while their first university was founded in 1632, 4 years before the establishment of Harvard University, the oldest in this country.

Today these observances of the 1918 declaration are saddened by the loss of independence to the Soviet Union 28 years ago. But the Estonians have not given up. Their hopes for freedom rest with the United States and other free nations. We must, through the United Nations, urge the implementation of the resolution adopted by the 89th Congress, to bring this matter to world attention through the United Nations and for action by them, to obtain the freedom of the Baltic and other enslaved nations.

Last Saturday, the Baltimore Estonian Society observed the anniversary with a banquet, which it was my privilege to attend. The invocation was given by the Reverend Uno Plank, who also offered the prayer in the House yesterday.

The principal address was given by Dr. Vaino J. Riisman, of the staff of the Navy Department, and knowing that it will be of interest to all Members, I am including it here:

SPEECH DELIVERED AT BALTIMORE, FEBRUARY 24, 1968, BY V. J. RIISMANDEL

Among national states which arose from the ashes of the First World War was the Republic of Estonia. The self-determination principle of nations, proclaimed by President Wilson in 1917, formed the ideological basis for Estonian nationhood declared on February 24, 1918. Here as well as elsewhere in the free world we can gather freely to observe the 50th anniversary of that day. In Soviet occupied Estonia, there will be no celebration

allowed but we know the Estonians there will join us in a silent prayer.

The independence of Estonia was destroyed in 1940 by Soviet invasion and annexation which has remained non-recognized by the majority of the Free World. The Communist rule was reestablished in 1944-45 in violation of International Law rules but has not been accepted by the Estonian people.

Although the Estonian nation was able to enjoy the fruits of independence only for the short period of some 20 years, these are years of which all Estonians, be they under Communist yoke in occupied Estonia or enjoying the privileges of freedom in the Free World, can be proud of. These were years of nation building, economic and cultural achievements, and of political development. Many of these achievements have stood the test of time and remain shining examples of an industrious and politically mature people. We need mention just a few of them, such as the land reform, treatment of national minorities, and religious tolerance and freedom. To these we can add the consolidation of political processes and the ability to make democracy work in conditions in which many other nations succumbed to dictatorships. Many nations in today's world could learn from these achievements.

One of the social ills of the pre-independence Estonia was the concentration of landholdings in the hands of a small upper social class which was a remnant of the feudal system. While still fighting the invading Communist Russia on the battlefield, the Estonian Constituent Assembly in 1919 enacted the Land Reform Act which effected an equitable distribution of land and created a strong farmers class. More than any other measure, the land reform ended social unrest in the countryside. This was one of the reasons why Communism could never take root among Estonian peasantry.

The national minorities in Estonia (Russians, Germans, Swedes, Latvians, Jews) constituted only about 12% of the population but were accorded the unique opportunity to pursue and develop their own national culture and heritage unhampered by the Estonian majority. As the only state in the world, Estonia gave its minorities the right to have schools in their own language, to use their language in dealings with the Government, and to administer their own cultural and welfare affairs. This not only saved their national individuality but also removed irritants from the national scene and enabled the minorities to participate fully in the political life of the country.

Religious tolerance and freedom deserves mention since Estonia was about 1/4 Lutheran, the rest of the population belonging mostly to the Greek Orthodox Church. There were small groups of Roman Catholics, Jews and various Protestant groups. Although there was separation of state and church, the state provided for religious education in public schools in a unique manner. The teaching of religion was compulsory to the schools but voluntary to the pupils to attend. Different denominations received religious training from their own ministers or priests. No wonder then that no religious strife developed in Estonia and the Presidency could be held by a man belonging to the Greek Orthodox Church which claimed only 15% of the population.

Our admiration and recognition should also belong to the manner in which Estonia attained political stability during the stormy 1930's when dictatorships sprouted and flourished all over the world. Democracy in Estonia remained viable and was able to survive restrictions imposed by national emergencies.

These are achievements of which all Estonians can be proud of still today. If other nations—especially the newly independent states—would learn from and follow these examples, many problems plaguing them

would either be diminished or completely removed. Thus, although Estonia has been unable to enjoy the fruits of independent statehood for the last 28 years, it has left a legacy from which the world can learn and which will serve as a constant reminder to the conscience of the world.

Today we can proudly observe the 50th anniversary of Estonian Independence and remind the world of the unjust depriving of independence from a nation who so ably and convincingly had proven its right to nationhood. The cause of freedom will not be complete nor can the conscience of the world and the United Nations rest until the Soviet Union has been forced to relinquish its conquered territories and full freedom and independence have been restored to the Estonian people and to their neighbors on the Baltic shores.

We enter the second half-century of Estonian Independence with the fervent belief that this long awaited day will arrive soon.

The closing address was given by Voldegar Liiv, president of Estonian House, Inc., in Baltimore.

The strong feelings of the members of the society for the need for action to regain the lost freedom of the enslaved nations, is expressed in the resolution adopted at the banquet, which follows:

RESOLUTION OF FREE ESTONIANS IN MARYLAND, UPON THE 50TH ANNIVERSARY OF ESTONIAN INDEPENDENCE DAY, REQUESTING ACTION BY THE UNITED NATIONS FOR THE IMMEDIATE WITHDRAWAL FROM ESTONIA OF ARMED FORCES OF THE UNION OF SOVIET SOCIALIST REPUBLICS, FOR THE RETURN BY THE UNION OF SOVIET SOCIALIST REPUBLICS OF ALL POLITICAL PRISONERS FORMERLY RESIDENTS OF ESTONIA AND FOR PROVIDING AN INTERNATIONAL POLICE FORCE TO ASSURE FREE ELECTIONS AND SELF-DETERMINATION IN ESTONIA

Whereas, on February 24, 1918, the nation of Estonia regained its independence of which it was so frequently deprived since the year 1224; and

Whereas, the occupation of Estonia by the Union of Soviet Socialist Republics (hereinafter referred to as "U.S.S.R.") from 1940 to 1941 and again from 1944 to the present time was a violation of the peace treaty of Tartu of February 2, 1920, by the terms of which the "U.S.S.R. renounced voluntarily and forever all of her rights of sovereignty over the Estonian people and territories" and the Pact of Mutual Assistance of 1939, by the terms of which the U.S.S.R. declared that the Peace Treaty of February 2, 1920, and the Treaty of Nonaggression and Peaceful Settlement of Conflicts of May 4, 1932, remained the solid basis of reciprocal relations and obligations and further declared that the realization of this Pact should not affect the sovereign rights of the contracting parties, in particular their economic system and state organization; and

Whereas, the occupation of Estonia and other Baltic states by the U.S.S.R. was an act of flagrant aggression resulting from the agreement known as the Ribbentrop-Molotov Pact, according to which the spheres of political influence in Eastern Europe were divided between two dictatorial states, Germany under Nazi rule and the U.S.S.R., without any respect for the sovereign rights of the occupied states or for the collective will of the citizens of said states; and

Whereas, the U.S.S.R. through the medium of the notorious "Baltic Elections" which were conducted under duress and denied the Estonian people free political choice, brought about the repeal of the Constitution and election laws of the Estonian Republic; and

Whereas, the U.S.S.R. during its occupation of Estonia from 1940 to 1941 and from 1944 to the present time, has denied to the resi-

dents of Estonia fundamental human rights and dignity and has caused the arrest, deportation and assassination of tens of thousands of Estonians; and

Whereas, of over sixty-three thousand Estonian refugees, who have escaped Soviet occupation of their native country, there is scarcely a single family that has not lost some of its members through deportation, assassination and arrests; and

Whereas, fifty-one nations, including the U.S.S.R., by becoming parties to the Charter of the United Nations of June 26, 1945, have undertaken the obligation to repair the injuries inflicted upon all nations of the world by the violations of the rights of self determination of all the people of the world; and

Whereas, although the absorption of Estonia and other Baltic States by the U.S.S.R. is an act of aggression and a violation of obligations under its treaties and the principles of international law, the United Nations has not brought about, nor even seriously discussed, the restoration of the sovereign rights of Estonia and the other Baltic nations; now therefore, be it,

Resolved by the undersigned free Estonians in the State of Maryland, United States of America, on this 24th day of February, 1968, That the United Nations take action which would assure:

1. The immediate withdrawal from Estonia of all armed forces of the U.S.S.R.

2. The immediate release by the U.S.S.R. of all political prisoners who were formerly citizens of the free Estonian Republic of 1918, and

3. The immediate occupation of the territory, formerly held by the free Estonian Republic of 1918, by an international police force for the sole purpose of assuring to the residents of such territory free choice of their political, economic, social and cultural systems.

BALTIMORE ESTONIAN SOCIETY, INC.,
KALJO POPP, President.
LILIAN ESOP, Secretary.

Several of the Members of the House made remarks yesterday on the Estonian anniversary and I would like to insert them at this point:

THE 50TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF THE ESTONIAN REPUBLIC

(Mr. GARMATZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARMATZ. Mr. Speaker, it was our privilege to have as our guest chaplain for the opening prayer this morning, the Reverend Uno A. Plank, pastor of St. Mark's Estonian Evangelical Lutheran congregation in Baltimore.

As the Estonians all over the world are at this time commemorating the 50th anniversary of the declaration of independence of the Estonian Republic, it is especially fitting that the prayer today should have been offered by an Estonian clergyman.

I know I speak for all present when I express the hope that before long, Estonia and the other Baltic nations may again be able to observe their anniversaries as truly free and independent countries.

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

Mr. GARMATZ. I am delighted to yield to the distinguished majority leader.

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

I desire to commend the distinguished gentleman from Maryland on the statement he has made regarding the brave people of Estonia—a people who want to be free, a nation that should be free, and a nation whose freedom we hope will be attained in the near future. The House does itself proud in recognizing the aspirations and the courage of Estonia on this day.

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

Mr. GARMATZ. I yield to our distinguished Speaker, the gentleman from Massachusetts [Mr. McCORMACK.]

Mr. McCORMACK. Mr. Speaker, I join with the gentleman from Maryland [Mr. GARMATZ] and the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT] in the remarks they have made about the country of Estonia and the brave people of Estonia.

I am glad to see our visiting chaplain, Dr. Uno A. Plank, here today on this occasion. I congratulate him and have expressed my pleasure officially and personally in the fact that he is with us today to keep reminding us of the great people of Estonia who have never given up their courage and never given up their faith and who are determined to restore the independence of their country and the freedom of their people as quickly as possible.

I am very proud that our country has never recognized the absorption of Estonia into the Soviet Union, and the absorption of Lithuania and Latvia as well. The people of those countries have made history. They God and which comes through God's natural law. Some day they will be successful.

It is well for us that we awaken to the realization that communism is still bent on its evil intent and purpose to dominate the world. If anyone in America, who wants to live in freedom in their own land, thinks otherwise, they are living in a dream world of false hope.

Might I make the observation that there has been what might be called a "snow job" that has been done in America with relation to communism. If one talks about the dangers of communism and the evil intent and purpose of communism, people look at them as if that person was trying to scare them. It is about time that the American people have a reawakening of their minds to the realization that international communism is still bent on world communism. The tactics of the Soviet Union have changed but their intent and purpose has never changed.

A few years ago it was stated as "peaceful coexistence" and now it is "war of liberation." So it is well that all of us in America realize that the evil intent and purpose of international communism still exists. The presence here today of our visiting chaplain brings alive, and vividly to our consciousness, that very important fact.

Mr. GARMATZ. I thank our distinguished Speaker.

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

Mr. GARMATZ. I yield to the distinguished minority leader, the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Speaker, I am grateful to the gentleman from Maryland for yielding to me.

The eloquent words of the distinguished Speaker should be a warning to communism and should offer hope to the captive nations and the heroic people who have continued their struggle against the aggression of the Soviet Union.

I congratulate the Speaker for setting forth clearly again that the heavy hand of communism first exhibited itself in Estonia and in its neighboring nations. The heavy hand of communism today in Southeast Asia is no different now from what it was before in Europe.

I applaud the captive nations that have stood so strongly for freedom for so many years against the Soviet Union and the Communist bloc nations.

We must not under any circumstances take any action that would encourage communism and we must, on the other hand, give full support to the captive nations that have so long stood so bravely against aggression. I commend the leaders of the captive nations

and their fellow fighters for freedom and justice.

Mr. GARMATZ. I thank the distinguished gentleman from Michigan.

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

Mr. GARMATZ. I yield to the gentleman from South Carolina.

Mr. DORN. Mr. Speaker, I wish to join with my colleague in commending the gentleman from Maryland for calling to the attention of the House the fact that Estonia, Lithuania, and Latvia—these three little Baltic republics—are still behind the Iron Curtain. I should like to make the further observation that the free nations of the world went to war over the invasion of Poland, to try to preserve the freedom and integrity of Poland. Poland, Estonia, Latvia, and Lithuania are still behind the Iron Curtain. I do not believe the world can forever—to paraphrase Lincoln—exist half slave and half free. These people are in slavery today. We expended 300,000 lives to free Poland and some of the other nations of the world, and yet these countries are still held in the iron grasp of slavery.

Mr. GARMATZ. I thank the gentleman.

Mr. PATTEN. Mr. Speaker, on February 24, 1918, a manifesto was proclaimed to a brave people, announcing that "Estonia, in her historical and ethnic boundaries, is declared to be an independent democratic Republic."

This independence, achieved after years of struggle and hardship, came to a tragic end on June 17, 1940, when the Soviet army occupied Estonia.

Injustice, tyranny and cruelty soon followed under communism.

Fraudulent elections were held in an atmosphere of terror, resulting in a puppet government under the complete domination of the Soviet Union.

The new "parliament" nationalized land, industry, banks, transportation, and other areas, announcing that they now belonged to the all-powerful state.

Except for small one-family homes, all buildings were also acquired by the state. And there was no compensation provided for these nationalized properties. Even bank savings, securities, and church property were confiscated.

Arrests, deportations, and executions of Estonians were rampant. Because of these Soviet policies of exploitation, terror, and murder, the Estonian population decreased, while the number of Russians increased from 8.2 to 21.7 percent of the total population.

This is not a happy picture, but these dark years—as disturbing as they are—will not last forever. Tyranny does not—and cannot—endure.

Fifty years ago, that stirring manifesto ended with these words of inspiration:

"Estonian! Thou standest on the threshold of a hopeful future in which thou will be free and independent in determining and directing thy fate. Start building a home of thy own, to be ruled by right and order, so as to be a worthy member of the family of civilized nations."

And, Mr. Speaker, some day, Estonia "will be free and independent" again, and will "be ruled by right and order" and will, once more, "be a worthy member of the family of civilized nations."

Mr. JOELSON. Mr. Speaker, on February 24, 1918, 50 years ago, Estonia declared its independence, manifesting the aspirations of numerous decades of the Estonian people for freedom from foreign rule. The combined uncertainties of the outcomes of World War I and the Russian Revolution had provided their long-awaited opportunity. Shortly after gaining independence, the Estonians' freedom was thwarted by a German invasion. However, by November of 1918, the Germans were ousted and Estonia reasserted its independence.

The existence of Estonia as a nation was

to be terminated with the advent of World War II. A secret protocol to the Soviet-German nonaggression treaty of August 1939 placed Estonia in the Soviet sphere of influence. The Soviet Union quickly acted to implement its influence by imposing on Estonia a so-called treaty of mutual assistance, a justification on paper for the establishment of Soviet military bases on Estonian soil. With the initial foothold of military strength in place, the Soviet Union occupied Estonia on June 17, 1940; on August 6, Estonia was incorporated into the Soviet Union.

Incorporation meant unspeakable tragedy for the Estonians. Not only were they forced to witness complete termination of their existence as a national entity, but they were to endure the terroristic policy which was to become characteristic of the installation of Soviet control. At the end of 1 year of occupation, it is estimated that 60,000 Estonians were killed or deported by the Soviet Union. Their Soviet overlords were to be replaced by Germans, whose occupation endured 3 years. The defeat of Germany did not bring with it an amelioration of living conditions for the Estonians. The Soviet Union through superior military strength once more effected occupation of Estonia, once more ensuring control through mass deportations.

We should keep all these facts in mind when the Soviet Union attempts to brand us as imperialist aggressors because we come to the aid of a threatened nation.

Mr. MINSHALL. Mr. Speaker, we rise today in the House to pay tribute to Estonia which is observing the anniversary of its short-lived freedom which began 50 years ago when that nation freed itself from Bolshevik domination after incredibly courageous battle. For a little more than two decades Estonia enjoyed its independence, was accepted into the free world and its citizens knew the rewards of self-determination.

The Hitler-Stalin secret pact of 1939 placed Estonia again within the orbit of Soviet influence and in 1940 Russia by sheer military strength seized and occupied the republic. Within a year some 60,000 Estonians had been killed or deported to remote regions of the Soviet Union. Estonia has remained ever since under Soviet control.

I salute Estonia for her continued struggle for liberty, for her courage when hope of liberation appears dark.

But I also call on the House of Representatives, as I have on many similar occasions, to do more than eulogize the captive nations. We have it in our power to give more than lip service to them. For years we have had pending legislation to create a Special Committee on the Captive Nations, to conduct an inquiry into and study of all captive non-Russian nations, including those in the Soviet Union and Asia, and also of the Russian people, with particular reference to the moral and legal status of Red totalitarian control over them. This committee would work for means by which the United States can assist them by peaceful processes in their present plight and in their aspiration to regain their national and individual freedoms.

I have introduced and reintroduced this legislation myself; my bill this Congress bears the number House Resolution 73. Frankly I am at a loss as to why this resolution has not received consideration, much less adoption.

I know many Estonians in the Cleveland area which I serve, as well as representatives of many other captive nations. Much as they appreciate the good wishes and eloquent support we give them in speeches on the House floor, I am convinced that our actions in creating a Special Committee on the Captive Nations would speak more loudly than our words so far as they are concerned.

Again I urge the House Committee on Rules to approve this legislation and send it to the House floor where I trust it would be promptly enacted.

Mr. McCLOREY. Mr. Speaker, on February 24, people the world over of Estonian descent observed the Declaration of the Independence of the Estonian Republic. Although the American Fourth of July is an unbridled celebration in remembrance of its Declaration of Independence, the Estonian jubilation must be tempered somewhat by the fact that Estonia has yet to gain its freedom and self-determination.

Freedom is a precious commodity that does not come easily. The Republic of Estonia, which has been so long under Communist oppression, is one of the nations that fully realizes this. The United States has expressed its disapproval of the Russian occupation and annexation of Estonia by refusing to grant recognition to these acts.

Struggling to overcome the Communist dictatorship that has dominated them for 28 years, the Estonians have shown an enviable bravery in their steadfast battle to regain this lost gem. Even the arrest of some of their leaders by the Russians has not daunted the Estonian spirit and desire for independence.

The arrest, by the Soviets, of the Estonians' commander in chief and their Prime Minister and last President, in 1940, has failed to suppress the Estonian love of self-determination. Rather, these arrests and the subsequent unknown fates of the two men, has confirmed the Estonian resolve to win back the freedom that was so forcefully taken from them.

The spirit and determination of these Estonian nationals is to be commended. It is this spirit to which we Americans owe so much to our forefathers for the freedom we enjoy today. The fight for freedom and independence is a long and arduous one, and one which the Estonians, as lovers of freedom, are not shirking.

It is a gratifying spectacle to see a people fighting so hard, in these days of conflict and tumult, for a belief they hold so dear and firm. I join with my colleagues in extending sympathy and heartfelt good wishes to all Estonian nationals on their 50th anniversary.

Mr. SANDMAN. Mr. Speaker, on the evening of February 24, it was my privilege to address the Estonian Society of New Jersey at Seabrook in New Jersey. In this little community reside some 300 Estonians, most of whom are employed by the great Seabrook Farms—one of the largest vegetable producing companies in the country.

February 24, 1918, was the date that Estonia proclaimed itself a free and independent democratic republic. Last Saturday marked the 50th anniversary of that historic event. I was most impressed by the sincerity of the Estonian people almost all of whom today in the town of Seabrook are American citizens. Through years of hard work they have raised their families and have contributed substantially in the development of the community. From these people we can learn a great deal. Their love of country, their respect for law and order is outstanding. I have found in my travels that people who were born on foreign shores and have endured the hardships of life as have the Estonian people, are today among the best of Americans. It would be such a wonderful thing if all of the native born population of our country had the same amount of respect for our government as the Estonian people. We would have no difficulty from within and communism would be stopped in its tracks.

It must be remembered that the Estonian people over centuries have been the victims of invasion by the larger countries that surround them. Thousands of their people have given their lives in an effort to have Estonia recognized as a free and independent nation and although they have had some progress since 1918 along this line, on June 17, 1940, the country was again overrun by the Soviet Army as was Latvia and Lithuania.

Many of the people that I met last Sat-

urday at the Estonian celebration have not heard from their loved ones abroad since 1940. Whole families have been enslaved by the Communists and in some cases whole families have been annihilated. The hope and prayer of all of these good people is to the end that Estonia will one day be recognized by all of the world as a free and independent nation.

Again may I emphasize that we who are Americans mainly because we were fortunate enough to be born in this country can learn a great deal from the Estonian people. Their love of country and their loyalty to the United States can never be forgotten. I, therefore, urge the Congress of the United States to commend the Estonian-American population on the 50th anniversary of the declaration of the independence of Estonia, and also to commend them for their great contribution to the growth of our country.

The Michigan Program Audit

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. ESCH. Mr. Speaker, the State of Michigan has an outstanding system of program audit. This system, administered through the office of the auditor general, was established by the new Michigan Constitution in 1963 and since that time it has shown great promise for improving government services and knowledge in both the executive and legislative branches.

As a former member of the Michigan State Legislature, I had the opportunity to watch this system function. I am convinced that an independent central staff responsible for performing program audits, evaluations, and analyses is essential to improving government. I strongly support the proposal authored by my distinguished colleague from Michigan, GARRY BROWN, to establish an Office of Program Analysis and Evaluation.

I would like to take this opportunity to call the attention of the Congress to the thoughtful article by Franklin C. Pinkelman describing the Michigan audit system. The article is entitled "Michigan's Use of the Program Audit" and appeared in the summer 1967 edition of State Government. Mr. Pinkelman is deputy auditor general of Michigan and is a former assistant professor of accounting and business law at the University of Michigan.

The article follows:

MICHIGAN'S USE OF THE PROGRAM AUDIT (By Franklin C. Pinkelman, C.P.A.)

The development of the performance audit in Michigan had its birth in the Constitutional Convention which prepared our new constitution of 1963. The efforts of many interested parties have assisted in implementing related principles and practices which should have lasting effects on financial administration, budgeting, budgetary control, administrative responsibility, legislative appropriation, and use of funds.

BACKGROUND

The story must start with some of the problems recognized by the Constitutional Convention.

The first problem, classified as organizational, had to do with the method of select-

ing the Auditor General and the position of his office in the governmental structure. Prior to the 1963 constitution, the Auditor General was elected on a partisan ballot-at-large, for a two year term. This put the Auditor General in the Executive Branch and gave him partisan identification. The top auditor of state organizations was in the same branch of government as the Chief Executive who had prime responsibility for the administration of state programs, and often the Auditor General was in the same political camp. Obviously this could affect even the most independent-minded individual.

Another difficulty lay in the fact that the Auditor General had responsibility in a number of areas clearly outside the scope of post auditing. He prepared the State's annual financial report. He was in charge of approving platting, conducting county and local governmental audits, and controlling property sold at tax sales. Moreover, the Auditor General served on a number of boards and commissions throughout the State, including the State Administrative Board, which was the Executive Committee.

The 1963 constitution attacked these structural problems in the following fashion—(I quote various excerpts from its Article IV, Section 53):

The legislature by a majority vote of the members elected to and serving in each house, shall appoint an auditor general who shall be a certified public accountant licensed to practice in this state, to serve for a term of eight years. He shall be ineligible for appointment or election to any other public office in this state from which compensation is derived while serving as auditor general and for two years following the termination of his service. He may be removed for cause at any time by a two-thirds vote of the members elected to and serving in each house. . . . He shall be assigned no duties other than those specified in this section. . . . The auditor general, his deputy and one other member of his staff shall be exempt from classified civil service. All other members of his staff shall have classified civil service status.

These provisions in the constitution, with the requirement that the Auditor General be a certified public accountant, represented an attempt to give the office the independence, in mind and action, that is necessary for good auditing practice. The constitution clearly defined the duties of the office and restricted them to the post audit of administrative operations.

Another major problem which the delegates recognized was the adequacy and utility of the type of audit then being conducted. It consisted of a comprehensive examination of the financial transactions and the accounting systems, in the context of existing laws and policies, to determine the accuracy of the data provided by the system and the legality and honesty exercised in the use of state funds.

The audit was a financial one, based primarily on the principles and practices of public accounting and internal control and audit practices in private enterprise, with certain additions peculiar to a governmental examination. The audits were conducted with excellent, tailor-made audit programs. This type of operation was sufficient in many cases, and is still necessary. Although it was an excellent type, however, and did to some degree analyze administrative performance, it did not allow for the practices required by the 1963 constitution.

It remained necessary to make the Auditor General a useful tool of the Legislature for evaluating the programs and performance of the Administration. Obviously it is the duty of those approving the appropriation of taxpayers' money to the various departments to make some test in order to determine proper use, according to implicit or explicit promises made when the funds were requested. The

Legislature was clearly responsible, but had no effective tool with which to discharge the responsibility. The Constitutional Convention recognized this, and to correct it included the following language in the new constitution (Article IV, Section 53):

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

With the implementation of the new constitution, the framework was established for an objective, independent and effective audit office.

LEADERSHIP AND STAFF

The problem next at hand was to provide the leadership and an organization to do the job.

As to leadership, the Legislature in February 1965 appointed Albert Lee as its Auditor General. Mr. Lee is a certified public accountant and was a successful practitioner in his own firm. He was Secretary of the Michigan State Board of Accountancy for four years, Vice-Chairman of the Governor's Committee on Audit, Procedures, Collection, Reporting and Disbursement for four years, and a special consultant to three previous Auditors General. With his experience in public accounting and record of service to the State, Mr. Lee was well qualified for the job.

As a foundation for his staff, Mr. Lee was given the State Audit Division of the old Auditor General's office. This section was responsible for the audit of state operations. All other sections of the old Auditor General's office—including the county audit divisions and the tax division—were transferred to the office of the Treasurer.

When he took office in 1965, Mr. Lee felt it was necessary to do the following things:

1. Develop the philosophy, principles, and procedures of performance auditing, based on existing management in government and potential changes in it, and to integrate the new techniques involved with the financial audit—a well-developed system having clear objectives and programs.

2. Reorient the audits and the audit staff along the lines of a certified public accounting office, but in tune with a governmental audit that properly synthesizes new performance audit principles and procedures with the existing financial audit.

3. Expand and reorganize the department to facilitate its reorientation toward its new responsibilities.

4. Provide salaries adequate to be competitive in the employment market.

The state audit section that became the basis for the Legislative Auditor General's staff consisted of thirty-four people, of which twenty-seven were well trained auditors. Over a period of years they had developed excellent audit programs. They were in the practice of conducting comprehensive, objective examinations and reporting their findings to the administrative heads. The auditors were also well versed in applicable statutes and studies pertinent to the various agencies and to government operations in general.

As excellent as these people were, there were not enough of them to conduct the type of annual audits—of approximately 200 audit elements (state departments, agencies, authorities, boards, commissions, and offices)—that the members of the Constitutional Convention had envisioned. To provide the necessary personnel of the caliber desired, it was decided to enlarge the staff to at least ninety members in the near future, qualified for levels from junior governmental auditor to supervisory Assistant Auditors General.

We wanted to attract people fresh from college with a sound academic base of accounting and auditing knowledge and with the potential to become better versed in governmental operations, management proce-

dures and auditing. We also wanted individuals, some of them certified public accountants, who could enter the department as members of its supervisory staff, so that a ratio of about four junior staff members to one supervisor could be maintained.

With this objective, we have been engaged in a vigorous recruiting program—conducting interviews at numerous colleges and universities in Michigan. We maintain liaison with placement officers and accounting department chairmen in approximately fifty universities and colleges within and without the State.

Over a period of time, by exposing ourselves to various professional organizations and by active recruiting, we were able to add to our staff a number of experienced people who we felt could be quickly converted to become governmental audit supervisors. In the past sixteen months we have been able to hire twenty-eight additional people. During that time, however, we have lost eleven, and our recruiting is far from complete. Overall, since February 1965, we have increased our staff to fifty-seven—including men we took from the field because of department reorganization—the next topic of discussion in this paper.

DEPARTMENTAL REORGANIZATION

We decided to reorganize our department for several reasons:

We had to be vitally concerned with the constant changes in accounting and auditing practices, both governmental and private. We also had to be concerned with reorienting our organization toward a type of audit report which is easily read and understood by people who are not professional accountants or administrators—namely, members of the State House of Representatives and the Senate. We wanted our staff to accumulate knowledge about the changing conditions in auditing and the new tools available to the modern auditor. It was also necessary to become cognizant of the thinking of the Legislature and its intent in approving appropriations to various state agencies for carrying out their programs.

The problem, in fact, was a two-way street. We had to develop an organization that could effectively communicate the results of its examinations to the Legislature. And we had to adjust the organization to provide more information about the gist of legislative concern. We had to know what specific problems the Legislature dealt with in reviewing a given organization before appropriating money to it, and what its intent was at the time the appropriation was made.

To accomplish these things we created within the department several specific specialist-type positions:

1. *We made an accomplished field auditor responsible for audit review.* This is a review of working papers to insure sound documentation of recommendations. It is also a tool to guarantee that the reports effectively communicate our findings in nontechnical language.

2. *We assigned two staff members to act as liaison with the Legislature.* They attend hearings of the Senate and House Appropriations Committees, and their resulting notes are necessary background for an audit of a given unit. We are able to have on record a resume of budget hearings which includes what the legislators seemed to be interested in, what they questioned, whether any programs were specifically denied, and facts about the agency's own defense of its budget.

3. *We took two people from our audit group and charged them with becoming expert in electronic data processing.* They were given the responsibility for ultimate review of a questionnaire which is used to evaluate data processing systems. It is also their responsibility to acquire sufficient knowledge on the use of data processing for auditors so that they can assist in training all our staff to audit through the computer rather than

around it. Coincidentally, these two men are responsible for investigation in other specialized areas. They bring to our attention other new audit tools which we may be able to apply in our work. Our electronic data processing specialists are also heavily involved in doing special investigative-type audits when requested by the Legislature.

In addition to these new things, we wish our staff to have an on-going training program. This will require exposure to developments in the fields of auditing and accounting, financial control, organizational theory, management, management controls, and management principles. We do not have a definite timetable for this, but have decided to use seminar discussions led by experts from outside the department. Incidentally, our budget provides for sufficient funds so that each auditor on the staff may have twelve days a year for training and development.

DEPARTMENTAL DEVELOPMENT

With these organizational changes in process, we had to formulate an overall departmental policy. It was necessary to develop the principles and procedures for the performance audit and to integrate it with the existing financial audit.

We proceeded in a fashion neither new nor unique. We researched the following areas: (1) commercial and industrial operational auditing; (2) financial and management operations and controls in other States and in the federal government; (3) existing auditing principles and practices in other States and the federal government.

From readings and discussion in the various fields, we tapped such excellent sources of knowledge as government and commercial administrators, accountants and auditors, university professors, and citizens' groups. And during the exploration we recognized certain pertinent facts and concepts:

First, it was clear that the program budget concept would be extremely useful to our State and to our type of audit.

Secondly, it was obvious that the total audit we had to conduct consisted of a combination of internal and outside audits. The purposes would include examining financial controls and operations, dollar transactions for honesty and legality in the use of funds, and reliability of financial data produced from the records. Also required would be a review of operations from the points of view of effectiveness and economy in the use of funds and overall efficiency.

At this point in collecting our data, we decided to explore further the concept of program budgeting. It is our opinion that this type of budget, with its clear definition of objectives for each program of each department, is the best for allocating resources among competing wants. It will also assist administration in completing an approved program and determining whether or not progress is being made according to plan.

The latter point makes the program budget particularly useful to us. Some readers may recognize the program budget by a name used for it in federal circles: Planning, Programming, Budgeting, or PPB. No matter what name is used, it still consists of:

Planning—A choice of clearly defined objectives and a general method of operation.

Program—Selection of a method or procedure to reach the objective by implementing the plan.

Budgeting—Appropriation of funds according to plan and program.

We felt strongly about this type of budget. We also knew that the State Administration and the Michigan Bureau of the Budget were considering it and in fact were testing it in several major departments. We decided to make a positive effort to get program budgets and performance standards adopted in Michigan. Therefore, beginning in early 1966, we put the following general comments in all of our audit reports.

Program budgets and performance standards are desirable prerequisites for effective evaluation of the performance of the agency operations. We recommend that program budgets be developed and coordinated with the major department and budget requests to the bureau of the budget. It is also recommended that the agency develop performance standards that will meaningfully measure the accomplishments of predetermined program objectives and goals.

As a result of the combined efforts of interested parties, budget requests for the 1967-68 fiscal year were to a considerable extent prepared in program form.

The general comment just quoted mentioned performance standards. In our opinion, any unit which desires reaching an objective must have adequate devices to measure its performance in terms of what it expects of itself. These standards must be established by the operating department, but they should be subject to review by outside parties. In Michigan this review is the responsibility of the Auditor General. We shall use these same performance standards as groundwork for our audits in the future.

A combination of the program budget and related meaningful performance standards should enable us to conduct a governmental audit of the traditional financial type and to integrate a review of operations which we could call a program audit. The term "program audit" in this context means a review of operations, according to specified programs and given standards, in order to evaluate progress and success or failure by comparison with known objectives.

POLICY

Within the framework of an audit which was financial and operational, and in the context of our position in the government structure, we formulated the following policy with respect to our audits and reports:

The policy of the Auditor General shall be to strengthen and promote the improvement of operations of the executive branch so as to achieve maximum efficiency, economy, effectiveness, responsibility and equity in the conduct of its activities and programs as approved by the Legislature.

This policy is implemented through our examination and our reports to the Legislature. We are only critical in our reports on operations to the extent it is necessary to report on existing operations as a basis for recommendations to improve.

OBJECTIVES AND PROCEDURES

Now as to the objectives of the examination and the methods used to conduct the audit: We can say that we base our performance evaluation on answers to the following questions:

1. Are funds being used to advance programs that will accomplish identifiable objectives according to: (a) The written and oral representations of the organization under examination? (b) The legislative intent as reflected by prior budgets, current budget hearings and legislative statements?

2. Have funds been used for programs which are obviously in conflict with specific legislative intent, or programs which have outlived their usefulness according to their own terms?

3. Is the organization managed and operated according to specific objectives, and is that purpose advanced effectively and efficiently by existing operational practices?

To be meaningful, a statement of the audit objectives must consider the policy of the Auditor General. With this in mind, we can define the objectives as "an examination of the operations of a state department, by program and according to organizational structure, thus enabling the Auditor General to express an opinion about the agency's financial and operating practices. His opinion assists the Legislature in reviewing state administration of appropriated funds."

We have typically based our efforts in the performance audit on the organizational approach and the budget request (departing from this only in audits of the universities). To illustrate, I will relate our experience at several mental hospitals. (The same approach has been used recently at the Departments of Social Welfare and Education and smaller state organizations.)

We use the following procedures to make an overall review, and from our initial findings choose specific areas for concentration of effort.

First we make a pre-audit review of applicable statutes, departmental policy, state rules and regulations and prior audits. The pre-audit familiarizes us with the problems of the major department or institution under review. After the pre-audit review, the audit team moves to the field, and while carrying on the initial phases of the financial audit becomes familiar with the organizational structure, supervision, personnel and inner workings of the unit.

It has always been our department's policy to meet with the top administrator of the organization under examination when the audit is initiated. We now meet with the administrators not only to make them aware of the new type of audit but to find out what they have done and are doing, and what their thinking is, in the area of organization, management, organizational charts and internal performance evaluation. From our discussions with various supervisory personnel we try to define specific objectives of the whole and its parts and to identify the real organizational structure as opposed to the charted one. From these sources we distinguish problem areas: what changes the supervisors would like, what they plan for the future, and last but not least what we can do to assist them.

As we proceed with this, and with the audit of the financial transactions, we get a picture of the organization and start to recognize possible areas for concentrated examination. Approximately one-fourth of the audit is completed when we have started to make our choices for further study; in fact by then we already have started some in-depth examinations. During the entire audit the field supervisor is always in touch with our Lansing office; there is a constant exchange of information about findings and developments. Under a recently instituted plan we will try to execute several audits of similar institutions at the same time. We hold several free discussion-type meetings for all staff members assigned to these audits to review common problems and solutions and to exchange relevant information.

Our in-depth studies of significant problem areas include a review of financial and operational records and reports, observation, and interviews with personnel in the department or others concerned with its programs or operations. Carefully analyzing a problem area, we try to determine what is causing the problem, what is happening because of it, and what must be done to achieve the desired results.

Having completed several audits, we now have designed descriptive performance audit programs for use in the major departments. These are developed during the conduct of the audit, and will be used in the future as initial review areas during subsequent audits.

FINDINGS

In one of our recent reports on a mental hospital we state the problems and recommend a solution in such diverse areas as:

Resident staff: Organizational problems of the Medical Superintendent; the need for a good hospital administrator.

Personnel: Need of tools for communication and coordination; poor employee relations; staffing needs, attendants.

Treatment programs: Patients and therapeutic programs; nursing notes.

Ward coverage: Utilization of attendants' leave time.

Physical plant: Safety equipment; adequacy of safety training programs.

Budget analysis: Questionable uses of funds; questionable budget procedures.

Business office procedures.

In a recent report on another major department we commented on:

Organizational structure: Lack of clear organization, functional duties and fixed responsibilities.

Electronic data processing: Poor use and excessive cost; transfer of certain duties.

Federal aid: Lack of coordination; duplication of effort; record changes.

Social workers' staffing and utilization: Establishment of standards for caseworker loads; maintenance of statistics to measure performance and justify needs.

All of our reports deal with problems like those mentioned above, and our experiences in any agency are helpful in all our audits.

We divert from our ordinary procedures for the performance audit at state universities. Since there are a number of these, it is important that we gain comparable information from them. Due to their very size and diversity, and as a result of our experiences of last year we have decided to concentrate on five specific areas in auditing them: budgets and budget preparation; federal funds; purchasing; academic personnel utilization; classroom utilization.

We have given our staff a general outline of procedures and principles in these areas but have not hamstrung them with specific techniques that must be used. And although we concentrate on the areas just named, the staff is instructed to be alert for other major problems. Additional studies at the universities will be authorized on the basis of the significance of the problems involved and the available time.

Special investigations

Since the Auditor General is under the Legislature's jurisdiction, we are often involved in studies and investigations initiated by special requests from the Legislature. Typically these requests are coordinated through the Speaker of the House and/or the Senate Majority Leader. We consider the resulting investigations to be outside our normal audit activities, and therefore we restrict our examinations to the areas designated in the inquiries. The reports usually are addressed to the committee chairman involved, and our findings discussed in conference with him and other interested committee members.

Some of the special examinations of this type conducted thus far have dealt with the military establishment—armory lease agreements; the University of Michigan—student fees and housing costs; the Department of Corrections—food costs, menus and meal content; and retirement funds—FHA mortgage investments.

Reports

Our reports usually are addressed to the highest ranking administrative officer of the department concerned, and copies are sent to the head of the unit under review, the Governor and the Legislature. There has been discussion about addressing our audits to the Legislature, since we are under its jurisdiction. We may do that after the current transitional period, but presently we are staying within the established system.

SUMMARY

The State of Michigan, through its 1963 constitution, has firmly committed itself to an independent audit organization whose concern is not only the traditional financial audit but also an independent and objective operational evaluation. The latter assures the taxpayers that they will have the opportunity, through the Auditor General and Legislature, to review the operations of

state agencies for effectiveness, efficiency in operation, and economy in use of funds.

We will follow through with our program to provide data for the Legislature and to inform the Governor and agency administrators about the operations under their control. We will continue with a broad-based training and development program to allow our staff to become knowledgeable in financial management, accounting, auditing, and operational management principles and procedures. We also will continue to develop tailor-made audit guidelines and programs that emphasize imagination and inventiveness. And we will strive for better communication of our findings.

In short, we will follow through with the policy of the Auditor General—to strengthen and promote the improvement of the administrative operations of the Executive Branch so as to achieve maximum efficiency, economy, effectiveness, responsibility and equity in the conduct of its activities and programs as approved by the Legislature.

Why Not a MacArthur Stamp?

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. QUILLEN. Mr. Speaker, WKPT radio in Kingsport, Tenn., recently broadcast an editorial of the air by Bill Freehoff in which they urged the issuance of a commemorative postage stamp in honor of the late Gen. Douglas MacArthur.

Because I, too, believe that General MacArthur's memory should be so honored, I wish to call this editorial to the attention of my colleagues and the readers of the RECORD:

WHY NOT A MACARTHUR STAMP?

(By Bill Freehoff)

Lesser men than he have been honored by having their face appear on a postage stamp, why not then, honor General of the Army Douglas MacArthur?

General MacArthur was one of this nation's most brilliant strategists, a man whose mind was capable of grasping the big picture in war and the degree to which the nation has neglected to follow his ideas is the degree to which we are in global trouble today.

General MacArthur was not only a staff officer of the very highest calibre, a heroic combat leader, he was also an able and effective administrator.

Thanks largely to his administration of Japan after that nation's defeat, Japan has remained a stable ally of the free nations and has resisted communism.

General MacArthur was, without question, one of the most eloquent public speakers in America's history and his memorable and moving address to the Joint Session of Congress has already gone down in collections of great speeches.

No man in our time could articulate the old-fashioned American ideals as effectively as this great soldier-statesman.

With the exception of military heroes like Washington and Jackson and Grant—who later became Presidents—only four American military heroes have been honored by having their faces appear on U.S. postage stamps.

They are:

Commodore Matthew C. Perry in 1953; General George S. Patton in 1953; General of the Armies John J. Pershing in 1954; and, in that same year, General Robert E. Lee.

It is time to add MacArthur to that illustrious group.

Think about it!

It's What I Think

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. MINISH. Mr. Speaker, the Moreau Publications, which include the West Orange Chronicle, the East Orange Record, and the Orange Transcript in the 11th District of New Jersey, carry a consistently interesting column, "It's What I Think," by Mr. Charles E. Moreau, the publisher.

The February 22 column entitled "Mr. Johnson" is a thoughtful appraisal of the President which I should like to bring to our colleagues' attention at this point in the RECORD:

[From the West Orange (N.J.) Chronicle, Feb. 22, 1968]

IT'S WHAT I THINK

(By Charles E. Moreau)

MR. JOHNSON

No American President of this century has received more abuse from press and public than Lyndon Johnson, much of the name calling coming from the liberals who in the past were usually in the Democratic camp.

Although the country is sadly divided over the Vietnam war, it is not the first time as many suppose that this has been the case. The Korean war found fewer people supporting it in the Gallop polls than the present conflict. During the War of 1812 New England threatened to secede from the Union and during the Civil War, Lincoln had his own versions of Hawks and Doves, those who wanted to punish the South more vigorously and those who wanted to let the Confederacy depart in peace. Lincoln only barely won reelection.

I am sure that Johnson is comforted and inspired by Lincoln's steadfastness. Lincoln said that all he could do was put forth his greatest efforts in pursuit of what his carefully considered judgment was best for the country; history would show whether or not he had been right.

And, as in all great issues, history alone can judge whether Johnson and those who support him were right or wrong in trying to hold the line in Asia against communist aggression.

Richard Rovere, political writer for The New Yorker magazine, points out that Johnson's record does not begin and end with the Vietnam war.

"The President has also pressed for relaxed relations with the Soviet Union and expanded trade with Eastern Europe," he writes. "While supporting a military junta in South Vietnam, his administration has aided several socialist governments in Africa and supported the Congolese government against white mercenaries. Domestically, he has surmounted problems that stymied his predecessors. His ingenuity was on display, for example, when he bypassed Congress to reorganize the government of the District of Columbia and give it a start toward home rule. "In any other period," writes Rovere, "this would seem a rather large and dramatic accomplishment." In the current frantic atmosphere, "it was treated as no more than a triviality."

Johnson is faulted for letting Defense Secretary McNamara go, writes Rovere, but the remarkable fact is that he has kept on many Kennedy appointees who might have left earlier if Kennedy were still President. Those who have resigned he has generally replaced with men of equal ability. If it were not for the war in Vietnam, he would be considered a great President. Despite Vietnam he may look like a great President 20 years from now."

The fact that the President has attempted so much is part of the reason for his troubles and our troubles, says James Reston writing recently in The New York Times.

"His assumption from the start was that he could do almost anything and all at once: punish aggression on the Continent of Asia, transform the cities, wage war on poverty, lift up the Negro, compose our differences with the Russians, contain China, strengthen the old alliances, and create a Great Society.

"No chief magistrate and no nation in the history of the world ever took on so much in so short a time, and certainly no one will ever say he did not grapple with the great issues of the age and that he did not have influence on his time.

"He made the transition through the Kennedy tragedy with remarkable skill and composure. He has extended the Negro's franchise. He has raised the standard of education and of living. And he has presided over the most spectacular peacetime economic boom in the history of the United States."

But Reston is severely critical of Johnson's way of waging the war.

"It was the war on top of all this, and more than the war—his methods of enlarging the war and conducting the war—that raised the critical question of his judgment. He did not start it, but he enlarged it into a major war almost by stealth, and in the process divided the country and committed the prestige of the nation to a conflict which he has neither been able to win nor end.

"This is what has shaken the confidence of so many people, of the Congress and the allies in his judgment and tactics. He did not lead the people openly and candidly into the ground war, the bombing war, or the negotiations for peace, but maneuvered them into one phase after another, and is now trying to govern without the support necessary to confront such a host of momentous problems at home and abroad."

This is a good description of what has happened but I do not think that Johnson did it by stealth or by deliberately misleading the people. I think he drifted into one military escalation after another on the advice of his military men. It seems to me that he has courage and patience and determination and desperately wants to do what he thinks is best for the nation.

U.S. Army Reserve Vessels—Real Transportation Assets

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. SIKES. Mr. Speaker, I feel that an article by Maj. Gen. W. J. Sutton, Chief, U.S. Army Reserve, recently published in the Military Traffic Management and Terminal Service official magazine, "Transportation Proceedings," provides informative and very useful reading and that reprinting of this article in the CONGRESSIONAL RECORD is fully justified.

The article follows:

U.S. ARMY RESERVE VESSELS—REAL TRANSPORTATION ASSETS

(By Maj. Gen. W. J. Sutton, Chief, U.S. Army Reserve)

On the surface it would seem that the growing inventory of ships, boats, and amphibians in the U.S. Army Reserve, all of them in port, is doing little to offset the admonition that "a ship in port is a liability, an asset only when at sea."

Quite the opposite is true, however. The

ocean-going vessels we now have, those being acquired, and our additional 34 smaller vessels will help the United States avoid the pitfalls to which this adage alludes. Our ships are being used for U.S. Army Reserve transportation units to conduct training in port terminal operations.

Thus, in their wartime or emergency role, the nation's logistical life-line will be given a substantial boost and will enable the United States to meet more effectively its grave supply responsibilities anywhere in the world.

Two 5,000-ton, ocean-going cargo vessels were the first large ships to join the U.S. Army Reserve "fleet". The first re-named *Reliance* from *Buntline Hitch*, was christened in ceremonies at Curtis Bay in Baltimore, Maryland on June 4, 1967.

At the christening, Commissioner James F. Fansen, Federal Maritime Commission, said: "I am sincere when I say that I look upon this project as one of major importance in the transportation complex of our nation."

Stressing the role of merchant shipping, Commissioner Fansen singled out this form of transportation as an essential element of the United States effort to maintain freedom and democracy. He told assembled dignitaries and U.S. Army Reservists that too few Americans know the magnitude of this nation's cargo shipment to Vietnam.

On this he said: "About one million tons of cargo must be transported into the action zone every month." This, he noted is roughly the equivalent of two office desk-size packages of dry cargo for each man in the war theater, monthly.

Commissioner Fansen reminded the U.S. Army Reservists assigned to the Curtis Bay Center that "these are the cargoes you men will learn to stow to make safe for voyage and to move off ship by net and boom."

Emphatically, he concluded his address by saying:

"Your skills that you will learn here in Curtis Bay will support the decision that whether we are fighting for our life or forging ahead along the path of free economic enterprise, American ships, and American men who know how to sail and build the ships, and to load and unload the ships, are essential to the prosperity and progress of our free world."

The second 338-ft. ship, taken from the "mothball" fleet at Wilmington, North Carolina, where she had also been moored since the end of World War II, was renamed *Resolve*. Shedding her former name, *Coastal High Flyer*, this one was christened on November 5, 1967 in impressive ceremonies in Mobile, Alabama.

The *Resolve* is berthed at the Alabama Dry Docks and Shipbuilding Company where it is being used by U.S. Army Reserve terminal service units from Army Reserve marine centers during their two weeks of annual active duty training.

Congressman Jack Edwards, 1st District of Alabama and member of the Merchant Marine and Fisheries Committee of Congress, reiterated the significance of this U.S. Army Reserve training. In his dedicatory address on November 5 in Mobile he said: "The importance of the Army Reserve training program aboard the *Resolve* and the *Reliance* lies in the teaching of rudimentary skills in the loading and discharging of cargo."

Congressman Edwards pointed out that in

spite of the growth of air transportation, it is still just as true as ever that a nation's international trade is carried in merchant ships. He told the assembled U.S. Army Reservists that only through efficient loading and unloading to reduce turn-around time in port can supply vessels achieve top usefulness.

The essential nature of seaborne transportation was stated with impact when Congressman Edwards said: "Were it not for American shipping, the Red flag would probably be flying today not only over Hanoi, but over Saigon as well. Without a merchant fleet we could not provide for our own security."

That the U.S. Army Reserve has a part to play in the nation's important logistical life-line, in any emergency, gives real impetus to the training we are conducting in port terminal operations.

Our freight supply ships range in length from 132 to 176 feet. They are being used to support U.S. Army Reserve transportation units in the Carolinas, Florida, and at Pedricktown, New Jersey, near Philadelphia.

Another cargo ship of the *Reliance* and *Resolve* class is being planned for acquisition and will be berthed in San Francisco. All these ships will enhance port training activities in the U.S. Army Reserve and will add substantially to our combat readiness stature.

But, this is only part of the U.S. Army Reserve maritime story. The largest ship used in Army Reserve training is one we do not own. It is the 7,000-ton SS *John Brown*, berthed in New York City, and is leased as needed for training by our transportation units in that area. Excluding this contracted vessel, the remainder of our 38-vessel "fleet" includes 45-ft. to 86-ft tugs, barges, 56-ft to 115-ft landing crafts, and various utility and harbor boats. Sizes range from the small 25-ft. J-boat, a utility vessel, to the 38-ft. *Reliance* and *Resolve*—and all of them are in active use by the U.S. Army Reserve.

We have 11 U.S. Army Terminals, five of them being active marine centers, in the U.S. Army Reserve and 42 transportation units which would perform port functions, if mobilized for wartime service. Thus, it is essential that these units carry on a sustained and efficient program of training during peacetime for effective emergency use.

In acquiring the *Reliance* and the *Resolve* for training purposes, U.S. Army Reserve units can add realism to their training activities. The 8,532 citizen-soldiers of the U.S. Army Reserve who meet on weekends for terminal service training are now able to sharpen skills in actual port transportation operations without relying on simulation.

This type of ship sailed the Pacific Ocean in World War II, carrying cargo to American combat forces. They were used in the Pacific Theater of Operations because of the need for smaller cargo vessels toward the end of the war. With a capacity of 228,000 cubic feet, these cargo vessels logged considerable sailing time between 1944 and the war's end.

The silent 20-year vigil of both ships near the North Carolina coast ended last year when marine technicians from the U.S. Army Reserve boarded the vessels to begin the difficult job of removing thickly layered preservatives and two decades of accumulated dirt and rust.

The seemingly endless tasks required to

remove preservatives, clean and repair motors, pumps, valves, switches, and the maze of utility lines were rewarded at last when the main generators "fired." Their familiar throbbing sound replaced the empty silence as the ships commenced a new life. Deferring activation of the main engines for a later time, the vessels were towed to Norfolk, Virginia for shippard repair. While there, exteriors were re-painted, winches completely overhauled and rigging replaced.

When the ships arrived at their final destinations, officers and enlisted men of the U.S. Army Reserve units assigned to Curtis Bay, Maryland and Mobile, Alabama immediately began the interior refurbishing tasks that resulted in classic "before and after" accomplishments.

U.S. Army Reservists eagerly performed maintenance chores to restore the interior. Many of them voluntarily gave up free time to do the work. They removed heavily crusted residue and rust from galley tables and piping, scraped and painted rusting bulkheads and lifeboats, laid concrete where deck surfaces had eroded away, and completely rehabilitated sleeping quarters, the captain's cabin, and the bridge. For several months this work was done at every available opportunity, mostly on week-ends, until the *Reliance* and *Resolve* were made, literally, ship-shape.

All this time, however, was not spent cleaning up the ships. While some Army Reserve units worked on Saturdays and Sundays renewing the interior, other units conducted training on deck.

The U.S. Army Reservists practice transferring cargo from ship to shore and to lighters. In doing so they become experts at handling the ships' lines and rigging.

Training units on deck respond efficiently to such commands as: "Top the boom", "Cleave the fall", "Open up hatches", and others, not readily familiar to Army ears.

These U.S. Army Reserve soldiers with such strange titles as: Longshoreman, Winch Operator, Signalman, Hatch Foreman, Winchman, and Gearman, work together smoothly, raising hatches, spooling capstans, operating booms, and loading cargo as part of the U.S. Army Reserve transportation training.

The U.S. Army Reserve "fleet" has become a beehive of activity as individual Army Reservists carry out their training responsibilities. Our 38 ships and boats, and the additional ones to come, will continue to set the stage for the kind of realistic training that permits our citizen-soldiers to give true meaning to the U.S. Army Reserve motto: "Strength in Reserve".

Our country stands to gain much from their service and from their training aboard these vessels.

The "Pueblo": How Long?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 1968

Mr. SCHERLE. Mr. Speaker, this is the 37th day the U.S.S. *Pueblo* and her crew have been in North Korean hands.

SENATE—Thursday, February 29, 1968

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

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

Our Father God, whose goodness and mercy has followed us all our pilgrim years and whose love will not let us go, this day may the meditation of our hearts and the words of our lips, be acceptable in Thy sight, O Lord our strength and our Redeemer.

Amid all life's changing scenes Thou art as a covert from the wind, a shelter from the storm, and as the shadow of a great rock in a weary land. Harken to the prayers of our hearts as in our highest moments we forget ourselves and think of Thee.