

intentions—and some even denying them—may prove to be quite provoking, morally and otherwise. So with peoples and nations. The non-Russian nations in the Soviet Union have suffered too much for the very preservation of their identities, not to mention the advancement of their aspirations. Even the Russian totalitarians have had to take careful notice of this undying instinct for national self-preservation. Nationalist symbols of the captive non-Russian nations are adroitly exploited by the Reds both within and outside the USSR.

Vice President Nixon, in 1956, uttered precious words when he declared: "We must be ready to meet Soviet moves, but we must also be prepared with all peaceful and honorable means to take the initiative in advancing everywhere the cause of human freedom. Our record in support of the dignity of man and the independence of peoples needs no apologies any place in this world." Much the same was uttered in his acceptance speech in July, 1960.

Yes, as we have seen again and again, even on the highest levels of our Government the above plight exists. Our leaders in public and private life parrot the same errors which can only benefit Moscow. It is not necessary for one to study intensively the histories of Eastern Europe and Central Asia to become aware of the fact that many different nations exist in these areas. One does not have to become a scholar to know that the Soviet Union is not a nation. For this purpose all that is required is a quick glance at the Constitution of the Union of Soviet Socialist Republics, and to read some of the speeches intended for "home" consumption.

Fortunately, some governmental strides are made to offset this protracted ignorance con-

cerning the vital captive non-Russian nations in the USSR. A publication prepared by the Legislative Reference Service of the Library of Congress presents numerous essential facts and perspectives about these nations and unequivocally states, "Western scholars of Soviet affairs agree on the imperial-colonial character of the U.S.S.R." However, much more remains to be done.

ROOT CAUSES OF MISCONCEPTIONS

But it is not surprising that few of us are aware of how the Soviet Union was established in the first place. The Russian image is entirely different when the USSR is viewed from the imperio-colonialist angle as against that containing myths spawned by Moscow. What can one expect for this necessary adjustment, when the minds of our young high school students are conditioned by drivel such as this: "Until World War II, the Soviet Union had remained the world's only Communist-governed nation." The Soviet Union is not a nation, and Outer Mongolia was also a state under so-called Communism.

A true orientation toward the USSR also demands the steadfast retention of another essential general fact. The fate that befell independent Lithuania, Poland, Hungary, and others in the 40's had been the tragedy of the similarly independent republics of Georgia, Ukraine, White Ruthenia, and others in the early 20's. Trotsky's Red Russian Army picked them off one by one after they had been softened up by infiltration, subversion, ideological deception, and additional techniques of "intensive revolution." Many of these cold war techniques we have been witnessing now for years in every quarter of the Free World, including South Vietnam.

Not ever to be forgotten either is the history for freedom on the part of these non-

Russian nations since 1923. Including the 50's and 60's, there hasn't been a decade when serious friction, resistance, pressure, "localism," and even rebellion have not scalded Moscow's hold over these non-Russian colonies. The data on this are simply overwhelming. Most outstanding, of course, were the millions of non-Russians who deserted to the supposedly liberating Germans in Ukraine during the earlier stages of World War II. Trotskyism, Bukharinism, and other threats to the Moscow regime faded away long ago, but "bourgeois nationalism" or, in our words, the drive for national independence by these non-Russian peoples has been persistent and is undying. A month does not pass without some attack against it by Moscow and its Red dependents.

Ukraine alone has a population of about 45 million, qualifying it as the largest non-Russian nation both in the USSR and behind the whole Iron Curtain. When the Kremlinites speak of 177 or 182 different nationalities in the USSR, they are dealing out a myth. Small tribal units scattered about the Arctic and in Asia can hardly be classified as national units. On a unifying religious basis there are about 35 million Moslems who offer another point of distinction to the little more than 110 million Russians. Moscow distortingly exploits this fact in its policies toward the Islamic world; we are not even aware of it.

REALITIES FOR SUPERFICIAL ACTUALITIES

Thus, it cannot be too strongly emphasized that our crucial need is the substitution of realities for superficial actualities in our thinking and doing about the Soviet Union, which is and for many years will continue to be the primary survival base for the entire Red Empire.

SENATE—Friday, March 22, 1968

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

Rev. Harvey Stegemoeller, professor, Concordia Senior College, Fort Wayne, Ind., offered the following prayer:

In the name of the Father, the Son, and the Spirit.

Almighty God, we acknowledge again that You are the Creator of all things; especially we acknowledge our own creatureliness and thus our responsibilities before Your will and Your desire.

Our responsibilities always weigh heavy upon us as we bear the duty to care for Your whole creation and to stand before You as accountable for the job we do.

In the light of our past failures and in the light of the realities of our troubled Nation and the troubled world, we are tempted to deny or to run away from our challenges to serve You.

But we know You are a merciful God and a loving Father. Our failures of the past—all the things lumped together in the dark word of sin—are forgiven in Your mercy. In the good news of Your forgiveness made manifest in Christ there is forgiveness and hope.

Let this forgiveness blossom into hope in the simple and complex affairs of this day. We can go far in this faith.

Now we commit these Senators and their efforts to Your care.

Let them be loving without being condescending.

Let them be patient without being weak.

Let them be wise without being conceited.

Let them be ambitious without being proud.

Let them be confident without being arrogant.

Let them be courageous without being ruthless.

May the blessings of Almighty God rest upon this Senate, this Government, this Nation, and the world. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, March 21, 1968, be dispensed with.

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

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

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

APPALACHIAN REGIONAL COMMISSION

The assistant legislative clerk read the nomination of Meriwether Lewis Clark Tyler, of New York, to be alternate Federal Cochairman of the Appalachian Regional Commission.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

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

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the District of Columbia:

To the Congress of the United States:

I am pleased to transmit the 1967 Annual Report of the National Capital Housing Authority.

The functions of the District Government are now under the direction of a single executive, Mayor Washington. If the National Capital Housing Authority is to continue to carry out its mission in an effective manner, its operations must be closely meshed with other District activities relating to housing. Last week, to assure this coordination, I signed an Executive Order abolishing the existing 6-member Board of the Authority, and designating Mayor Washington to carry out the functions of the Authority.

This change will provide unified direction of the Authority's activities and insure the best use of our resources in providing more and better housing for eligible families.

The provision of safe, decent, economical housing is one of the major objectives of the Mayor and the City Council. Work is progressing rapidly, for example, on planning for a model community at Fort Lincoln.

In the wide range of housing to be developed for this community, public housing will be included in a balance with other low-income, moderate, and higher income units.

During the past fiscal year, the Authority has moved forward in a number of areas to expand the supply of available housing:

- Through a variety of means, privately-owned dwellings were acquired and rehabilitated.
- Construction was begun on 3 projects totaling 446 dwelling units.
- The first "Turnkey" project in the Nation, Claridge Towers, containing 343 units was acquired and opened for occupancy.
- The first major low-rent housing development in Washington with all units designed for large families was fully occupied during the fiscal year.

Nothing can do more to instill hope and lessen despair for many of our citizens than good housing. The Authority now maintains over 9,000 units of housing, but this is not adequate to meet the urgent needs of the District. Far more must be accomplished and in the least possible time.

I fully expect the National Capital Housing Authority, under the leadership of Mayor Washington, to play a leading role in making our Capital City one to which all America can look with pride.

LYNDON B. JOHNSON.

THE WHITE HOUSE, March 22, 1968.

TRAINING REPORT—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

As required by section 1308(b) of Title 5, United States Code, I am transmitting a report on employees who, during Fiscal Year 1967, participated in training in non-government facilities in courses that were over one hundred and twenty days in duration and those employees who received awards or contributions incident to training in non-government facilities.

LYNDON B. JOHNSON.

THE WHITE HOUSE, March 22, 1968.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on March 21, 1968, the President had approved and signed the act (S. 889) to designate the San Rafael Wilderness, Los Padres National Forest, in the State of California.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States withdrawing the nominations of Mark C. Liddell, to be postmaster at Southern Pines, N.C., and George R. Connor, to be postmaster at Zell, S. Dak., were communicated to the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 2029) to amend the National Traffic and Motor Vehicle Safety Act of 1966 relating to the application of certain standards to motor vehicles produced in quantities of less than 500, with an amendment, in which it requested the concurrence of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a letter, in the nature of a petition, signed by Mrs. Frances Esther Wilkins Brown, of Rockville, Md., praying for a redress of grievances, which was referred to the Committee on the Judiciary.

BILLS INTRODUCED

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

By Mr. HILL:

S. 3213. A bill to amend the Vocational Rehabilitation Act to extend the authoriza-

tion of grants to States for rehabilitation services, to broaden the scope of goods and services available under that act for the handicapped, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. SPARKMAN:

S. 3214. A bill to amend the Federal Credit Union Act; and

S. 3215. A bill to extend the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors; to the Committee on Banking and Currency.

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

By Mr. BENNETT:

S. 3216. A bill for the relief of Wu Shih-Chang; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 3217. A bill to extend the pilot school breakfast program; to the Committee on Agriculture and Forestry.

By Mr. SPARKMAN (for himself, Mr. MUSKIE, and Mr. BENNETT):

S. 3218. A bill to enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long-term commercial interests of the United States; to the Committee on Banking and Currency.

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

By Mr. MORSE:

S. 3219. A bill to provide relocation payments to small business concerns displaced by Federal-aid highway projects, and for other purposes; to the Committee on Public Works.

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

S. 3214—INTRODUCTION OF BILL TO AMEND THE FEDERAL CREDIT UNION ACT

Mr. SPARKMAN. Mr. President, I introduce a bill to amend the Federal Credit Union Act. In general, the bill would, first authorize the executive committee of a Federal credit union to borrow funds; second, increase the unsecured loan limit; third, eliminate the requirement that the supervisory committee conduct quarterly audits in addition to the annual audit; and, fourth, incorporate minor or technical changes.

The bill was transmitted by the Honorable Wilbur J. Cohen, Acting Secretary, Department of Health, Education, and Welfare, by letter dated March 21.

I ask unanimous consent that the bill along with Mr. Cohen's letter and the summary of its provisions be printed at this point in the Record.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, letter, and summary will be printed in the Record.

The bill (S. 3214) to amend the Federal Credit Union Act, introduced by Mr. SPARKMAN, was received, read twice by its title, referred to the Committee on Banking and Currency and ordered to be printed in the Record, as follows:

S. 3214

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Federal Credit Union Amendments of 1968".

PERMITTING BOARD OF DIRECTORS TO AUTHORIZE CREDIT UNION EXECUTIVE COMMITTEES TO BORROW FUNDS

SEC. 2. The fourth sentence of section 14 of the Federal Credit Union Act (12 U.S.C. 1757) is amended by inserting "the borrowing of funds," immediately after "the purchase and sale of securities" and by striking out "or both".

REVISION OF UNSECURED LOAN LIMIT

SEC. 3. Section 15 of such Act is amended in the following respects:

(a) The ninth sentence of such section is amended to read as follows: "No loan shall be made to any member which causes such member to become indebted to the Federal credit union in an aggregate amount, upon loans made to such member—

"(1) which is in excess of \$200 or 10 per centum of the credit union's paid-in unimpaired capital and surplus, whichever is greater; or

"(2) which is in excess of the smaller of the following amounts unless such excess is adequately secured: (A) \$2,500, or (B) an amount equal to (i) 2½ per centum of the credit union's paid-in unimpaired capital and surplus or (ii) \$200 if greater."

(b) The last sentence of such section is deleted.

ELIMINATING REQUIREMENT OF QUARTERLY AUDITS SUPPLEMENTING THE ANNUAL AUDIT: TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 4. (a) The first sentence of section 16 of such Act is amended to read as follows: "The supervisory committee shall make or cause to be made an annual audit and shall submit a report of such audit to the board of directors and a summary of such report to the members at the next annual meeting of the credit union; shall make or cause to be made such supplementary audits as it deems necessary or as may be ordered by the Director, and submit reports of such supplementary audits to the board of directors; may by a unanimous vote suspend any officer of the credit union or any member of the credit committee or of the board of directors, until the next members' meeting, to be held not less than seven nor more than fourteen days after such suspension, at which meeting such suspension shall be acted upon by the members; and may call by a majority vote a special meeting of the members to consider any violation of this Act, the charter, or the bylaws, or any practice of the credit union deemed by the supervisory committee to be unsafe or unauthorized."

(b) The second sentence of such section is amended by inserting "a majority vote of" immediately before "the board of directors".

The letter and summary of provisions presented by Mr. SPARKMAN, are as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
March 21, 1968.

HON. JOHN SPARKMAN,
Chairman, Committee on Banking and Currency,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a draft bill—"Federal Credit Union Amendments of 1968"—which we are transmitting to the President of the Senate. This bill would make a number of needed improvements in the Federal Credit Union program. There is also enclosed an analysis of the proposed amendment.

Sincerely,

WILBUR J. COHEN,
Acting Secretary.

SUMMARY OF FEDERAL CREDIT UNION AMENDMENTS OF 1968

In General, this bill would amend the Federal Credit Union Act (12 U.S.C. 1751 et seq.)

to: (1) authorize the executive committee of a Federal credit union to borrow funds; (2) increase the unsecured loan limit; (3) eliminate the requirement that supervisory committee conduct quarterly audits in addition to the annual audit; and (4) incorporate minor or technical changes.

Permitting the executive committee to borrow funds: Sec. 14 presently grants the executive committee power to invest funds of the credit union and to approve applications for membership. A suitable and complementary extension of this authority would be to permit the committee to borrow funds as well. Such an arrangement would eliminate the present necessity of convening a meeting of the full board of directors to authorize the borrowing of funds in cases where prior authority has not been voted.

Increasing the unsecured loan limit: Present law in Sec. 15 provides for an unsecured lending limit of \$750. This limit was set in 1959. Since that time, consumer credit practices and the general economic climate have combined to make this limit unrealistically low if Federal credit unions are to serve their members equitably. Lending by Federal credit unions has always been based primarily on the ability of the borrower to repay his debt and on his character, with collateral being a less significant factor. Taking into account the need to update the 1959 limit, it is proposed that Federal credit unions be given the authority to make unsecured loans on the following basis: to establish a minimum limit of \$200 for small Federal credit unions, and a maximum of \$2,500 for larger Federal credit unions, together with a percentage scale based on 2½ % of the credit union's unimpaired capital and surplus. Federal credit unions with unimpaired capital and surplus of \$8,000 or less would have an unsecured lending limit of \$200, while Federal credit unions with unimpaired capital and surplus of \$100,000 and up would have a limit of \$2,500. The application of the 2½ % formula would have the effect of reducing the amount of unsecured loans in Federal credit unions having unimpaired capital and surplus of less than \$30,000, and would more properly relate such loans to the average size loans made by Federal credit unions in this asset category, and to their ability, based on reserves, to assume unsecured risks. The proposed amendment would permit the management of small Federal credit unions to adjust to the concept of unsecured lending as their institutions grow; as the management becomes more expert in assessing credit worthiness, and as the credit union matures, the extent of the lending may be increased until the \$2,500 ceiling is reached. The proposal therefore increases the flexibility provided Federal credit union officials while establishing desirable guidelines for smaller institutions.

Elimination of mandatory quarterly audits: Sec. 16 requires supervisory committees to conduct quarterly audits in addition to the annual audit of the Federal credit union's affairs. Experience is showing that the requirement of conducting audits on a quarterly basis places a heavy burden on the members of the supervisory committee while at the same time the requirement does not appear to have any more beneficial effect on Federal credit union operations. The proposed amendment would require the committee to conduct at least one audit annually. Provision is also made, however, for the Director of the Bureau of Federal Credit Unions, or for the committee itself, to provide for additional audits if either deems it necessary.

Minor and technical amendments: The bill also contains a number of minor and technical changes in Sec. 16. They would: (1) eliminate any reference to an examination by the supervisory committee, since examinations are separate and distinct from audits

and are the function of the Bureau of Federal Credit Unions; (2) explicitly provide that the audit report that is submitted to the membership at the next annual meeting is a summary of the audit and not the complete report, which rightfully should have a more limited circulation; (3) delete the words "corporation" and "shareholders" where they appear and substitute "credit union" and "members" respectively, making such language uniform throughout Sec. 16; and (4) make explicit that suspension of a supervisory committee member is possible by a majority vote of the board of directors, thus eliminating any possible confusion over the present reference to action "by the board of directors."

S. 3215—INTRODUCTION OF BILL TO EXTEND AUTHORITY OF DOMESTIC BANKS TO PAY INTEREST ON TIME DEPOSITS OF FOREIGN GOVERNMENTS AT RATES DIFFERING FROM THOSE APPLICABLE TO DOMESTIC DEPOSITORS

MR. SPARKMAN. Mr. President, I introduce a bill to extend for 3 years the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors. The authority will expire on October 15, 1968.

The bill was transmitted on the 18th of March from the Secretary of the Treasury, Henry H. Fowler.

I ask unanimous consent that a copy of this bill along with the letter from Secretary Fowler and a comparative type showing changes in existing law made by the proposal be printed at this point in the RECORD.

THE PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, letter, and comparative type showing changes in existing law made by the bill will be printed in the RECORD.

The bill (S. 3215) to extend the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors, introduced by Mr. SPARKMAN, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 3215

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of subsection (j) of section 19 of the Federal Reserve Act (12 U.S.C. 371b) is amended to read as follows:

"The provisions of this paragraph shall not apply to the rate of interest which may be paid by member banks on time deposits made after October 15, 1962 and prior to October 15, 1971 by foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member."

SEC. 2. The last sentence of subsection (g) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows:

"The provisions of this subsection shall not apply to the rate of interest which may be paid by member banks on time deposits made after October 15, 1962 and prior to October 15, 1971 by foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member."

The letter and comparative type showing changes in existing law made by the bill are as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., March 18, 1968.

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

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill. "To extend the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors".

The proposed legislation would extend for three years the authority of member banks of the Federal Reserve System, and banks insured by the Federal Deposit Insurance Corporation, to pay rates of interest on time deposits of foreign governments and monetary authorities without limitation by regulatory ceilings applicable to time deposits generally. The authority was originally granted for a three year period by P.L. 87-827, approved October 15, 1962, and extended for another three years by P.L. 89-79, approved July 21, 1965. Thus, the authority will expire on October 15, 1968.

This measure complements the program announced by the President on January 1, 1968 to bring our balance of payments into equilibrium—or close to equilibrium—in the year ahead. Its basic purpose is to encourage foreign official institutions to hold dollars in the United States. By making time deposits more attractive to these institutions, this legislation makes management of our balance of payments deficit easier and avoids outflows of gold that might otherwise occur.

Our considerable experience with this legislation shows that it is an important monetary tool. From September 30, 1962 just prior to the enactment of this law through December 20, 1967, foreign official time deposits increased from less than \$2 billion to almost \$5 billion. Particularly in recent years, the exemption from Regulation Q ceilings provided by this legislation has frequently been invoked. There can be no doubt that a significant volume of foreign official funds has been attracted to this investment outlet by the availability of higher interest rates through this legislation.

The legislation is, accordingly, a necessary element in the kit of tools needed to deal with our complex international monetary problems. It is most important that our banks continue to be assured of a position permitting them, in changing circumstances, to compete for foreign official deposits and be able to retain what they now hold. It has proved useful without adversely affecting our domestic banking system since the higher rates payable under this legislation have no significant impact on the general structure of domestic interest rates.

It should be noted that the draft bill would slightly modify the present language of the statute. The purpose of the modification is to make clear that the higher rates of interest can continue to be paid with respect to any time deposit made prior to the expiration date set forth in the statute even though the term of the time deposit may extend beyond that expiration date.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

There is enclosed for your convenient reference a comparative type showing the changes in existing law that would be made by the proposed bill.

The Department has been advised by the Bureau of the Budget that there would be no objection to the presentation of this legislation to the Congress and that its enactment would be consistent with the Administration's objectives.

Sincerely yours,

HENRY H. FOWLER.

COMPARABLE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY BILL

(Changes in existing law made by the bill are shown as follows: existing law proposed to be omitted is enclosed in black brackets; new matter in italics.)

SECTION 19(j) OF THE FEDERAL RESERVE ACT (12 U.S.C. 371b)

Sec. 19(j). The Board may from time to time, after consulting with the Board of Directors of the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board, limit by regulation the rates of interest which may be paid by member banks on time and savings deposits. The Board may prescribe different rate limitations for different classes of deposits, for deposits of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of member banks or their depositors, or according to such other reasonable bases as the Board may deem desirable in the public interest. No member bank shall pay any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the said Board, or waive any requirement of notice before payment of any savings deposit except as to all savings deposits having the same required: *Provided*, That the provisions of this paragraph shall not apply to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia. [During the period commencing on October 15, 1962, and ending on October 15, 1968, the] The provisions of this paragraph shall not apply to the rate of interest which may be paid by member banks on time deposits made after October 15, 1962 and prior to October 15, 1971 [of] by foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member.

SECTION 18(g) OF THE FEDERAL DEPOSIT INSURANCE ACT (12 U.S.C. 1828(g))

Sec. 18(g). The Board of Directors shall by regulation prohibit the payment of interest on demand deposits in insured nonmember banks and for such purposes it may define the term "demand deposits"; but such exceptions from this prohibition shall be made as are now or may hereafter be prescribed with respect to deposits payable on demand in member banks by section 19 of the Federal Reserve Act, as amended, or by regulation of the Board of Governors of the Federal Reserve System. The Board of Directors may from time to time, after consulting with the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board, limit by regulation the rates of interest or dividends that may be paid by insured nonmember banks (including insured mutual savings banks) on time and savings deposits. The Board of Directors may prescribe different rate limitations for different classes of deposits, for deposits of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of insured nonmember banks or their depositors, or according to such other reasonable bases as the Board of Directors may deem desirable in the public interest. The Board of Directors shall by regulation define what constitutes time and saving deposits in an insured nonmember bank. Such regulations shall prohibit any insured nonmember bank from paying any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the Board of Directors, and from waiving any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement. For

each violation of any provisions of this subsection or any lawful provision of such regulations relating to the payment of interest or dividends on deposits or to withdrawal of deposits, the offending bank shall be subject to a penalty of not more than \$100, which the Corporation may recover for its use. [During the period commencing on October 15, 1962, and ending on October 15, 1968, the] The provisions of this subsection shall not apply to the rate of interest which may be paid by insured nonmember banks on time deposits made after October 15, 1962 and prior to October 15, 1971 [of] by foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member."

S. 3218—INTRODUCTION OF BILL RELATING TO THE BALANCE-OF- PAYMENTS DEFICIT

Mr. SPARKMAN. Mr. President I would like to discuss one of our Nation's most important problems and what we must do about it. The problem is our international balance-of-payments deficit, and the need is to bring it into equilibrium.

Our balance of payments—the sum total of all our trade and financial relations with the rest of the world—has been in deficit for 17 of the last 18 years.

This has not always been a problem, but it is a serious one today—one that both defies quick or easy solution and requires better understanding by the public.

To the average person, our balance-of-payments position has little or no meaning and relevance. Yet, in one way or another, it affects us all, regardless of our walk of life.

Our payments problem is of vital concern to all because on its resolution depends the strength or weakness of the dollar and in turn the economic health and well-being of this Nation and the free world.

For a time our deficits were favorable in financially helping the world to recover from the Second World War. Today, these deficits are no longer needed nor are they welcomed. The time now has come for decisive action to deal with this problem in a forceful, but sound and balanced way.

THE PRESIDENT'S PROPOSAL

The President has taken an important step in this direction. He recommended legislation to the Congress to increase our exports. This action is essential if this Nation is going to correct its balance-of-payments deficit. The President recommended that Congress:

Allocate \$500 million of the Export-Import Bank's existing authority as a special funds to finance a broadened program to sell American goods in foreign markets; and

Approve promptly the \$2.4 million supplemental appropriation which I submitted on March 11. This will enable the Commerce Department to launch a 5-year program to promote American exports.

Both recommendations are important. Last year, the United States exported some \$30 billion worth of products—the highest in our history. The trade surplus resulting from that commerce was about

\$3.5 billion—large but far from large enough. As the President said:

Our concern must now be to improve the record as part of a long-term program to keep the dollar strong and to remove the temporary restraints on the flow of capital abroad.

The \$500 million allocation would finance export transactions not covered by the Bank's present program. As a result, this step would assist American firms who now sell only within the United States to expand their markets and send their goods abroad. Second, it would make available to American firms export financing more competitive with that provided by other major trading nations and especially suited to developing new markets.

Mr. President, the President's proposal is an integral part of his January 1 action program to correct our balance-of-payments deficit. Under this program we have begun to correct our payments problem and now we must continue to do so with this new export proposal.

The gold crisis of the last several days makes it crystal clear that we must take every action possible to protect the dollar. Our fundamental problem is the Nation's balance-of-payments deficit and it is vital that we correct it.

To appreciate fully the payments problem confronting us, some background may be helpful. The United States is the most productive, and strongest nation in the world. Our dollar is a principal world currency, or as it is frequently known, a reserve currency—and, in fact, the leading reserve currency. The other reserve currency has been the British pound. Nations primarily use the dollar to conduct trade and hold it as part of their financial reserves along with gold and the pound sterling. As our economy has continued to grow, so has the dollar's importance in world trade and commerce, with the result that the United States is the world's banker and the dollar is the cornerstone of the international monetary system.

In the world's marketplaces, the United States takes in money and pays it out. These foreign transactions are important to our economic well-being and the free world's.

Money goes out of the country through overseas Government expenditures on foreign and military aid which are necessary for world peace and security. Money also flows away from our shores through private investments and loans in foreign lands as well as through spending abroad by American tourists.

This outflow of money is offset by the money we take in from the exports of our goods and services together with investments, travel and other spending in this country by foreigners.

When the inflow and outflow of money are equal we then have a balance in our international payments. But when we spend more than we take in then the result is a deficit.

This is just what we have had, not for 1, 2, or 3 years, but for 17 of the last 18 years. It has become, in short, a chronic deficit, cumulating year after year, depositing more and more excess dollars overseas.

Some or all of these excess dollars received by foreigners are sold to their central banks. These institutions can use these dollars in a variety of ways—including holding them as monetary reserves or buying gold from the United States. The result: Gold has been draining away from our shores into foreign coffers in ever-increasing amounts; whereas we had some \$22 billion in gold reserves in 1959, today we have less than \$12 billion.

There is the well-rounded fear in many quarters that unless balance can be restored to our international payments and the drain on our gold halted, the dollar, the international monetary system, and the world's economy will be in serious danger in the long run.

OUR HISTORY OF DEFICITS

The history of our payments deficits date back to the early postwar years; then they were desirable and welcome. First, our deficits did help bring about a necessary redistribution in the world's gold reserves and supplemented them dollars. Moreover, our deficits supplied monetary reserves to foreign countries—principally European—which had been depleted to finance the war and postwar reconstruction.

In more simple terms, these deficits—or the flow of U.S. capital to Europe—contributed to the European "economic miracle" and the smooth transition to European economic unity by permitting many old barriers to the international movement of goods and capital to be dismantled.

These early deficits which averaged about \$1 billion a year from 1951 to 1957 caused us no trouble. Foreign monetary authorities were content to hold onto their dollars and not convert them into gold.

In 1958 and 1959 our payments deficit swelled to more than \$3.5 billion annually and were accompanied by large outflows of gold. By 1951, the desirable consequences of our deficits were clearly being outweighed by undesirable consequences.

There was no longer a shortage of dollars; on the contrary, foreign official monetary authorities became reluctant to hold increasingly large amounts of their international reserve assets in the form of dollars, and this began to pose a real and unacceptable threat to the strength of the dollar. As a result, beginning in 1961, the U.S. Government took action to improve the balance of payments. Steps were taken to increase exports, hold down U.S. purchases of foreign securities and to increase foreign purchases of U.S. securities.

In addition, under the measures instituted during the early 1960s we began to "tie" all of our foreign aid programs to U.S. procurement, and we reduced the foreign exchange cost of our other major Government expenditure item, our military deployments, by a variety of techniques, and reduced capital outflows through a program of voluntary restraint. Lastly, we improved our basic trade position through a remarkable record of price stability coupled with economic growth.

Through 1965, this program made good

progress despite such unfavorable developments as the Berlin crisis with the necessary buildup of forces adding to the dollar outflow. Our deficit, as it worked out, was cut by two-thirds—from \$3.9 billion in 1960 to \$1.3 billion in 1965.

The direct and indirect consequences of the buildup in Southeast Asia toward the end of 1965 interrupted our progress toward payments equilibrium. In 1967, the situation worsened.

Our foreign exchange expenditures for Vietnam increased further, outflows of capital for private loans and investments abroad rose and our "travel deficit" widened substantially.

On top of this came the British devaluation in November of 1967. It had a major immediate effect of sharply increasing our balance-of-payments deficit during the fourth quarter, and posed a longer term threat to our payments position and the future strength and soundness of the dollar.

According to the experts, the devaluation of sterling brought the balance-of-payments problem to a very serious stage. It resulted in a loss of confidence in currencies and was accompanied by a large outflow of foreign funds from the United States and a burst of speculative buying of gold. This was a threat not only to the dollar but to the international monetary system as a whole.

The Senate responded to this threat by freeing our gold stock and making it available to repel the speculators. As floor leader of the bill, I said that while the gold cover removal was important it was but one step of a series that would be needed to assure stability in the dollar and the international monetary system.

The Governors of the central banks of the gold countries took another step this weekend in Washington. They agreed to get out of the private gold market. Gold transfers between central banks will continue at \$35 an ounce but the gold reserves of the free world will not be available to the speculators.

The results have been most encouraging. Order has been restored to the international monetary system. The dollar remains as the reserve currency. It has survived a trying test. However, if international confidence in the dollar is to continue more needs to be done. We must put our fiscal house in order at home and abroad.

The bill I introduce today is another step in that direction. It will facilitate Eximbank assistance to American exporters and help restore a balance in our international payments position. As chairman of the Committee on Banking and Currency, and in conjunction with the able subcommittee chairman, the Senator from Maine [Mr. MUSKIE], and the ranking minority member of the committee, and Senator from Utah [Mr. BENNETT], I am hopeful that we shall be able to move promptly on the bill so that it will be ready for floor action soon.

With the implementation of the resolution adopted last September in Rio de Janeiro for creating special drawing rights by the International Monetary Fund, the world will be assured of an adequate supply of reserves without the necessity of depending on continued

U.S. deficits. The time has come, it would seem to me, when decisive measures to eliminate the payments deficit are necessary and desirable.

PRESIDENT'S PROGRAM DESERVES BACKING

It is for these reasons that I feel the administration deserves full support for its determined program to bring our international payments into balance and to protect the dollar. As a part of the tough balance-of-payments program announced by the President in January, the bill I introduce today is another of the steps that must be taken to defend the dollar and the free world's monetary system which it supports.

Mr. President, I introduce, for appropriate reference, a bill to enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long-term commercial interests of the United States, and ask unanimous consent that the bill along with the letter of the President transmitting the bill be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 3218) to enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long-term commercial interests of the United States, introduced by Mr. SPARKMAN (for himself, Mr. MUSKIE, and Mr. BENNETT), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 3218

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

SECTION 1. (a) It is the policy of the Congress that the Export-Import Bank of the United States should facilitate through loans, guarantees, and insurance (including co-insurance and reinsurance) those export transactions which, in the judgment of the Board of Directors of the Bank, do not meet the test of reasonable assurance of repayment as provided in section 2(b)(1) of the Export-Import Bank Act of 1945, as amended, but which, in the judgment of the Board of Directors of the Bank, should nevertheless be financed, guaranteed, or insured in order to improve the balance of payments and foster the long-term commercial interests of the United States.

(b) The Bank shall specially designate such loans, guarantees, and insurance on the books of the Bank. In connection with guarantees and insurance, not less than 25 percent of the related contractual liability of the Bank shall be taken into account for the purpose of applying the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended; but the full amount of the related contractual liability of such guarantees and insurance shall be taken into account for the purpose of applying the limitation in section 2(c)(1) of that Act, concerning the amount of guarantees and insurance the Bank may have outstanding at any one time thereunder. The aggregate amount of loans plus 25 percent of the contractual liability of guarantees and insur-

ance outstanding at any one time under this Act shall not exceed \$500 million.

SEC. 2. In the event of any losses, as determined by the Board of Directors of the Bank, incurred on loans, guarantees, and insurance extended under this Act, such losses shall be borne by the Bank up to an aggregate amount not exceeding \$100,000,000 and any losses in excess thereof shall be borne by the Secretary of the Treasury. Reimbursement of the Bank by the Secretary of the Treasury on defaulted loans and payments to discharge the Bank's liabilities on guarantees and insurance in excess of the aforesaid \$100,000,000 shall be from funds made available pursuant to Section 3 of this Act. All guarantees and insurance issued by the Bank shall be considered contingent obligations backed by the full faith and credit of the Government of the United States of America.

SEC. 3. There are hereby authorized to be appropriated to the Secretary of the Treasury without fiscal year limitation such amounts as may be required to cover any losses exceeding \$100,000,000 incurred by the Bank as a result of loans, guarantees, and insurance extended under this Act.

SEC. 4. Nothing in this Act shall be construed as a limitation on the powers of the Bank under the Export-Import Bank Act of 1945, as amended; and except as provided in this Act, all loans, guarantees, and insurance extended hereunder shall be subject to the provisions of said Export-Import Bank Act of 1945, as amended.

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

THE WHITE HOUSE,
Washington, March 20, 1968.

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

DEAR MR. PRESIDENT: In this letter I ask the Congress to take further steps to improve America's balance of payments position. That position is the hinge of the dollar's strength abroad and the soundness of the Free World monetary system.

Both actions I recommend today will help to increase America's exports—a vital element in the balance of payments equation.

I urge the Congress to:

Allocate \$500 million of the Export-Import Bank's existing authority as a special fund to finance a broadened program to sell American goods in foreign markets.

Approve promptly the \$2.4 million supplemental appropriation which I submitted on March 11. This will enable the Commerce Department to launch a 5-year program to promote American exports.

Last year, the United States exported some \$30 billion worth of products—the highest in our history. The trade surplus resulting from that commerce was about \$3.5 billion—large but far from large enough.

Our concern now must be to improve that record as part of a long-term program to keep the dollar strong and to remove the temporary restraints on the flow of capital abroad.

For more than three decades, the Export-Import Bank has effectively encouraged the sale of American goods abroad. Through loans, guarantees and insurance, it has financed billions of dollars in U.S. exports—the products of our farms and factories. But new competitive conditions in world trade demand added scope and flexibility in the Bank's operations.

The \$500 million allocation I am requesting will finance export transactions not covered under the Bank's present program. It will:

Support the determined efforts of the entire business community to expand exports.

Assist American firms who now sell only within the United States to expand their markets and send their goods abroad.

Make available to American firms export

financing more competitive with that provided by other major trading nations and especially suited to developing new markets.

To achieve the greatest benefit from this new export financing plan, I will establish an Export Expansion Advisory Committee, chaired by the Secretary of Commerce, to provide guidance to the Board of Directors of the Export-Import Bank.

The Kennedy Round has added a new and exciting dimension to the expansion of trade opportunities for American business. We must be prepared to take full advantage of these and other opportunities now unfolding in foreign commerce. I believe that a long-range and sustained promotional program can go far to stimulate the flow of American exports.

In my Fiscal 1969 Budget, I requested a \$25.7 million appropriation to launch such a program. In order to get an immediate start, I asked the Congress last week for a \$2.4 million supplemental appropriation for Fiscal 1968. With these funds, we can participate in more trade fairs, establish Joint Export Associations for various industries, conduct marketing studies, and take other steps to stimulate the growth of sales abroad.

The new authority for the Export-Import Bank and the supplemental appropriation for export promotion will reinforce our trade position. These measures will help business firms penetrate and secure new foreign markets and provide the follow-on services to expand their position in these markets.

I urge the Congress to take prompt action on these requests.

The threat posed by our balance of payments deficit is immediate and serious and requires concerted action.

We have been moving in a number of ways to counter that threat and to carry out the program I announced on January 1, 1968.

The proposals in this letter to increase our exports are part of a national balance of payments strategy.

We have already acted to:

Restrain the flow of direct investment funds abroad, and foreign lending by banks and other financial institutions.

Reduce the number of government personnel in overseas posts, curtail government travel abroad, and negotiate new arrangements to lessen the impact of military expenditures overseas.

Initiate discussions with other countries on actions to improve our trade position.

Launch a new program, in cooperation with private industry, to attract more foreign visitors to these shores. As part of this program, I have asked for a supplemental appropriation of \$1.7 million to strengthen the U.S. Travel Service.

Remove the outmoded and unnecessary gold cover in legislation which I signed yesterday.

Reach an agreement with our six active gold pool partners to halt speculative attacks on gold reserves.

Further measures await Congressional action.

One is the elimination of obsolete and burdensome visa requirements which now discourage foreign travelers from visiting our land.

Another is legislation to reduce the expenditures of Americans traveling abroad.

Finally, there is the anti-inflation tax—the most critical measure of all. This tax—one penny on every dollar earned—is the best investment Americans can make for fiscal responsibility at home and for a strong economic position abroad.

The nations of the world look to us now for economic leadership. The fabric of international cooperation upon which the world's postwar prosperity has been built is now threatened. If that fabric is torn apart, the consequences will not be confined to foreign countries—but will touch every American. We must not let this happen. Prompt enactment of the tax bill will be clear and con-

vincing proof of our leadership and an exercise of our responsibility.

The hour is late. The need is urgent.

I call upon the Congress to act—now.

Sincerely,

LYNDON B. JOHNSON.

THE EXPORT-IMPORT BANK

Mr. BENNETT. Mr. President, I join in the cosponsorship of this proposal to set aside from existing authority of the Export-Import Bank an amount of \$500 million or about 3.7 percent of present authorizations in a special fund to be used for loans and insurance of loans which do not meet the present loan and insurance requirements of the Export-Import Bank.

Just last week, we took action to remove the 25 percent gold cover from our currency because it became necessary to meet the demands on our gold as a result of our domestic fiscal budget deficits and the deficits in our international accounts. That action, though opposed by many, in my view was necessary, but as I stated at the time and as was agreed to by all who discussed the matter, according to my recollection, it only provided an opportunity for basic action to bring about equilibrium in our balance of payments and a responsible expenditure-receipt relationship in our Federal budget. These two ends may be in the long run future stability and strength of this country equal to, if not greater than, the possession of sufficient military capacity to deter aggressors. We must maintain a strong economy or we are powerless to affect the tide of world development. We must maintain a strong dollar or our position of world economic leadership will crumble.

In our efforts to enlist the resources of the private sector to contribute even more to a favorable balance of payments, there are two approaches which in my view are not equal alternatives.

The one approach which has seemed to receive the most emphasis in the past few years is that of restricting the outflow of capital, limiting the foreign investment that can be made by private U.S. firms, requiring repatriation of earnings, imposing reduced quotas on the value of goods that can be brought into this country duty free by citizens who have traveled in foreign countries, and taxing travel expenditures. These actions in my view are self-defeating and result in a diminution of the freedoms which I feel have been basic to the position of eminence which we have as a people in the world today.

In other words, I feel that the other alternative of allowing and encouraging our private economy to do what it can do best is the only real contribution that we can or should expect from the private sector.

Our exports of goods and services during 1967, according to preliminary figures, reached nearly \$46 billion, the highest level in our history. The balance on goods and services, however, totaled only \$4.8 billion when imports were subtracted, the lowest surplus since 1960. While a surplus of nearly \$5 billion may seem to be a pretty good record for the private sector of our economy, and I believe that it is, it is not sufficient to off-

set Federal expenditures which are being made, whether each of us agrees with them or not. Just 4 years ago, our favorable balance on exports and imports of goods and services was nearly \$8.5 billion. Many factors go into determining our imports and exports. Among the more important are the income levels, wage rates, price levels, and degree of prosperity of our economy as compared to our trading partners. It is necessary that we do what we can to see that these factors move in a favorable direction rather than deteriorate, but in addition to these is the important element of export financing.

Most of our exports are financed through regular private channels, and that is how it should continue to be. However, there are opportunities to develop export markets which have not been seized upon, because the financing was too risky for the private sector to undertake without some government backup and insurance. Financing of U.S. exports is not deficient by most absolute standards, but I believe there are opportunities to do better. From reports of American businessmen engaged in international trade, we find evidence that we may be losing opportunities now for worthwhile sales which require financing with a distinct—but acceptable—degree of risk.

We presently have the exporter credit program at the Export-Import Bank as well as its companion, the foreign credit insurance program. Managed through commercial banks and insurance agents throughout the country, these programs serve a vital segment of our export industry, and these loans conform to the Export-Import Bank loan standard of only making loans that have a "reasonable assurance of repayment."

The traditional Export-Import Bank criteria established over the years to cover a broad range of circumstances for making loans may not, however, always be the most appropriate criteria in terms of our balance-of-payments objectives. The export expansion facility which this proposal would bring about would supplement our financing facilities by providing more risk tolerant credit than that which is normally provided through the established Export-Import Bank programs.

In 1966, the Action Committee on Export Financing—the Douglas Committee—of the National Export Expansion Council proposed the creation of a national interest fund in the Export-Import Bank which would permit Eximbank to support U.S. exports on the basis of less stringent credit judgments than called for by existing Eximbank standards. The purpose of that proposal and of the proposal which I am now cosponsoring would be to encourage the expansion of exports in difficult markets, to maintain and expand existing export markets against aggressive and effective competition, and to establish a foothold in new markets where the potential for follow-on sales is high.

The facility would finance, guarantee, and insure credits relating to exports which are in the balance-of-payments interests of the United States but which

may not meet Eximbank's statutory requirements of "reasonable assurance of repayment" as ordinarily determined.

Access to the facility would be limited to export transactions that have been determined ineligible for financing and/or guarantee by commercial banks, as well as by the Eximbank, and for which financing by other U.S. Government agencies is neither appropriate nor available. Applications would be reviewed in terms of the prospective balance-of-payments benefits and costs to the United States. Foreign aid would clearly not be an objective of the facility. Indeed, the activities of the facility could very well detract from, rather than assist, our efforts to reach equilibrium in our balance of payments if it were to be used in that way. Transactions made under this new authority would carry interest rates and maturities similar to competitive export financing of other industrial countries and generally in line with Eximbank's present terms.

Applications for financing and guarantees would be received via Eximbank from exporters, commercial banks, or foreign borrowers. It is my understanding that in an effort to share the risk with the private community, and as a means of preselection, transactions would normally involve some exporter participation and perhaps a downpayment as well. All applications would first be examined and processed by Eximbank personnel and considered by the Eximbank Board. Applications that give promise of increasing our exports currently and for follow-on orders but that did not meet Eximbank standards would be referred to the facility.

I believe this broadening of authority in the Export-Import Bank can be justified on four counts:

First. Some export-oriented loans which do not offer "reasonable assurance of repayment" may nonetheless be in the national interest because of their potential balance-of-payments contribution.

Relatively high risk loans fall into two categories: First, the credit worthiness of the customer is not absolutely first rate and he is unable—or competition does not require him—to find an acceptable guarantor in his own country; and/or, second, the customer is located in a country where the transfer risk is substantial in relation to the Export-Import Bank's credit exposure from past loans.

Of course, it is not envisioned that the export expansion facility would comply with all requests for credit that it received. Reasons for refusing to grant credit might include: First, a good likelihood that the credit would not be repaid—export loans not expected to be repaid would be nothing but grants and a frustration of this bill's purpose; and, second, further export potential of the same product or in the same market does not exist and thus the additional risk will not provide enough and additional follow-on reward.

Second. There are some potential export credits in this range—not safe enough to be "sure things," yet attractive enough to be "acceptable risks." These could involve credits to developed countries just as readily as less-devel-

oped countries. Down payments and repayment within 5 years should be involved commonly. There might also be occasion for loans more similar to Eximbank's usual project loans.

Third. In addition to its direct short-term contribution to the balance of payments, the facility promises longer term benefits by helping American firms to penetrate and secure markets abroad and to insure follow-on sales. Additional exports today help to stimulate further additions in the future.

The performance of the facility would be evaluated by its contribution to the balance of payments and not by its income statement. It is my understanding that a loss ratio of 2 to 3 percent is expected, and that this may be offset through loan and guarantee income. Whether the rate of loss exceeds or falls short of this estimate will be a measure of the degree of risk being taken by the Bank in this program. Once suitable contacts and arrangements have been established through this program, then regular guarantees through the Export-Import Bank and the financing resources of the private market should be able to carry on from there, without the assistance of this program.

Fourth. The proposed facility has precedents abroad, a good historical background in the United States, and wide support in the private sector. Both United Kingdom and Canada have special funds for national interest export lending. Repeated support has been given to this concept in the United States by the National Export Expansion Council and its action committees. Representatives of the business community with whom I have spoken give support to this measure, viewing it as tangible evidence of a realistic approach to the promotion of exports and as a logical complement to increased export expansion efforts by the Department of Commerce without any increase in authorized Federal expenditures.

In a letter of March 20 of this year the President stated that he "will establish an Export Expansion Advisory Committee, chaired by the Secretary of Commerce, to provide guidance to the Board of Directors of the Export-Import Bank" in their use of the authority provided in this bill. I feel that it is extremely important that the makeup of that advisory committee be such that the stress on this program will be on insurance and guarantees and that it will stress future export potential to be brought about by the loans and guarantees made under the authority granted in this bill.

I also expect that this expansion will not in any way be used to fill a gap made necessary by the restrictions that have been made on the activities of private lending institutions. Certainly, no benefit is to be gained and a great detriment would occur through replacing private loans with Government loans.

I hope that we may hear the views of those interested in this legislation in the near future, that we in the committee make any changes necessary for its proper operation, and that it will receive early committee approval.

ADDITIONAL COSPONSORS OF BILLS

Mr. DIRKSEN. Mr. President, on behalf of the junior Senator from Arizona [Mr. FANNIN], I ask unanimous consent that, at its next printing, the names of the Senator from Utah [Mr. BENNETT], the Senator from Colorado [Mr. DOMINICK], the Senator from North Carolina [Mr. ERVIN], the Senator from Wyoming [Mr. HANSEN], the Senator from Oregon [Mr. HATFIELD], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. THURMOND], and the Senator from Texas [Mr. TOWER] be added as cosponsors of the bill (S. 3212) relating to the authority of the States to control, regulate, and manage fish and wildlife within their territorial boundaries.

These names were inadvertently omitted from the bill as introduced.

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

Mr. MAGNUSON. Mr. President, I ask unanimous consent that, at its next printing, the name of the junior Senator from Connecticut [Mr. RIBICOFF] be added as a cosponsor of the bill (S. 1336) to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer.

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

Mr. TOWER. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senator from Maryland [Mr. BREWSTER], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Wyoming [Mr. HANSEN], the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Missouri [Mr. LONG], the Senator from South Dakota [Mr. MCGOVERN], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from South Carolina [Mr. THURMOND] be added as cosponsors of the bill (S. 2170) to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes.

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

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that, at its next printing, the name of the senior Senator from Nevada [Mr. BIBLE] be added as a cosponsor of the bill (S. 3149) to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit employer contributions for joint industry promotion of products in certain instances or a joint committee or joint board empowered to interpret provisions of collective-bargaining agreements.

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

RESOLUTION

ADDITIONAL PRINTING OF SENATE REPORT NO. 1006, 90TH CONGRESS

Mr. WILLIAMS of New Jersey submitted the following resolution (S. Res.

269); which was referred to the Committee on Rules and Administration:

S. RES. 269

Resolved, That there be printed for the use of the Committee on Labor and Public Welfare, three thousand additional copies of the 1968 report of its Subcommittee on Migratory Labor entitled "The Migratory Farm Labor Problem in the United States" (S. Rept. No. 1006, Ninetieth Cong.).

EXCISE TAX RATES—AMENDMENTS

AMENDMENT NO. 659

Mr. HARTKE. Mr. President, I submit today an amendment to the excise tax bill, H.R. 15414, which will offer equity with incorporated business to the unincorporated small businessman or partnership.

In the 5-year phased "speed-up" of collections to current status as passed by the House, the present \$100,000 exemption from estimated tax for corporations was reduced to \$40, the same amount allowed as exemption for individuals. A Finance Committee amendment, with which I wholly agree and which I had drafted and discussed with committee staff, follows established precedent in order to benefit small business, raising the \$40 figure to \$5,500 or the 22 percent normal tax amount on a \$25,000 corporate income. This change will cost the Treasury no money, but will give a greater benefit to incorporated business.

But many businesses are unincorporated. Yet they have fully as great a need, and often even greater, for the kind of assistance the bill now contains for incorporated businesses. These unincorporated businesses, whether a "mom and pop" store, a small factory employing only eight or 10 persons, or a professional man in business as a dentist, for example—these businesses and partnerships are now taxed at individual income tax rates rather than corporation rates.

The amendment I offer today, will offer equity to unincorporated businesses as well as incorporated businesses by giving the same \$5,500 exemption where two-thirds or more of the individual's income subject to estimated tax is derived from "the active conduct of a trade or business."

Since these persons presently have only a \$40 exemption as individuals, the \$5,500 would be a corresponding offset to the purpose of the administration bill, namely, to speed up and make current tax collections. Recognizing that to make this all effective immediately would diminish sharply the intended Treasury effect of the bill, the amendment safeguards the situation by applying exactly the reverse of the change from \$100,000 to \$5,500 for corporations, which will be a phaseout of exemptions—"transitional exemption"—over a 5-year period. In other words, this corollary effort to achieve equity will involve reverse "transitional exemption" of \$1,100 the first year, \$2,200 the second, and so on throughout the same 5 years, in a phase-in whose method corresponds to the other. Thus the effect on Treasury receipts will be minimized, and at the end

of 5 years there will be a fuller equality as between incorporated and unincorporated business.

Mr. President, I ask unanimous consent that the text of the amendment may be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 659) is as follows:

On page 16, after line 17, insert the following:

"SEC. 4. Exemption from estimated tax for individuals engaged in trade or business.

"(a) Declaration of Estimated Tax.—Section 6015(c) (defining estimated tax in the case of individuals) is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the sum of—

"(A) the amount which the individual estimates as the sum of any credits against tax provided by part IV of subchapter A of chapter 1, and

"(B) in the case of an individual whose estimated gross income from the active conduct of a trade or business for the taxable year is at least two-thirds of the total estimated gross income from all sources for the taxable year—

"(i) \$1,100, in the case of a taxable year beginning in 1969.

"(ii) \$2,200, in the case of a taxable year beginning in 1970,

"(iii) \$3,300, in the case of a taxable year beginning in 1971,

"(iv) \$4,400, in the case of a taxable year beginning in 1972, and

"(v) \$5,500, in the case of a taxable year beginning after 1972."

"(b) Failure by Individual to Pay Estimated Tax.—Section 6654(f) (relating to computation of tax for purposes of determining underpayment of estimated tax) is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the sum of—

"(A) the credits against tax provided by part IV of subchapter A of chapter 1, other than the credit against tax provided by section 31 (relating to tax withheld on wages), and

"(B) in the case of an individual whose gross income from the active conduct of a trade or business for the taxable year is at least two-thirds of the total gross income from all sources for the taxable year—

"(i) \$1,100, in the case of a taxable year beginning in 1969,

"(ii) \$2,200, in the case of a taxable year beginning in 1970,

"(iii) \$3,300, in the case of a taxable year beginning in 1971,

"(iv) \$4,400, in the case of a taxable year beginning in 1972, and

"(v) \$5,500, in the case of a taxable year beginning after 1972."

"(c) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1968."

"Renumber succeeding sections of the bill."

AMENDMENTS NOS. 660 AND 661

Mr. JAVITS submitted two amendments, intended to be proposed by him, to the bill (H.R. 15414) to continue the existing excise tax rates on communication services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 662

Mr. WILLIAMS of Delaware (for himself and Mr. SMATHERS) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to House bill 15414, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 663

Mr. WILLIAMS of Delaware (for himself and Mr. SMATHERS) submitted an amendment, intended to be proposed by them, jointly, to House bill 15414, supra, which was ordered to lie on the table and to be printed.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 22, 1968, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 454. An act for the relief of Richard K. Jones; and

S.J. Res. 72. Joint resolution to provide for the designation of the second week of May of 1968 as "National School Safety Patrol Week".

INTERNATIONAL HEALTH, EDUCATION, AND LABOR SUBCOMMITTEE TO HOLD HEARINGS

Mr. YARBOROUGH. Mr. President, I am pleased to announce that the Special Subcommittee on International Health, Education, and Labor Programs will hold its first hearings on April 25 and 26.

The first business of this subcommittee will be S. 1779, a bill which I have introduced to establish a quasi-governmental corporation to provide open support for private activities in health, education and related welfare fields.

We will be particularly interested in three areas: first, the nature, amount, and effectiveness of current international activities by private organizations; second, the need for governmental assistance; third, the role of an independent agency such as the Foundation proposed, in increasing both the quality and quantity of the private sector's effort.

The skills that our private sector, particularly our youth, has developed through community help programs here and abroad reach vital world problems like education, labor, food production, and health care.

The cumulation of these skills give us an invaluable resource and that resource carries with it a responsibility to share it with the developing areas of the world. The question is whether this national responsibility will be met. The Government is constantly cutting back its support in this area and I am informed that it is increasingly difficult to raise funds from our largest foundations and corporations.

This subcommittee will be particularly interested in determining what existing Government agencies and others will do to support our private organizations' efforts because we are determined that their need will be met.

I ask unanimous consent that my bill,

S. 1779, be printed at this point in the RECORD.

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

S. 1779

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

ESTABLISHMENT OF FOUNDATION

SECTION 1. (a) There is hereby established as an independent agency of the Government an International Health, Education, and Labor Foundation (hereinafter referred to as the "Foundation").

(b) The Foundation shall be composed of a Director and an International Health, Education, and Labor Council (hereinafter referred to as the "Council").

(c) The purposes of the Foundation shall be to establish and conduct an international health, education, and labor program under which the Foundation shall provide open support for private, nongovernmental activities in the fields of health, education, and labor, and other welfare fields, designed—

(1) to promote a better knowledge of the United States among the peoples of the world;

(2) to increase friendship and understanding among the peoples of the world; and

(3) to strengthen the capacity of the other peoples of the world to develop and maintain free, independent societies in their own nations.

DIRECTOR OF FOUNDATION

Sec. 2. (a) The Foundation shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. The person nominated for appointment as the Director shall be a distinguished citizen who has demonstrated exceptional qualities and abilities necessary to enable him to successfully perform the functions of the office of the Director.

(b) The Director shall receive compensation at the rate prescribed for level II of the Executive Schedule under section 5311 of title 5, United States Code, and shall serve for a term of five years.

(c) The Director, with the advice of the Council, shall exercise all of the authority granted to the Foundation by this Act and shall serve as chief executive officer of the Foundation.

COUNCIL

Sec. 3. (a) The Council shall consist of eleven members to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members of the Council

(1) shall be eminent in the fields of education, student activities, youth activities, labor, health, scientific research, or other fields pertinent to the functions of the Foundation; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall not be officers or employees of the Government of the United States. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by leading private associations, institutions, and organizations concerned with private activities in the fields of health, education, and labor, and other welfare fields related to the purposes set forth in the first section of this Act.

(b) The term of office of each member of the Council shall be six years except that (1) the terms of the members first appointed shall expire as designated by the President, three at the end of two years, four at the end of four years, and four at the end of six years after the date of enactment of this Act; and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was ap-

pointed. No member shall be eligible for reappointment during the two-year period following the expiration of his term.

(c) The members of the Council shall receive compensation at the rate of \$100 for each day engaged in the business of the Foundation and shall be allowed travel expenses as authorized by section 5703 of title 5, United States Code.

(d) The President shall call the first meeting of the Council and designate an Acting Chairman. The Board shall, from time to time thereafter, select one of its members to serve as Chairman of the Council.

(e) The Council shall meet at the call of the Chairman, but not less than once every six months. Six members of the Council shall constitute a quorum.

(f) The Council (1) shall advise the Director with respect to policies, programs, and procedures for carrying out his functions, and (2) shall review applications for financial support submitted pursuant to section 4 and make recommendations thereon to the Director. The Director shall not approve or disapprove any such application until he has received the recommendation of the Council thereon, unless the Council fails to make a recommendation on such application within a reasonable time.

(g) The Council shall, on or before the 31st day of January, of each year, submit an annual report to the President and the Congress summarizing the activities of the Council during the preceding calendar year and making such recommendations as it may deem appropriate. The contents of each report so submitted shall promptly be made available to the public.

GRANTS IN SUPPORT OF PRIVATE ACTIVITIES

SEC. 4. (a) To effectuate the purposes of this Act, the Director is authorized, subject to section 3(f), to make grants to private, nonprofit agencies, associations, and organizations organized in the United States, to public or private nonprofit educational institutions located in the United States, and to individuals or groups of individuals who are citizens of the United States not employed by the Government of the United States, a State or political subdivision of a State, or the District of Columbia, for the purpose of enabling them to assist, provide, or participate in international activities, conferences, meetings, and seminars in the field of health, education, and labor, and other welfare fields related to the purposes set forth in the first section of this Act. No portion of any funds granted under this section shall be paid by the Director, or by any recipient of a grant under this section, to support any intelligence-gathering activity on behalf of the United States or to support any activity carried on by any officer or employee of the United States.

(b) Each grant shall be made by the Director under this section only upon application therefor in such form and containing such information as may be required by the Director and only on condition that the recipient of such grant will conduct openly all activities supported by such grant and make such reports as the Director may require solely to determine that the funds so granted are applied to the purpose for which application is made.

(1) The Director shall develop procedures and rules with respect to the approval or disapproval of applications for grants under this section which will provide, insofar as practicable, an equitable distribution of grants among the various applicants for such grants and types of activities to be supported by such grants, but which will assure that grants will be made to those qualified recipients most capable of achieving a successful or significant contribution favorably related to the purposes set forth in the first section of this Act. In making grants under this section, the Director shall not impose any requirements therefor or conditions thereon

which impair the freedom of thought and expression of any recipients or other beneficiaries of such grants.

(d) The Director may (1) pay grants in such installments as he may deem appropriate and (2) provide for such adjustment of payments under this section as may be necessary, including, where appropriate, total withholding of payments.

PUBLIC REPORTS BY DIRECTOR

SEC. 5. The Director shall, on or before the 31st day of January of each year, submit an annual report to the President and the Congress setting forth a summary of his activities under this Act during the preceding calendar year. Such report shall include a list of the grants made by the Director during the preceding calendar year; a statement of the use to which each recipient applied any grant received during the preceding calendar year; and any recommendations which the Director may deem appropriate. The contents of each report so submitted shall promptly be made available to the public.

GENERAL AUTHORITY

SEC. 6. The Director shall have the authority, within the limits of funds available under section 9, to—

(1) prescribe such rules and regulations as he deems necessary governing the manner of the operations of the Foundation, and its organization and personnel;

(2) appoint and fix the compensation of such personnel as may be necessary to enable the Foundation to carry out its functions under this Act, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates: except that the salary of any person so employed shall not exceed the maximum salary established by the General Schedule under section 5332 of title 5, United States Code;

(3) obtain the services of experts and consultants from private life, as may be required by the Director or the Council, in accordance with the provisions of section 3109 of title 5, United States Code;

(4) accept and utilize on behalf of the Foundation the services of voluntary and uncompensated personnel from private life and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(5) receive money and other property donated, bequeathed, or devised, by private, nongovernmental sources, without condition or restriction other than that it be used for any of the purposes of the Foundation; and to use, sell, or otherwise dispose of such property in carrying out the purposes of this Act; and

(6) make other expenditures necessary to carry into effect the purposes of this Act.

PROHIBITION AGAINST REQUIRING INTELLIGENCE GATHERING

SEC. 7. No department, agency, officer, or employee of the United States shall request or require any recipient or any other beneficiary of any grant made under this Act to obtain, furnish, or report, or cause to be obtained, furnished, or reported, any information relating, directly or indirectly, to any activity supported by such grant, except as is (1) provided by section 4(b) of this Act or (2) authorized under law in the case of any information directly relating to the violation of any criminal law of the United States by such recipient or beneficiary.

INDEPENDENCE FROM EXECUTIVE CONTROL

SEC. 8. (a) Determinations made by the Director and the Council in the discharge of their functions under this Act shall not be subject to review or control by the President or by any other department, agency, officer, or employee of the Government.

(b) The provisions of subchapter II of chapter 5 of title 5, United States Code (relating to administrative procedure), and of chapter 7 of such title (relating to judicial review), shall not apply with respect to the exercise by the Director or the Council of their functions under this Act.

APPROPRIATIONS

SEC. 9. There are hereby authorized to be appropriated to the Foundation such sums as may be necessary to carry out the purposes of this Act, except that the aggregate of such sums appropriated prior to June 30, 1972, shall not exceed \$100 million. Sums appropriated under this section shall remain available until expended.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to, and is now pending before the Committee on the Judiciary:

Wilbur H. Dillahunty, of Arkansas, to be U.S. attorney, eastern district of Arkansas, for a term of 4 years, vice Robert D. Smith, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, March 29, 1968, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

AMENDMENT OF THE COMMUNICATIONS ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 997, S. 3135.

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

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 3135) to amend the Communications Act of 1934 by extending the authorization of appropriations for the Corporation for Public Broadcasting.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraphs (1) and (2) of section 396(k) of the Communications Act of 1934 are each amended by striking out "1968" and inserting in lieu thereof "1969".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1017), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

S. 3135 is in the nature of a technical amendment to the Public Broadcasting Act

of 1967. When the act was adopted, section 396(k) (1) provided for an authorization of \$9 million for the activities of the Corporation for the fiscal year 1968. In view of the fact that the Corporation is only now being organized, it would not be practical to expect an appropriation of the funds authorized for fiscal 1968 at this late date. S. 3135 takes cognizance of this situation by changing the authorization from fiscal 1968 to fiscal 1969.

Insofar as the long-range financing of the corporation is concerned, the President indicated in his message on education that the Secretary of Health, Education, and Welfare, the Secretary of the Treasury, and the Director of the Bureau of the Budget, and the Board of Directors for the Corporation for Public Broadcasting will be working with the appropriate congressional committees to formulate long-range financing plans.

No other provision of the Public Broadcasting Act of 1967 is affected by this legislation.

REQUEST FOR PERMANENT SUBCOMMITTEE ON INVESTIGATIONS TO MEET DURING SENATE SESSION—OBJECTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations of the Committee on Government Operations be authorized to meet during the session of the Senate today.

Mr. DIRKSEN. Mr. President, I had hoped that committees would not seek the opportunity to meet during the session, because I believe it is imperative that we dispose of the pending resolution, and Senators should not be encumbered with committee meetings. I am terribly reluctant to object, but I think I should, in the interest of expedition of the work here.

The PRESIDING OFFICER. (Mr. BREWSTER in the chair). Objection is heard.

LOWERING THE VOTING AGE

Mr. MANSFIELD. Mr. President, the New Hampshire primary was an event of real significance, not because of who won or who lost in what party but because, to a large degree, it bridged the generation gap and brought about a constructive participation of our younger citizens, many of whom, because they are not old enough to vote, do not take the democratic process seriously. I hope and expect that this participation will spread to all 50 States in the weeks and months ahead.

These younger Americans showed a personal and vital interest in the affairs of Government marked in this instance by the overriding issue of Vietnam. They raised their voices, lifted their arms, and expressed their hopes. They proved that their generation is interested in the affairs of Government, and they worked hard to make that apparent. The one factor missing was that—even though they were most personally concerned—many did not have the right to express their personal choice through the exercise of the franchise because of their age. Our younger citizens know they are vulnerable; they know that they can be called on to serve. They know they are up front, and they are prepared to carry out their constitutional responsibilities under the Constitution. They know that if they are called to serve, it will be be-

cause of policy made and laid down by their elders. The intense interest shown by our younger citizens in the New Hampshire primary, as understandable as it is, is exemplary and encouraging.

If other States will not follow the lead of Georgia, Alaska, Hawaii, and Kentucky in lowering the voting age, it seems to me that it is up to the Federal Government, through Congress, to assume that responsibility and to give prompt consideration to Senate Joint Resolution 8, which would allow 18-year-olds the right to vote through an amendment to the Constitution. Therefore, I most urgently request the Senate Judiciary Committee to start hearings as soon as possible on Senate Joint Resolution 8, to report it, and then to give the Senate, and eventually the House, the opportunity to debate it and to make its judgment known—a judgment which I would hope would be in the affirmative.

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

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. Mr. President, years ago, I became interested in this subject and pursued it with some diligence, and then introduced a resolution for a constitutional amendment. However, no action was had, and I am delighted to concur in what the majority leader has said.

I had hoped that the Subcommittee on Constitutional Amendments could convene and take quick action and report this matter to the full committee, so that we may get it to the Senate floor for discussion and approval.

Mr. MANSFIELD. It was my privilege, to join with the minority leader in introducing legislation seeking to effect, by constitutional amendment, the right of 18-year-olds to vote. We believe that this is long overdue, and that if these youngsters are to be called upon to carry out policy, they should have a voice in the making of that policy; and to achieve that voice, they must have the franchise.

Such legislation is long overdue, and I hope that the words of the distinguished minority leader and myself will be taken to heart and that this matter will be given immediate and prompt consideration.

VIETNAM

Mr. HAYDEN. Mr. President, recently there has been a great deal of discussion both here and in the other body concerning our involvement in the struggle now going on in Vietnam. There have been many calls for the Vietnamese themselves to shoulder a larger share of the burden. There have been numbers who have questioned the wisdom of our continuing to assist as we have a government said to condone corruption and a people seemingly unwilling to match with sacrifice their desire for freedom.

On Thursday evening—Saigon time—President Nguyen Van Thieu addressed his nation by radio and television on these subjects. He discussed the steps that have been taken and are to be taken to assist the citizenry to rebuild their homes and lives following the offensive launched against them by the Vietcong and the North Vietnamese during the Tet holiday.

I have received a copy of a translation of that speech as it was delivered. It is, in my belief, a remarkable document. It stands as a commitment to the Vietnamese and to the world as to what President Nguyen Van Thieu and his government intend to accomplish. I ask unanimous consent that the text of his speech be printed in the RECORD.

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

Dear compatriots, today I would like to speak to you about the progress in the relief work.

As of today, the number of refugees in the entire nation has been reduced to 405,000. In comparison with the figure of 700,000 last month, it has decreased by 300,000, because security has been re-established in the suburban areas and normal life returned to the towns and cities.

Up to now, the essential items distributed to the refugees include:

- 20,000 tons of rice
- 300,000 cans of condensed milk
- 280,000 cans of meat
- 140,000 cans of fish
- 37,000 tons of dried fish
- 80,000 blankets
- 19,000 mosquito nets

In addition, there are other essential items distributed to the refugees such as sugar, fish sauce, and clothes.

The amount of money which the government made available to the provinces for relief is 274 million piasters.

In the capital itself, the number of refugees which on March 1 was 160,000 in 78 centers has been now reduced to 78,000 in 54 centers. All the public schools utilized as refugee centers have now become free again. A limited number of private schools which have not yet been returned to their former use, will be so before the end of this month, so that the pupils and students can resume their studies at the beginning of April.

As for the amount of relief supplies, I would like to recall that, for the time being, the government maintains the pre-established criteria:

In Hue, each family whose house has been damaged receives 10,000 piasters, 20 large iron sheets, and 10 bags of cement.

In Saigon and in the town of Gia Dinh, each family whose house has been damaged receives 10,000 piasters, 10 large iron sheets, and 10 bags of cement.

In other areas in the nation each family whose house has been damaged receives 5,000 piasters, 10 large iron sheets, and 10 bags of cement.

Those who still remain in the refugee centers continue to receive their daily rice rations until they receive their allowances in money, iron sheets and cement to return to their former homes.

In some areas, the refugees receive additional food items such as milk, sugar, fish sauce, etc. . . . aside from their rice rations which are indispensable in every case. Those who have not yet received their allowances in money, iron sheets and cement, but who have already left the refugee centers to live temporarily in the houses of their relatives, continue to receive their rice rations until further notice by the government. After the results of the one month fund drive are known, the central relief committee will study the possibility of further help to the refugees.

I mention the various relief items to be distributed to the refugees in order for everybody to know what he is entitled to, and to avoid possible malpractices by members of the organizations implementing this program.

I shall severely punish all malpractices

relative to this relief program, because I consider them not only as inhuman acts but also as sabotage against a very important national undertaking, and as possible acts of connivance with the enemy.

Concerning the allowances of money, iron sheets and cement to the refugees, the government will do its best to expedite their distributions, and I have already given instructions to local authorities to distribute these items immediately to the refugees as soon as they are received from the central government.

In Hue, the first distribution of relief supplies to 500 families has been done 3 days ago.

In Saigon, it has been done to 300 families in the 6th, 7th, and 8th precincts. In Can Tho, distribution has been made to 200 families. From now on, the distribution will be made more rapidly, with the achievement of the census.

As for the authorization to rebuild the houses in the provinces, I know that some provincial authorities are not expeditious. Therefore I reiterate the following precise instructions:

First, those who want to rebuild or repair their houses by themselves, or who wish to leave the refugees centers to return to their former houses in order to rebuild them, whether or not they have received allowances in money, iron sheets and cement, should receive prompt authorization from the local authorities. The procedure for such authorizations should be achieved in one day or two, not in one week or 10 days, with undue difficulties as pretexts for requests of bribes.

Second, in the provinces, the problem of zoning and esthetic restoration should not be posed. To be realistic, authorization should be given to those who want to rebuild on the foundations of their former houses. In particular, the houses which remain intact should not be bulldozed away. In the areas inhabited by low income families, which lack elementary sanitary conditions, and are exposed to dangers of accidental fires, some roads should be built or broadened just enough to ameliorate the health conditions and to assure protection against fire. The owners of the few houses which happen to be situated on the locations of these new roads should receive in compensation from the government another piece of land, if possible near the former houses.

Finally, I would like to recall to the provincial authorities that, in the relief program, I pay special attention to the administration of the refugee centers, and the severe punishments will be meted out in case of abuses. I have mentioned many times to the province chiefs that the administration of these centers should be well organized, and confided to trustworthy and honest senior officials with the help of local organizations. Next to it is the problem of honesty and integrity, and strict control of the honesty and integrity of the officials of the lower echelons: all those who commit abuses will be brought before the courts, and they will receive no indulgence.

After the problem of relief and assistance, I would like to address to you today on some problems relating to the two main fields in the Nation.

The efforts in our military struggle.

The efforts for reforms in some other areas. The efforts in our struggle against the Communist aggression.

As I have said many times before, the Communists and their instrument the so-called NLF have been determined to win this year some important military victory in order to obtain some political advantages at the conference table. If they fail in this attempt they will try to return to the rural areas to take over manpower and resources, to continue the sabotage for some more time, even though they cannot win decisively. The Communists are not stronger than before,

but they will take risks in putting all their remaining forces in their last attempts this year.

So far the Communists have suffered very heavy losses, 53,537 casualties since their Tet offensive while our forces and allied forces suffered only 6,700 casualties. In spite of this, the Communists surely will risk once again in an even bolder fashion. Therefore, we must be determined to put an end to their dreams of aggression. We are determined to wreck their plans.

We will not let the Communists win this year, or any other year.

Our army has fought bravely, and today, on every battlefield, has counterattacked and regained initiative.

The population has refused any cooperation with the Communists. The Army, the civil servants, cadres, no one betrayed the nation and defected to the enemies, and that is a bitter failure for them, and that has caused the Hanoi regime and its tools in the south to review their whole policy.

Our allies, especially American forces, have helped us greatly, they have also made considerable sacrifices, and inflicted heavy losses on the enemy.

Our allies in the free world will give us more military and economic assistance. But for our part, I think that we must make greater efforts and accept more sacrifices because, as I have said many times, this is our country, the existence of our nation is at stake, and this is mainly a Vietnamese responsibility.

We must demonstrate that we deserve their support, and gain the respect of other nations.

Therefore, the Government decides first of all to reinforce the combat capability in every way to efficiently meet the situation, so that on the one hand we will be able to protect the provinces and districts, and on the other, to attack and destroy the enemy, to protect and rebuild the rural areas.

I have decided to increase the Armed Forces by 135,000 men in the first phase. This measure must be carried out urgently. This requires the mobilization of more age groups, first of all the 19 and 18 year olds, and the recall of veterans under 33 years of age with less than 5 years of military service. The Department of Defense is implementing these measures.

So far the results are very encouraging: 38,000 youths of 19 years of age have received their draft cards since February 14, and 3,282 youths have been inducted in the first phase.

40,000 youths of 18 years of age will be drafted during May and June 1968.

11,525 Reservists of all ranks have joined the Armed Forces and 8,000 additional Reservists will join in the next phase.

The number of draftees during the last two and a half months are 26,588 persons, and the volunteers during the same period are 21,962.

In short, the number of youths who have enthusiastically joined the Army is greater than at any other time.

To complement the program for increase of defense forces, we have also started accelerating the training of civil servants, students, and school boys in all the country. Up to now, 18,000 civil servants and students have received military training.

Along with this, the organization of self-defense groups among the civilian population has made great progress: as of today, there are 495 units consisting of 69,543 members, and the number of weapons issued amounted to nearly 10,000.

Meanwhile, the revolutionary development program planned for the year of 1968 is still being implemented, and the government decides to press it forward because the rural areas should be considered essential. The Regular Army, Regional Forces, and RD Cadres are coming back to a counterattack in the rural areas, to destroy the enemy who

take advantage of the Tet occasion when our Army and Cadres were busy in the defense of the cities, to try to control a number of hamlets.

I am completely confident that, with our increased military efforts, with the enthusiasm displayed by our youths in joining the armed forces to destroy the enemy, with the active support and cooperation given to our armed forces by the civilian population, and the completion of our self-defense organizations, we shall defeat the Communists in spite of their efforts and their audacity.

The efforts for improvement in some other areas. In the normalization of daily activities. During the recent Tet events, a number of industrial plants were destroyed by the Communists, and during the fights which occurred during the Communist attacks and occupation, in order to bring back all the activities to the normal situation, the government has decided to establish a "production rehabilitation fund" and a "war risk insurance fund" in order to help the industrialists to reconstruct their plants.

The government is also making efforts to protect the waterways and roads all over our Nation so that, the national commercial and economic activities do not suffer from the events.

I have severely forbidden the construction of sumptuous houses in order to reserve labor and resources to relief requirements and to the reconstruction of the houses of war victims.

I have given strict instructions to all local authorities to close definitely the dancing-bars and the disguised night clubs which are harmful to our good moral traditions and deprave our youths. The outdoors markets for smuggled and stolen goods are also to be closed.

On the problem of corruption, I have considered it to be a shame for the whole nation and the population. Corruption is the major obstacle that hinders every improvement of the society and the progress of the nation. I know that the eradication of corruption is a very difficult task that requires much courage, many efforts and great patience. But I am determined to push vigorously the anti-corruption program, and I am sure that all the citizens of good will in the nation will help me in what can be considered the problem of the nation.

I will not pass up any infraction, and in order to start in the right direction, I shall not treat with indulgence any clearly established case of corruption, especially the abuses committed in the relief program, in the present and in the future.

The 40 cases of corruption, bribes, embezzlement, which the Prime Minister has presented to you on March 14, include military officers as well as civil servants. The punishments vary from death and prison sentences by the courts to disciplinary measures such as suspension of functions and removal from offices. These punishments will be strictly carried out. The remaining cases will also be dealt with severely, in an exemplary manner.

I trust that these measures against corruption will be pursued in a continued fashion, and will not have a demagogic, spectacular and temporary character, and in particular will be just and impartial.

Finally, to improve the efficiency of the governmental machinery, I have decided:

To invite a number of experienced and respected personalities, who have had records of struggle for the national cause and who have political and technical capabilities, to participate in national affairs as my advisers.

To establish, under my personal direction, a "national planning council" to study, prepare, and supervise the implementation of national plans in all areas, in the present war time as well as after the war.

To establish under my personal direction a "committee for administrative reforms" to study, make decisions, and implement all reforms relating to the entire governmental

machinery from the central government to local administrations. This committee will review entirely the responsibilities, organizations, functionings, procedures as well as the numerical sizes, capabilities, and statutes of civil servants. The purpose is to build an efficient, healthy and especially an honest and dedicated administration, worthy of serving the people. I have already mentioned this plan to you in my election platform and in the government program. I am determined to carry out this task.

I have started with some recent reforms to improve some basic criteria and ameliorate the quality of the personnel, but much remains to be done, and energetic, clean-out measures will be necessary.

In the last 4 months and a half, there have been already 69 officials in the provinces who have been replaced to improve the efficiency of the administration and to better serve the population. The training courses and improvement courses for province chiefs and district chiefs have been organized, and will continue to be organized, in order to increase the efficiency of the administration already mentioned.

I have just decided to transform the directorate general of information into a ministry to push forward more vigorously our information programs in the country as well as overseas, to carry out more energetically psychological warfare to meet more energetically the challenge of communist propaganda and political warfare, to explain more clearly our positions and the righteousness of our cause in the struggle to defend freedom and peace for mankind.

IMPROVEMENT OF OUR INTERNATIONAL BALANCE OF PAYMENTS BY AIR TRAVEL

Mr. CARLSON. Mr. President, one of the very pressing problems facing our Nation is the balance of payments.

There have been many suggestions in regard to improving our international balance-of-payments position and air travel is one of them.

If Americans flew to Europe on U.S. airlines as much as Europeans flew to the United States on their own national carriers, the excess of revenue earned by foreign flag airlines from U.S. citizens over revenue earned by U.S. airlines from overseas visitors would be reduced by \$180 million annually.

Thus, the country's critical balance-of-payments deficit would be decreased. Combined with a strengthened visit U.S.A. promotional campaign overseas which would increase the tourist influx to America, this effort would make the deficit far less acute.

The Committee on Commerce has before it a concurrent resolution introduced by the distinguished chairman [Mr. MAGNUSON] which would urge our citizens to use U.S.-flag shipping. I would hope that the committee would broaden it to include U.S.-flag air carriers.

ADDRESS BY H. H. KALAS AT DEDICATION OF SIOUX EMPIRE COLLEGE

Mr. MILLER. Mr. President, on February 17, 1968, Sioux Empire College at Hawarden, Iowa, was formally dedicated. The dedication address was delivered by President H. H. Kalas of Westmar College, Le Mars, Iowa. I believe his address makes a real contribution to the subject of higher education.

Mr. President, I ask unanimous consent to have printed in the RECORD the address by President H. H. Kalas, of Westmar College, at the dedication of the Sioux Empire College.

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

SIOUX EMPIRE COLLEGE DEDICATION ADDRESS BY PRESIDENT H. H. KALAS, WESTMAR COLLEGE, LE MARS, IOWA, FEBRUARY 17, 1968

INTRODUCTION

I come as a neighbor and as one who has had a lifetime interest in higher education. I do not come as an expert in the field of education, nor do I come as one who is merely expected to express a few amenities at a social occasion. Dr. Reuter has given me full freedom to say what I want to say. I expect at some points to be controversial, but I always hope to be helpful as we attempt to face the problems of higher education in Iowa and in our section of the state.

There are a good many people on a festive occasion like this who would find any discussion of the basic problems of higher education to be dull. Their only contact with schools are with the athletic teams or with the glamour of the coed. Their attitude toward a speech on higher education would be somewhat like the high school boy who was asked to write a book report. This is what he wrote: "I think the author was a pretty good writer—not to make the book no duller than it was." Some of the things which I will say will seem self-evident to any educator. I think that there are times when self-evident things need to be said. I agree with Tallyrand who said: "The things that go without saying, go much better when said."

On the occasion of the dedication of new buildings for the purpose of higher education, there are four self-evident things which I would like to say. Let me state them to you at the very outset:

1. Our basic concern in higher education is people and in order to understand our role with people, we must see several kinds of people in relation to higher education.

2. We are interested in these people within two contexts, their role as citizens and the importance of the living of their lives a peculiar time.

3. We are a part of a great tradition of excellence in higher education and we had better see our relationship to that tradition.

4. In our pluralistic society, there is need for much innovation if education is to be the kind of a frontier which America needs.

Let us then look at these four self-evident assertions within the context of our situation in Iowa and in northwest Iowa.

I. OUR BASIC CONCERN IS PEOPLE

In relation to education beyond high school, the young people of the state of Iowa are like all Gaul, about which we learned when we studied *Caesar's Gallic War*. "Gallia est omnis divisa in partes tres."

The young people of Iowa can be roughly divided as follows:

1. That 45 or 50% (depending upon your philosophy of education) who ought to go to a liberally or scientifically oriented college. This group has shown some aptitude toward a college education, both by virtue of the very excellent college aptitude tests which are now available to us and by virtue of their records of interest and ability in high school. For financial reasons and sometimes for other reasons, not nearly all of the persons who are in this 45th or 50th percentile are presently going to a college. It is gratifying to be a citizen of a country which still has a sense of values which, even in times of crisis, defers these young people from the draft in order that they may first go to college.

2. Another 45 or 50% ought never to go to a scientifically or liberally oriented college, but they do need education beyond high

school. These young people are in no sense second-class citizens. They are the young people who ought to be given vocational and technical training which make them my masters within their field. I strongly affirm that these people deserve as much respect and consideration as do the persons in the first category. They should not have a "piece of what is left" in terms of provision in our state for higher education. They should be given very primary consideration.

3. The third category has to do with the young people who ought to go to graduate education or to the various kinds of professional education which lie beyond college and for which our nation does not now have adequate facilities. The State of Iowa continues to have some serious deficiencies in its efforts to conquer this part of "Gaul."

Each college in our state must determine its precise role in relation to the human needs of people within the above categories. In Iowa we have at least four types of institutions to play these roles:

1. We have the state universities which work in the first and third of the above fields. We also have one private university which works in the first and third fields.

2. We have 23 accredited liberal arts, four-year colleges which work exclusively in the first field, dealing with the 45 or 50% of the young people who ought to go to a liberal arts or scientifically oriented college.

3. We have privately supported junior colleges and some publicly supported junior colleges which work, exclusively, for a two-year period, in the first of the above fields.

4. We have the emergence of 17 community colleges which were originally intended to be fundamentally to deal with people in the second category listed above, namely, to fill the need for vocational and technical education.

Each of the above-mentioned classifications of schools must determine its policy in relation to people with names and faces and destinies. It cannot determine its policies merely on the basis of some kind of an arbitrary set of broadly or vaguely described educational policies, though the educational policies are indeed very essential.

The situation in Iowa as it relates to its educational institutions is very complex. To begin with, there is a very bad parallelism between the proposals of the State Board of Public Instruction with its emphasis upon 17 community schools and the work of the Board of Regents which has to do with the three state universities. This complexity has even been increased by a proposal, initiated by the State Legislature of Iowa in 1967, to establish another state university, under the Board of Regents, in the western part of Iowa. All of us are, of course, watching this with great interest. In relation to the 17 community schools, we have all kinds of complex problems. The former community junior colleges, which are now trying to become part of the 17 school pattern, have had a tradition of general education, liberal education and scientific education on the junior college level. Now they are undertaking to do vocational education as well. The new schools which are being developed ostensibly were to be exclusively for vocational education, but they find themselves involved in consideration of liberal arts education simply because accrediting agencies will not adequately recognize them unless they do. There is also a feeling that, beyond high school, all of our citizens need some added education in fields which lead to responsible citizenship and to an adequate realm of appreciation which will make them competent to live full lives in our time. This need for some kind of added general education really reflects the lack of ingenuity of our present educational system. High school young people who hated the general education subjects in high school are now being exposed to more of it without being enticed into it.

There seems to be no middle ground in our educational program on the higher educational level at the present time between liberal and scientific education leading toward a degree or none at all.

There is a suspicion that even more than 50% of our young people need a liberal education. The reason for this is expressed by Lewis Mumford, for years the foremost scholar in the field of technology and urban problems. He wrote in the *National Observer* on May 1, 1967 the following: "All the colossal mistakes that have been made during the last quarter century in urban renewal, highway building, transportation, land use and recreation have been made by highly qualified experts and specialists. We cannot always rely on the 'experts.'"

Nevitt Sanford seems to accept the position of the need for the teaching of people as people when he says: "In our society the responsible individual is vanishing into a tangle of organized social roles and group memberships."

Every institution of higher education in Iowa has to ask itself: "What is our particular role in relation to people who fall in one of the above categories? We cannot be all things to all men." William Kolb in the Danforth study of campus work expressed the growing conviction that among faculty members, as well as among students, a total breadth of learning and mere broad educational functions no longer are a genuine possibility. We must decide particular educational roles which are not alone limited to a survey of the population of any one community. We must see each other not merely in terms of the parcel of land, the number of towns, villages and farms around us, but also in terms of the total problem of education. Once we have achieved a definition of our own function, then we must do our best to help those individuals who come under that function. Mark Twain once said: "All men have won their places, not by heredities and not by family influence or extraneous help, but by the natural gifts God gave them at their birth, made effective by their very own energies." All of our young people have potentialities. These potentialities do not inevitably grow. Talent does not bloom until it is planted in the soil of opportunity. Once we have established our place and determined whom we ought to teach, we ought not merely to ask, "Are we cramming these minds with facts?" but "Are we setting these minds ablaze?" This will require careful attention to the individual in the type of school which you and I are talking about—I refer now to you as components of Sioux Empire College and us as components of Westmar College. We are both intending to remain small schools—with concern for persons. This is important because every human being is a strange, unpredictable complex. Ninety percent of the people who lost their jobs last year lost them, not because of lack of skill, but for emotional and personal reasons. We must deal with people as individuals.

II. WE ARE INTERESTED IN THESE PEOPLE WITHIN TWO CONTEXTS—THEIR ROLE AS CITIZENS AND THE NECESSITY FOR LIVING THEIR LIVES IN A PECULIAR TIME

Sioux Empire College, by the very wording of its new catalog, is interested in both of these aspects of human development. Sioux Empire College and Westmar College, as well as all of the other colleges in the state, must help our state to determine where it is going and what it wants to do in meeting all of the needs of all of the people. One thing is certain—we do not need now more liberal education of the old fashioned highly stylized liberal arts type. We definitely need more vocational education and we need to be very inventive in the finding of new ways by which colleges like yours and mine can provide adult education which will give technically and vocationally trained people

enough education of the liberal type to provide for our concerns in their citizenship role. I believe that the liberal arts colleges, four-year and junior college, must find a new function in the voluntary education of its citizens in non credit community classes and then I believe that the 17 community colleges should stick to their last and provide vocational educational education without a diversion of their energies and purposes.

III. WE ARE A PART OF A GREAT TRADITION IN EDUCATION, POINTING TOWARD EXCELLENCE

One of the characteristics of American education is that we always use superlative terms in referring to it. Even on the elementary level we start talking about "upper" elementary. Then we talk about "high" school. Then we talk about "higher" education. Often, even when we use these superlative terms, we have had the suspicion that they are not completely appropriate. Often schools which profess to adjust to the capacities of students are really adjusting to their laziness. It was Emerson who many years ago said: "God offers to each mind its choice between truth and repose."

There are many legitimate standards by which we determine the quality of an institution and I hope that in any desire to innovate to which I shall later refer, we do not give up these rigorous standards. Let me give you some very concrete illustrations. Sometime ago officials of Sioux Empire College asked Dean Thompson and me, as officials of Westmar College, to agree to accept credits from Sioux Empire College to Westmar College and to so certify to the Department of Health, Education and Welfare.

We were under no illusions about the fact that the motives for this request were both personal and institutional—personal in the sense that they wanted to be sure that their students had someplace to go should they have initiative and curiosity enough to get beyond junior college. The institutional reason, however, was also self-evident—that without this kind of a sequence, the survival of an institution would be at stake. The position which we have taken was that we could not give an unqualified agreement to this kind of an arrangement until a very arbitrary educational qualification had been applied. We would accept only students who had been taught under a person who had at least a Master's Degree and the Master's Degree must in every case be in the field which is being taught. This standard was by no means unreasonable because it is a standard by which the best high schools are judged.

The people of this community should clearly understand the problems which your administrators face at this point and should give them their unqualified support in the establishment of this standard. Let me give you another very practical illustration which will call for staunch and constant support by the citizens of this community as you follow the leadership of the very fine persons who head this institution. Sometime ago some of us were rather shocked by the press information that Sioux Empire College had placed advertisements in the student daily newspapers of our two state universities, timed with the dates when grades and dropouts were being handed out.

There is nothing wrong with a college undertaking to become what Harold Howe has called "a haven for the unwanted." The big problem is how can a college thus court dropouts from other good colleges and still maintain its integrity as an institution of "higher" learning? Whatever may be the role of a given institution in higher education, it is acclimated by standards of excellence. Whatever role a college assumes, it must be "higher." This college, in one aspect of its program, has undertaken education at its most difficult point. There is a place for the dropouts who cannot make it in institutions with high academic standards. However, it

must be realized that when a school assumes this role, it is undertaking education at its most difficult. Anyone can teach people who were in the upper ten percent of their high school class. All we have to do is provide some teachers who can keep ahead of them, give them a good library and a good laboratory and get out of the way.

Any school, on the other hand, which presumes to give a college education to people in the lower 50% of their high school class must, of necessity, remain small so that it can give the kind of personal attention and streamlined approach to the individual which was promised in the advertisements which were recently made to state institutions. The Parsons College fiasco was not because Parsons College did not have a noble idea. The fiasco occurred when it was presumed that the most difficult type of education could be done by mass and wholesale methods, and that money could be made out of the project. This is entirely a false assumption and anyone who has any illusions about it ought to be quickly disillusioned. Actually, what I want to do now is to admonish the citizens of Hawarden to back up the excellent educators whom you have chosen to lead this college in an extremely difficult task. I know that they want to maintain high standards of excellence and the maintaining of those standards of excellence with low admissions standards will be both expensive and rewarding. You will have a distinctive role in higher education for which you will be praised if you succeed. If, on the other hand, you become just another "dropout" college, this will soon become evident and the ultimate results will lead to great unhappiness.

I know that you will also support your college as it tries to maintain aspects of excellence in the building of a library, the provision of laboratories, and the bringing into the community of great teachers. You have begun a great work in the erection of buildings which are today dedicated. This is the start which you have needed. Now you ought to begin building a college. You do not build a college with bricks and mortar, but with books and laboratories and men. The raw material is expensive. The competition is great. The need is greater. It is said that communities like Hawarden need a challenge. All I can say is: "Brother, you have one. And may God bless you as you meet it."

IV. IN OUR PLURALISTIC SOCIETY THERE IS NEED FOR INNOVATION AS LONG AS IT LEADS TO A WORTHY EXTENSION OF THE TRADITIONS OF EXCELLENCE WHICH CHARACTERIZE TRUE HIGHER EDUCATION

There is no virtue in mere change. Educators had better leave to Madison Street the art of novelty for its own sake. One is reminded of the story of the Indian who, for many months, had watched the building of a lighthouse. When the structure had been completed and put into operation, he stood one day watching as a thick fog rolled in. "Ugh," he said, "Light shine, bell ring, horn blow, but fog come in all same." So it is with a good many of our alleged new devices for higher education. No matter how much we shine our lights, ring our bells and blow our horns, it is the fog with which we must ultimately contend.

Sioux Empire College arose to meet a need. The need was the determinant of program. This college needs the support of its constituency as your very competent president presents to you the things which make this college distinctive. Our young people are becoming more and more discriminating. They do not go to colleges simply because those colleges are in their community nor do they go because these colleges present a financial bargain counter. In the last analysis this college will be great and will continue to grow only as it provides some new answer to the human needs to which I referred. Says the

president of the University of Missouri: "We have outlived the day when we could relax with Adam Smith in the serene conviction that an invisible hand will guide the ship of state through the waves and winds to a snug harbor. We cannot assume that rising demand will always produce the proper supply; or that somehow or other the philanthropies of wealthy individuals or the zeal of religious bodies will give us colleges and universities when and where we need them. This will only come when people are willing to get on some frontier and really support higher education."

One of the ways in which Sioux Empire College can become innovative and distinctive is in the bringing to your community and your campus of great faculty members. Without faculty that has aspects of greatness, you will never have a college that is worthy of the name. I warn you that teachers who are really creative are not always easy to get along with. I again quote the president of the University of Missouri: "One of the most irritating things about good teachers is that they do not always say what the people who pay the tuition bills would like them to say. They often produce disturbing ideas. Our sons and daughters come home from college and echo sentiments alien to our fireside and the embroidered samplers on the walls. When we ask where they heard such pernicious nonsense, we learn that Dr. So and So told them, and the normal reaction, especially if Dr. So and So teaches in a tax supported institution, is to turn the rascal out. I do not mean to imply that every provocative or irritating faculty member is on that account a great teacher. Ph. D.'s are no more exempt from folly or rashness than insurance agents, farmers or commissioners of education. But if we expect our colleges and universities to support and refresh our society, we must guard the right of their faculty members to produce disturbing ideas."

There are other ways in which colleges innovate. They must be constantly re-examining their purposes and getting beyond the mere problems of institutional existence. The people of the Hawarden community must be willing to permit its president to bring in consultants who will look at the institution from perspectives which lie outside the motives of community development or education as a business. It is possible for some types of enterprise to continue usefully for a long time without being self-critical. But colleges cannot be in that category. Sometime ago I read a humorous comment which has a punch, I think. "I don't know who discovered water, but I am quite sure it wasn't a fish." This is the fundamental cause for the Parsons fiasco. There were elements of innovation in the program. The ideal of an opportunity for the otherwise rejected was a worthy one. The idea, of course, that education of people with low aptitudes by mass methods could be done on a mass production basis and that the whole business could make money like a factory makes money, was at the outset absurd to all but the uncritical. The only amazing thing about the entire fiasco was that so many people were surprised by the way in which it came out.

Innovation in education and the establishment of new institutions are extremely expensive. All higher education is expensive. There are no bargain counter approaches to it, just as there are no royal roads to learning. I believe that we are going to get some help here and there from our state in this matter of tuition for young people who go to institutions of private higher education. This is the American way because it gives young people an option as to the kind of school to which they will go and provide the kind of pluralism which we in private higher education can give. I hope that the people of the Hawarden community will get back of the Iowa tuition support plan

which is another subject which we cannot here discuss. This kind of state support, as well as federal support, will permit schools like yours and mine to maintain quality and provide the kind of innovations which are needed in higher education in our day.

CONCLUSION

I congratulate the Hawarden community upon having attempted a difficult task. I congratulate you upon the kind of leadership which you have chosen for this enterprise. The road will not always be smooth. Higher education is a frontier experience and frontier life is never easy. The great thing about this frontier is that it takes place, not in some distant land, but it takes place right where we live. Hawarden stands between the great needs of America as a nation and the great needs of young people with minds and souls and destinies. I close with a Biblical parody. Now abideth the American dream, the community spirit of Hawarden—and people. But the greatest of these is people.

FREEDOMS FOUNDATION AWARD TO GEORGE T. NICKOLAS

Mr. MILLER. Mr. President, the Freedoms Foundation of Valley Forge recently made an honor medal award to George T. Nickolas of Davenport, Iowa, for a letter he wrote to the editor entitled "He'd Give Other Foot."

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to the editor which merited the award.

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

[From the Moline Dispatch, Apr. 4, 1967]

HE'D GIVE OTHER FOOT

DEAR EDITOR: The history of this country is written with heroic actions, deeds and words. I was fortunate a few weeks ago to see and hear real courage displayed by a 19-year-old soldier.

I was attending a reception for members of Congress at the International Inn in Washington, at which the Disabled American Veterans had invited several hospitalized soldiers to the reception to entertain them. I walked up to the table and greeted these veterans and talked with them. I asked the 19-year-old veteran how long he had been in the service.

"Nine months, Commander Nickolas," he replied.

"Did you leave the United States?" I asked.

"Yes sir, I was in Vietnam."

I then asked, "Do you know what you and this government were fighting for in Vietnam?"

He told me that he had read literature on Vietnam and was told why we were in Vietnam but he only appreciated these explanations after he had seen the results of Viet Cong slaughter of unarmed civilian women and children. He stated that Viet Cong had hacked up and dismembered children's bodies after killing them or while killing them. Our soldiers may make mistakes and accidentally kill children, but they never hack up children, he further stated.

LIVE IN FEAR

The people live in fear of their lives because of the butcher method of the Viet Cong, and they welcome our troops with open arms.

I asked him what his injury was, and he very calmly lifted his leg and showed me that he had lost his foot.

"Commander Nickolas, I know that we have young men in this country, who are demonstrating against our actions in Vietnam. I only hope that the 100,000 men, who are due for release from the military service

this year will go to colleges and universities and set those people straight about communism. I would return to Vietnam and give my other foot, if necessary, in the defense of the freedoms that this country offers its citizens."

I know that many of you readers will wonder what this young soldier has to look forward to? Yes, he will suffer due to the fact he has only one foot, but he will never have to bow his head to anyone, for he is a living display of real courage and of loving service to his country and freedom.

"MY DUTY"

He symbolizes the "American Creed," which I personally like to read from time to time and which is as follows:

"I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic; a sovereign nation of many sovereign states; a perfect union, one and inseparable established upon the principles of freedom, equality, justice and humanity for which American patriots sacrificed their lives and fortunes."

"I, therefore, believe it is my duty to my country to love it; to support its constitution; to obey its laws; to respect its flag; and to defend it against all enemies."

The Communists call our society a "Decadent Society," and that the personal erosion from within will permit them to win.

I hope that this letter will inspire a few readers to live the last paragraph of the "Creed."

I pray that the loss of the young soldier's foot will not have been in vain, and that, his courage will inspire all who meet him to be 100 per cent Americans willing to defend this country against all enemies.

GEORGE T. NICKOLAS,
Davenport, Commander, Department of
Iowa, Disabled American Veterans.

THE OFFSHORE ISLANDS

Mr. THURMOND. Mr. President, the State Department has given a Jack Anderson column about the United States requesting the withdrawal of Nationalist Chinese troops from the offshore islands of Quemoy and Matsu the treatment the column deserves—a brushoff. Mr. Anderson suggested on Wednesday in the Washington Post that certain strategists in our Government are determined to ask Chiang Kai-shek to remove his forces from the offshore islands.

Yesterday the State Department's press officer quite properly brushed aside such a preposterous suggestion and stated that the U.S. "official position rests squarely" on the 1954 mutual defense treaty with the Republic of China and the 1955 joint resolution of Congress which affirmed U.S. support for the defense of Taiwan and the islands between Taiwan and mainland China.

The reasons for the State Department's reaction and our 12-year-old policy are manifestly clear:

First, the presence of Nationalist Chinese troops on the islands pins down several hundred thousand Chinese Communist troops on the mainland; second, the islands provide valuable intelligence on Communist coastal movements; third, the islands release various elements of U.S. naval forces from duty in the area; fourth, the islands provide early warning for air defense; and fifth, the islands provide additional depth to the defense of Taiwan.

At a time when there is continuing rebellion and unrest on the mainland of China and when the war in Vietnam is at a crucial point, the last thing the United States should do is to force a trusted ally to withdraw from a securely held position and thereby give Communist China new options to increase its hold on the mainland and increase its involvement in Vietnam.

TRIBUTE TO FORMER SENATOR McNAMARA

Mr. HART. Mr. President, it is especially appropriate, I think, that the delegates to the recent AFL-CIO convention paid special tribute to our former colleague and my friend, the late U.S. Senator from Michigan, Patrick McNamara. As a trade unionist and as a public official, Pat McNamara devoted his life to the service of others. Those of us who had the privilege of serving with him in the Senate know that his full and overriding concern was always the people he served so well, and the country he served so ably. Both were vastly enriched by the service of Senator McNamara. I now ask unanimous consent that the AFL-CIO resolution, adopted in honor of the late Patrick McNamara at the federation's recent convention, be reprinted at this point in the CONGRESSIONAL RECORD.

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

PATRICK McNAMARA: RESOLUTION 197

(By delegates of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada)

Whereas, The late United States Senator Patrick McNamara was a staunch trade unionist and member of the United Association, throughout his entire active life, and

Whereas, He served his state of Michigan, and the nation, faithfully as an outstanding member of the United States Senate, where he was a leader in the fight for new and innovative social legislation; therefore, be it

Resolved: That this convention honor and memorialize this fine American who, as a union member, business agent, school board member, city council member, and U.S. Senator, represented and pursued the finest ideals of the United States.

Referred to Committee on Resolutions.

THE 125TH ANNIVERSARY OF THE CITADEL

Mr. THURMOND. Mr. President, this week in Charleston, S.C., the citizens of my State are celebrating the 125th anniversary of The Citadel, the military college of South Carolina. The observance will climax with events this weekend.

The Citadel and its graduates have served the State of South Carolina and the Nation well since the first students began their studies there in 1843. The Citadel cadet, standing erect in his gray dress uniform, has epitomized the dedication to God and country which has distinguished our fighting men down through the history of America. He is recognized as a young man with a high sense of duty. His education is geared to develop outstanding attributes of character, with emphasis on integrity,

discipline, and dependability. The cadet is trained not only in standards of conduct and military tradition, but he is also offered a superior academic program to prepare him for business and professional careers as well.

The history of The Citadel is replete with the names of great men. The names of the last three presidents—Summerall, Clark, and Harris—provide us with a sense of the high caliber of leadership and direction under which this military college has developed.

Looking back over the years after the first corps of cadets was formed in March of 1843, we see scores of names of men who shared in the building of this great institution, names such as Richardson, Hammond, Jamison, Hampton, Padgett, Thomas, Murray, Evander, Stevens, Coward, Capers, Jenkins, Thompson, Hagood, LeTellier, Bond, and many others. The administrations of Gen. Charles P. Summerall and Gen. Mark Wayne Clark have been recognized in recent years by the designation of the Summerall Chapel in memory of General Summerall and the naming of the new activities building in honor of General Clark, now president emeritus.

The current president, Gen. Hugh P. Harris, is providing outstanding leadership in carrying The Citadel to even higher standards of academic excellence and physical growth. He has the wholehearted support of our State in this noble endeavor.

In this day in time, with hippies in vogue and patriotism considered old-fashioned, colleges such as The Citadel hold the promise of producing the type of young men who in years past toiled and fought to make this country great. Oftentimes we lose sight of the sacrifices of our forefathers and the necessity to preserve our heritage for future generations.

Mr. President, I ask unanimous consent that the editorial, entitled "Citadel Celebration," which appeared in the March 14, 1968, issue of the Charleston News & Courier be printed in the RECORD.

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

CITADEL CELEBRATION

The Citadel's 125th anniversary celebration, which begins today, is an occasion for rejoicing throughout the state. Graduates of The Citadel are leaders in scores of South Carolina communities. Their education at the Military College of South Carolina provided them with knowledge needed in their business and professional careers. It also gave them an understanding of the elements of leadership and civic responsibility.

As The Citadel looks back over the last century and a quarter, it also is planning for the future. Gen. Hugh P. Harris, who has been president of the college since 1965, reports that facilities are being planned for an additional 500 cadets in the decade ahead. Improvements in the physical plant will require \$20 million. The Citadel also has reopened its program for veterans and is providing evening courses for the Charleston community.

In praising military traditions and standards of character, we do not overlook the academic excellence of The Citadel. Some scholars tend to downgrade the intellectual level of a military college. The records of Citadel men who pursue their studies elsewhere, and the relative performance of stu-

dents from other colleges who come to Citadel summer schools, supply a classroom gauge in which The Citadel measures favorably.

The week ahead is filled with celebration activities. By happy design, The Citadel has planned the festivities with public participation in mind. It will be an exciting week for the community and a good time to appreciate anew the value of a cherished educational institution.

NATIONAL RURAL ELECTRIC COOP- ERATIVE ASSOCIATION ENDORSES RURAL JOB DEVELOPMENT ACT

Mr. PEARSON. Mr. President, in its annual meeting on February 26-29 in Dallas, the membership of the National Rural Electric Cooperative Association adopted a resolution expressing support for the Rural Job Development Act (S. 2134) introduced by Senator FRED HARRIS and myself last year.

There are few groups which have played a more important role in the development of rural America than the REA co-ops. Therefore, this endorsement by the membership of the NRECA is particularly welcome.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD.

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

RESOLUTION NO. M-3

(Adopted by the members of the National Rural Electric Cooperative Association at its annual meeting on February 26-29, 1968)

Whereas, an acute need today is job opportunity in rural America, and

Whereas, Senate 2134 and HR 11886 have this as their objective by providing tax incentives to industries locating in rural areas,

Now, therefore, be it resolved, that we support these bills, and others which have this objective and urge the Congress of the United States to take quick and appropriate action.

SALINE WATER REPORT

Mr. ANDERSON. Mr. President, I have read with intense interest the annual report of the Secretary of the Interior concerning the desalting program conducted by the Office of Saline Water which you received and referred to the Interior and Insular Affairs Committee.

Secretary Udall's report is a concise review of the progress that has been attained to develop new or improved processes for low-cost desalination of sea or brackish water during the past year.

While water is a precious and vital commodity, we do not seem to appreciate its true worth until we enter a water shortage crisis. We once assumed that water problems in the United States were confined primarily to the arid and semi-arid areas of the Southwest, but we now find to our consternation that our burgeoning population is placing enormous demands on our natural supplies of water. The extent of this demand is that even areas of normal adequate rainfall such as the States of New Jersey and New York are now studying the possibility of constructing desalting plants to provide an incremental source of fresh water. During the past year, Key West, Fla., became the first city in the United States to obtain its regular municipal

supply of fresh water from a sea water desalting plant. Several inland communities have installed desalting equipment to improve the quality of available sources of supply. Two new desalting plants under construction in the Virgin Islands will permit expanded industry and tourist trade.

Secretary Udall's report points out very clearly the interest of other nations in the desalting technology which is being developed in the United States and he cites President Johnson's interest in making this technology available to those nations who now face severe water supply problems. When President Johnson served as majority leader of this body, he was one of the staunchest advocates of an imaginative and aggressive desalting program and as we all know, he has continued that interest as Chief Executive.

I would like to take this opportunity to compliment Secretary Udall on an interesting and informative report and I would like to suggest to my colleagues that they review this report so that you may be fully apprised of the current status of desalting progress.

I ask unanimous consent that the text of the Secretary's report be included in the Extensions of Remarks.

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

[The report is printed in the Extensions of Remarks under the heading "Saline Water Report."]

CURRENT DEVELOPMENTS IN THE WORLD'S FINANCIAL MARKETS

Mr. JAVITS. Mr. President, one of the most respected financial leaders of this country is George S. Moore, chairman of the board of the First National City Bank of New York. It is therefore of more than usual interest to note the comments he has made on the events that led to the decisions of the central bankers of the seven nation London gold pool on March 17 and on developments since that time.

I am pleased to note that our views coincide on this matter to a large degree.

I commend his views to the Senate and I ask unanimous consent that the text of a speech made by Mr. Moore before the American Club in Paris on March 21 be printed in the RECORD at the conclusion of my remarks.

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

REMARKS OF GEORGE S. MOORE, CHAIRMAN, FIRST NATIONAL CITY BANK, BEFORE THE AMERICAN CLUB, MARCH 21, 1968, PARIS

CURRENT DEVELOPMENTS

This is not the most propitious time for a banker to speak in public. The most happy note in last Saturday's edition of the New York Times was a cable from London stating that the Church of St. Edmonds in the financial district had announced special prayers for bankers from 12 to 2 PM!

I surely do not wish to add to the confusion of many about current developments or to the general lack of confidence which is contributing to current problems.

Fortunately the weekend meeting in Washington of the Central Bankers resulted in actions which have in some measure restored order and some confidence to the world's

markets, at least short term, and given them, and particularly the USA, more time to find more desirable solutions to the basic problems.

I believe they acted wisely in their decision to let the free gold market seek its own free uncontrolled level. Actually there were no acceptable alternatives. With freedom, it may not rise as high as some have feared, or hoped, depending on where they sat!

The enlargement of the Sterling support group was also constructive, necessary, and confidence-producing.

The extension of the US swap system, to over \$9 billion, and the implications that the Central Banks would settle their own inter-bank deficits and surpluses, by swaps, or by sale of gold at \$35 an ounce, and meanwhile maintain prevailing currency rates, is further evidence that the spirit of post-war monetary cooperation is still largely intact, despite the shocks of recent events, and pressures of national interests.

Now none of this has changed the fundamentals—the principal flaws in the post-war/present monetary system, namely the US balance of payments deficit, and the inadequacy of the present gold supply for today's monetary needs.

The US now clearly has no recourse but to take the necessary fiscal and monetary steps, which are the only way it can bring its payments into balance or nearer to equilibrium. I say nearer, if not all the way to equilibrium, because the Vietnam war is a big factor in the US deficit, and the world understands this.

But the US must:

1. Raise taxes promptly.
2. Reduce non-defense spending substantially.
3. Continue to further tighten monetary policy which the foregoing makes possible.

There is hope, after last weekend, that the fiscal impasse between Congress and the Administration is nearer resolution and that the Federal Reserve is moving towards a tighter monetary policy, both by discount rate action and by open market policy. Fortunately, I think our economy is strong enough to take these actions in its stride. People have huge savings reserves—the expansionary and inflationary forces which need to be constrained are powerful.

The past ten days have also proved, I believe, some of the things many of us have been saying:

- (1) That a gold free monetary system is not here yet.
- (2) That the U.S. controls are not, of themselves, believable as likely to do the job on their own.

Everything will depend on whether the U.S. does act properly and promptly and in fact does bring its payments near to equilibrium.

If we do not, and the world is asked to carry the additional dollars from as large a payments deficit as we suffered last year, I simply do not believe that the accords of last Sunday can be expected to hold together. I believe our friends will ask for gold, more than we can or will spare from our remaining gold reserves of about \$10 billion (deducting the \$1 billion gold we owe the IMF).

And so let us hope that the mid-March near crisis, and the temporary confidence that Sunday's actions helped rebuild, and the time that this has given us, will be used effectively.

Now before closing let me strike a more positive note.

Last week's problems tend to make us forget the economic strengths behind the dollar, the post-war economic achievements, which give us the capability of solving today's problems, and give assurance that the path of post-war progress and expansion, social and economic, need not be interrupted.

First. Let no one lose sight of the enormous productive power of the U.S. economy, which is showing increased vigor and is expanding at a phenomenal rate. The increase in the U.S. economy in the two years of 1966 and 1967 is roughly equal to the entire French economy or to the economies of Italy, Belgium and Netherlands combined. The technological superiority of the U.S.A. is substantial and is widening. Gross private U.S. foreign investments, despite the restraints of the balance of payments program, will increase by more than \$10 billion this year. These total investments produced a remittable profit of nearly \$6 billion last year, and this will double in ten years. The U.S. international balance sheet, that is the excess of foreign assets (exclusive of our gold) over our foreign liabilities (including foreign investment in U.S.) is well over \$50 billion, more than twice ten years ago. The foreign preference for U.S. portfolio investments is increasing, through purchase of mutual funds and general security investments. All this points to the possibility, probability, of another "dollar gap" in the Seventies, post-Vietnam, provided we protect our price stability, which is now threatened.

Second. Despite the present strains on the international monetary system, the world leaders can take pride in our post-war economic achievements. We have avoided the usual post-war depression. Barriers to trade and investment have been reduced. World trade has grown fourfold since the end of World War II, doubled in the past ten years, and should double again in the next ten years. The US post-war expansion, the miracles of Europe and then Japan, and the little miracles of Mexico, Taiwan, etc. have been even more remarkable in a period when the economic achievements of communism and totalitarianism have been conspicuously poor.

No, there is no reason to lose confidence in the continued expansion of trade and investment, and in the progress of the developing countries. My own bank is opening 47 new foreign branches this year, which is positive evidence that we don't think the world is going to hell.

Now, let me conclude this optimism with a final warning.

Last Sunday's arrangements stemmed the crisis but they do no more than give us time to do the things which need to be done.

The US must take the necessary fiscal, monetary action.

The controls road which we have taken so far will not do the job.

A gold free or a paper gold, monetary system is not here today, nor around the corner. Some day probably, but not in time to solve today's problems. A two level gold market cannot last for long under today's conditions. I have been frank in saying that if we don't do the things which need to be done, it may very well come to pass that there will be no alternative but to raise the official price of gold. In fact it may even now be too late to prescribe the deflation that might be necessary to turn the clock back.

What worries me most is too long a journey down the wrong road, which is the road the US has followed to date—the control road. Restrictions on the free flow of money, on trade and investment, on travel, can do immeasurable damage and can interrupt the path of post-war expansion and development whose continuation is so essential to peace and stability. The end of the control road is exchange control, and exchange control has never worked.

I believe the world's leaders today are too wise, and have too good a recall of the failure of these measures, to go too far down that road today.

I don't think anyone is wise enough to predict the course of events in the near future. On the other hand, I have seen lots of problems during my forty years as a banker

and none of them have dimmed my long range optimism. Problems such as these have a way of resolving themselves, and especially in this case, considering the strengths and experiences at our disposal. It is obviously a year of caution for businessmen, investors and especially bankers.

I have been brief today to save time for possible questions, and also because there is available here at the door for any who are interested, fuller background in a speech I made before the National Association of Manufacturers in December, entitled: "The Dollar at Bay" and in a subsequent interview with the editors of U.S. News & World.

LACK OF U.S. POSITIVE LEADERSHIP IN THE MIDDLE EAST

Mr. GRUENING. Mr. President, the retaliatory raids by Israel across the Jordan River aimed at striking at the Arab bases used as privileged sanctuaries by Arab saboteurs against Israel-held villages was not unexpected.

It is now over 9 months since the June 1967, 6-day war between Israel and the Arab nations.

There have been no discernible steps toward peace in the Middle East.

Instead, slowly yet surely, the Soviet Union is tightening its grip in that vital area, making Nasser more than ever dependent on the Soviet Union for his very ability to stay in office while the Soviet Union obtains a valuable naval base on the very soil of Egypt.

Instead, the United States has resumed arming Jordan, thereby placing its seal of approval on the perfidious actions of Little King Hussein's actions during the 6-day war.

Meanwhile, Arab infiltrators from their safe bases in Jordan, operating either with the connivance or indulgence of the Little King, committed 128 acts of sabotage, minings, or shootings, killing or wounding 168 Israelis.

Repeated warnings by the Israel Government that further acts of violation would lead to serious repercussions went unheeded both by the Arab nations and by the other members of the United Nations as well.

That such acts of sabotage, minings, and shootings not only would continue but would increase in intensity was openly boasted of in Nasser's controlled Cairo press and radio. Thus a Cairo radio broadcast, on March 12, 1968, stated that "Arab resistance is continuing and gradually escalating." Since the first of March, there were 37 acts of sabotage. The Washington Post of March 22, 1968, shows the picture of the mined school-bus blown up on March 18, 1968, killing two men and injuring 28 schoolchildren.

As Joe Alex Morris, Jr., in a dispatch from Beirut which appeared in the same issue of the Washington Post, stated:

Israel's attack across the Jordan River was seen here as a predictable sequel to the escalation of Arab commando activity inside Israel and the occupied lands.

For days, Israeli officials have been warning Jordan's King Hussein to crack down on the commandos, whom they call terrorists, or face the consequences. This was accompanied by a flurry of military activity and troop movements on the occupied West Bank, and a panic exodus of what few civilians remained on both sides of the river.

Jordanian public temper was decidedly

with the commandos, who currently form the only force fighting Israel.

These warning signs went unheeded by the United States which should have exercised leadership in the Middle East.

The United States should have called for an urgent meeting of the United Nations Security Council before Israel was provoked into retaliatory raids. At such a preventive Council meeting the United States could have urged the strengthening of the United Nations presence along the Jordan River.

Instead the United States waited while the fuse burned shorter and shorter until the powder keg exploded. And then it "deplored" Israel's retaliatory action.

How long must a nation, such as Israel, wait under the gun of nightly terroristic raids before taking retaliatory action? How long can the advice of turning the other cheek be followed?

On December 13, 1967—over 3 months before the renewal of hostilities in the Middle East—I proposed the following three-pronged policy:

I propose a three-pronged policy for the United States to pursue to bring about peace in the Middle East, not only in its own best interests but in the interest of peace throughout the world.

First, the United States should propose entering into a mutual security treaty with Israel. This is a policy which the United States pursues in other parts of the world, where United States interests are not nearly as crucial as they are in the Middle East.

Thus the United States has mutual security treaties with Nationalist China, Korea and the Philippines. It is not intended, of course, by any such mutual defense treaty to commit the United States to the sending of troops to the Middle East. I would oppose that. The United States could taper off its role as global policeman and of sending our young men far afield to fight and die when the United States security is not threatened and alternative non-military solutions are available. Moreover, as Israel made abundantly clear during the 1967 crisis, Israel wants no United States troops there. It proved in June 1967 that given the wherewithal to fight, Israeli troops are well able to give a very good accounting for themselves on the field of battle. The United States should supply whatever arms are necessary.

A mutual security pact between the United States and Israel would be an effective deterrent to Arab aggression and it would by implication place over that country the effective defense umbrella of the United States Sixth Fleet—which would really not need to go into action. Its presence, backed by a treaty, would suffice.

Second, in the face of the determination of the Soviet Union to continue to supply arms to the Arab nations in ever increasing amounts, the United States should offer to give whatever arms are needed to Israel to even its military defensive strength. Surely if the United States can give arms to Jordan—which has proved decisively in June that it would use those arms to carry on aggression, it can do no less than to give arms to Israel for its defense—at least until the Soviet Union desists in its present policy of engaging in an arms race in the Middle East on the side of the Arab nations, to the great disadvantage of Israel, which is so clearly aligned on the side of the West.

Such a policy of giving arms to Israel is especially needed at this time in view of the changed attitude of France, which now refuses to supply arms to Israel, and has lifted the embargo on supplying arms to Arab countries.

Third, it is also important that the United

States buttress Israel's determination not to give up any territory occupied by it in the Six Day War unless and until, at the very least, the Arab nations declare unmistakably and are willing to negotiate directly with Israel to arrive at binding agreements designed to ensure lasting peace in the Middle East. Unless such assurances are unmistakably binding it could be the height of folly for Israel to give up the new post 1967 war boundaries which are essential to its defense. The older boundaries made Arab aggression all too easy. When that day comes—that the Arab nations irrevocably abjure war against Israel—the United States should be prepared to assist economically all the nations in that area which sincerely desire to build up their own economies and to better the economic and social lot of their own people.

The time to lock the barn door is before the horse is stolen.

The time to bring peace to the Middle East is before tensions again rise so high as to erupt into violence and not merely to deplore the inevitable retaliation against terroristic incursions.

PRESIDENT EISENHOWER PRAISES STATE OF MANKIND ADDRESS PROPOSAL

Mr. PROXMIER. Mr. President, in January I introduced Senate Concurrent Resolution 33 calling on the United Nations to inaugurate an annual state of mankind address to be delivered by the Secretary-General of the United Nations and broadcast worldwide by the radio and television networks of all the U.N. member states.

Organizations, such as the United World Federalists that are deeply impressed by the desperate need to strengthen the United Nations as a force for world peace and progress, have enthusiastically endorsed this proposal, which was originally formulated by Frank K. Kelly, a vice president of the Center for the Study of Democratic Institutions.

I am very pleased to state today that former President Eisenhower's name can now be added to the growing list of those who support this innovative proposal. I ask unanimous consent that a letter on the state of mankind address proposal I have just received from President Eisenhower, be printed at this point in the RECORD.

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

INDIO, CALIF.,
March 8, 1968.

HON. WILLIAM PROXMIER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Frankly, I am not in a position to comment with any deep understanding about the practical value of a United Nations' annual report on the "State of the World." However, I do believe that if such a report were prepared objectively and without bias of any kind, it would be a valuable document to every government in the world—to say nothing of its interest to the ordinary but thoughtful citizen. I think that this kind of report should be welcomed by every American, regardless of Party or classification as either "liberal" or "conservative."

With best wishes,
Sincerely,

DWIGHT EISENHOWER.

Mr. PROXMIER. Mr. President, few Americans have worked as hard as has

President Eisenhower to strengthen the United Nations. As he so eloquently stated in a speech during his second presidential campaign:

The United Nations represents the best and soundest hope for peace in the world. . . . For this very reason I believe that the processes of the UN need further to be developed and strengthened.

I believe an annual address by the Secretary General on the state of mankind would be a significant step toward the goal enunciated by President Eisenhower.

The state of mankind address, as envisioned by Frank Kelly, would be framed in simple language, would deal with the most pressing issues facing mankind, and would be plugged into the world's massive and increasingly sophisticated network of broadcast media, thereby giving the address the dramatic appeal which attaches to such person-to-person communications.

It would be far different from the Secretary General's present annual statement because that document, by necessity, puts a good deal of emphasis on housekeeping functions and is a far more technical document than the state of mankind address I envision. And further, the present statement does not fulfill the aims of Senate Concurrent Resolution 53 because it is addressed to an elite audience—the U.N. delegates—rather than to the people of the world as the state of mankind address would be.

The United Nations, like any other human institution, will not be able, in my view, to maintain its present influence, let alone achieve the strength all of us hoped it would achieve back in the days when the U.N. Charter was being written, unless it rides the crest of the ongoing technological revolution and particularly the revolution in communications—and rides it imaginatively. Senate Concurrent Resolution 53 encourages a step in that direction. It seeks to establish a voice for the world's principal international organization that everyone the world over can hear clearly.

GREECE: THE SEEDS FOR A NEW VIETNAM?

Mr. HARTKE. Mr. President, I have had a strong and active interest in Greece, the ancient homeland of the democratic spirit in a time of kings. Ever since the Truman doctrine of 1947 concern with present-day Greece has been a part of American efforts; to assist that nation toward a modern fulfillment of true democracy.

That is why in an interview given to the political editor of the Athens Daily Post, Elias P. Demetracopoulos, in an interview published on August 10, 1966, I asked for a full investigation of the U.S. role in the Greek political crisis. At that time I also warned that there was an imminent grave threat of a military dictatorship in Greece. The event took place 7 months later on April 21, 1967.

Last July I became the first U.S. Senator to visit Greece after the military junta took over. At that time I met key

figures in the Greek Government, including the Prime Minister. It is out of this background of concern that I wish today to call attention to two excellent, revealing and interconnecting articles. One, written by the well-known columnists Rowland Evans and Robert Novak, appeared in the Washington Post on November 2, 1967. It describes accurately and in detail the ordeal of my good friend Mr. Demetracopoulos, Greece's foremost political editor until the junta seized power there, whom I helped to come over to the United States.

The other article is an interview given by him to the distinguished columnist Eliot Janeway of the Chicago Tribune, whose columns also appear in the Washington Star. In that interview may be seen the red signal that Greece very well may be on the way to becoming a new Vietnam in the years ahead, and a warning about the U.S. role there. These articles might well bear the caption, "How the U.S. Can Lose Friends and Create New Vietnams."

Mr. President, I ask unanimous consent that the two articles referred to may appear in the RECORD.

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

[From the Washington (D.C.) Post, Nov. 2, 1967]

STATE OFFICIAL AIDED GREEK JUNTA IN TRYING TO BAR POLITICAL REFUGEE

(By Rowland Evans and Robert Novak)

Shocking collaboration between the State Department and the six-month-old military dictatorship in Greece is exposed by the story, concealed until now, of how, together, they very nearly barred a prominent Greek political refugee from the United States.

Ostensibly, U.S. policy is to keep arm's length from the military junta which seized power in Athens last April. Behind the scenes, however, working-level State Department officials cooperate with the junta in ways that can only encourage the Greek Colonels to think Washington has little interest in restoring a democratic regime.

Nowhere is this more obvious than in the outrageous handling of the case of Elias P. Demetracopoulos, an influential Greek journalist as political editor of three newspapers and a militant foe of tyranny, both right and left. A prisoner of the Nazis during World War II after courageously helping downed U.S. airmen (for which he was decorated), Demetracopoulos was captured and then wounded by the Communists during the Red revolt of December, 1944.

When the Colonels staged their coup last April on the pretext of fighting Communism, Demetracopoulos went into hiding briefly, then emerged as an outspoken critic of the junta—but only by word-of-mouth. Rather than submit to military censorship, he refused to write for his newspapers.

His problems with the junta deepened in August when the United Nations invited Demetracopoulos to be Greek representative at the U.N.'s annual Editors' Roundtable in Warsaw, Sept. 12-15.

The junta made private overtures to Demetracopoulos to be favorable or at least neutral toward the Colonels in the Warsaw discussions, even dangling before him the Ambassadorship to a key Western country.

Demetracopoulos refused. The junta, accordingly, barred his trip to Poland by denying him a "special security exit permit." U.N. officials quietly pressured the Colonels by reminding them that the important in-

dustrial symposium scheduled in Athens under U.N. auspices in November might be endangered.

The junta responded with a dictator's compromise. On Sept. 12, it confiscated Demetracopoulos' passport (containing a valid U.S. visa) and replaced it with a new passport permitting him to travel to Poland only and only for the Sept. 12-15 conference. Demetracopoulos saw no future in Greece, and once the Warsaw conference finished, gained entrance to Denmark.

His plans were to attend a World Bank meeting in Rio de Janeiro as an invited guest and go from there to the United States. That meant getting Brazilian and U.S. visas stamped in his new passport.

Although Brazil has been ruled by its military since 1964, it quickly granted a visa to Demetracopoulos. But not the Americans. Fearful of what Demetracopoulos would do and say in America, the junta pleaded with U.S. officials to keep him out. The U.S. Embassy in Athens recommended the visa be granted anyway, but a foreign service officer named Daniel H. Brewster had other ideas.

Brewster, desk officer for Greece in Washington and the major formulator of U.S. policy on Greece, is an unabashed friend of the colonels. He decided that Demetracopoulos, staunchly pro-American and a visitor here repeatedly since 1951, be denied a visa. The incredible decision was revealed to Demetracopoulos in Copenhagen Sept. 23.

That would have ended the story had Demetracopoulos in Copenhagen Sept. 23, been without friends here. He immediately cabled for help to an impressive list including Sens. Vance Hartke of Indiana and Jacob Javits of New York, Speaker John McCormack of Massachusetts, Rep. Emanuel Celler of New York, and former Gov. Pat Brown of California.

Their queries were met by weak excuses from the State Department, but collective pressure from Demetracopoulos's friends forced the issue over Brewster's head, all the way up to the Secretary of State Dean Rusk and the White House. Brewster's decision was overruled and a visitor's visa was given Demetracopoulos Sept. 28.

Demetracopoulos is now in Washington, but the incident is not closed. There is interest on Capitol Hill in a possible investigation of the affair to probe State Department-junta links that could perpetuate dictatorship in Athens and, in the process unwittingly bolster the reborn Communist resistance.

POINT OF VIEW—JANEWAY: POTENTIALLY BOILING GREECE SIMMERS

(By Eliot Janeway)

NEW YORK, February 28.—The hotter Viet Nam gets, the touchier the Mediterranean gets—and the more explosive Greece gets. This column has been identifying Greece as an active nerve center and potential trouble spot for America since before the crisis there surfaced. Herewith is an updated audit of present instabilities and exposures by Elias P. Demetracopoulos, Athens' premier political analyst-and-editor-in-exile and anti-Communist coordinator of libertarian resistance to the military dictatorship there.

JANEWAY. The junta now controlling Greece has been cracking down on people critical of it. Has it also been tying up their property?

DEMETRACPOULOS. The junta has been ruthless with respect to its opponents regardless of whether they belong to the right, center, or left of the political spectrum. It has not hesitated to take any measures, including deprivation of rights guaranteed under law.

JANEWAY. Can Greece subsist without foreign capital investment?

DEMETRACPOULOS. Only at a much lower standard of living and growth than would

otherwise be possible. Foreign investment is essential if modern management and technology are to be introduced. Without these, much of Greek industry will remain hopelessly backward and the great hope of joining the European Common Market will not be realized.

JANEWAY. Do you regard Russia as likely to intervene in Greece?

RUSSIAN ENTRANCE POSSIBLE

DEMETRACOPOULOS. Russia would like nothing better than to intervene in Greece as part of her campaign to penetrate the middle east while reducing United States influence there and in the Mediterranean. Since 1947, America has played a decisive role in Greece, and, beginning in 1959 with Ambassador Ellis Briggs, now a strong advocate of the Athens colonels, America has pursued disastrous, contradictory and vacillating policies—too many and too complicated to go into here. But because of these policies, largely influenced by interservice and personality rivalries, Russia can now for the first time since World War II pretend to lead liberation movements in Greece—ironically, in the name of democracy and with the support of noncommunist elements in western Europe. The making of a new Viet Nam in Greece in the years ahead are all there.

JANEWAY. Can Europe and the Mediterranean countries muddle along on reduced flows of American dollars, especially for military assistance?

DEMETRACOPOULOS. The expensive military establishments of the NATO countries have competed with domestic economic development programs—hence the need for outside support. This support in my opinion should continue until growth is sufficient to enable each country to maintain its own defense forces. In Greece, United States aid should be used forcefully and expertly as a lever to force the colonels out of power since it will no longer buy security.

JANEWAY. What are Greece's basic economic problems?

DEMETRACOPOULOS. They are many. As Richard Westebbe of the World Bank, formerly senior foreign economic adviser to the Greek government, says in his penetrating report, "Greece's long-run structural problems concern deficiencies in the structure of production, in public administration, in education, in financial institutions, and in the distribution of income." Frankly, I do not see how an unpopular government of army officers, suffering as it does from universal foreign hostility and inability to attract competent economic experts, can solve all these problems. Last year's refusal of the Common Market's European Investment bank to grant Greece a promised loan of around 50 million dollars is an important case in point.

EFFECTS OF EXEMPTION

JANEWAY. What do you think of Greece's exemption from President Johnson's recent economic measures to strengthen the dollar?

DEMETRACOPOULOS. It is most regrettable that the Greek junta has been able to capitalize on this position of the American government. Many people do and will interpret this action as just another sign of American's support of the Athens dictatorship.

JANEWAY. What is the best that can be hoped for in Greece? What is the worst?

DEMETRACOPOULOS. The best is that, thru sustained western pressure and support of the anti-junta elements who represent the vast bulk of the Greek people, the colonels will be forced out. The worst is that armed resistance will begin again in Greece, led by the hard-core Communists, with the west and America discredited among the masses. Then, no matter who wins, Greece will indeed be lost.

THE AUSTERITY THREAT WHICH HANGS OVER OUR PARKS AND OVER EVERY OTHER WORTHWHILE DOMESTIC PROGRAM—AND WHY

Mr. GRUENING. Mr. President, a thoughtful, important column by that able newspaperman, Marquis Childs, entitled "Austerity Threat Hangs Over Parks" appeared in this morning's Washington Post. He points out:

The whole natural resource and conservation program already slashed in the Administration's budget will suffer.

He points to the paradox that this is happening just at a time when, to help our Nation's balance-of-payments problem, the administration is urging that people travel in the United States.

Of course, it is not only the natural resources and conservation program which are suffering, but every other domestic program, including the most vital antipoverty program, slum clearance, and all of the other issues so graphically and realistically described by the report of the President's National Advisory Commission on Civil Disorders.

What Marquis Childs does not say and which cannot be too often emphasized, is that all this tragic retreat from efforts to solve our domestic problems is due to the inexcusable folly of our military involvement in Southeast Asia. Mr. Childs suggests, after alluding to the views of Chairman GEORGE MAHON, of the House Appropriations Committee, and WILBUR MILLS, chairman of the Ways and Means Committee, that the American people are loathe to tax themselves to carry out the great promise of our domestic programs. The fact is that there would be no need for them to tax themselves if it were not for the mounting drain of \$3 billion per month to carry on an indefensible and unwinnable war on the continent of Asia.

The American people will be given no opportunity to test their willingness to appropriate for domestic programs because the additional taxes which the administration seeks to impose will go down the drain in this senseless war.

The only way in which this dilemma can be voided is for President Johnson to reverse his policy of escalation—which, to date, has now cost the lives of 20,000 young Americans in combat—and adopt a different formula than his proposed and unchanged effort at a military solution.

I have proposed such a way out and I again present it, and I shall continue to urge such a program or some variation thereof until the realization comes home that it is only by deescalation and a resort to political approaches that there is any hope of averting an ever-deepening plunge into ever-greater disaster. My proposal suggests that the President go on nationwide TV and speak in approximately the following terms:

"My fellow citizens, I have tried for 4 years and my predecessors have tried for a decade previously to bring a semblance of self-government and democracy to the people of South Vietnam. It has become clear beyond peradventure that it is not their desire, and that the United States,

despite its prodigious efforts in manpower and money, and the sacrifice of thousands of American lives, cannot achieve these desired results for them.

"I have today ordered the unconditional cessation of all bombing of North Vietnam and of all offensive operations in South Vietnam. In addition, I have directed there be an immediate in-place cease-fire in South Vietnam on the part of the United States and have requested the South Vietnamese Armed Forces to do likewise, with only defensive action authorized. I have called upon the forces of the National Liberation Front and of North Vietnam in South Vietnam to do the same. It is my purpose, which I now declare, to initiate a phased military withdrawal which should be completed within a year. In the meantime, behind the shield of American military forces with the leverage afforded by U.S. military and economic aid, U.S. representatives in South Vietnam will insist that the Thieu-Ky government broaden the base of its government to include their non-Communist opponents, represented in large measure by those whom they have now jailed and put in protective custody, and that this broadened South Vietnamese Government begin immediate negotiations with the National Liberation Front so that all these Vietnamese components can work out their own destinies.

"In addition, I have directed our Ambassador to the United Nations to work with other nations there to find places of refuge in other lands for those who would not want to live in South Vietnam under the new regime which will be formed, and I will ask the Congress for such additional authority as may be needed to admit such refugees to the United States and to assist in their resettlement elsewhere.

"Further, I have instructed our Ambassadors to Great Britain, the Soviet Union, Canada, India, and Poland to propose a greatly strengthened International Control Commission to supervise any elections to be held in South Vietnam to obtain an expression of the peoples' will.

"The United States will assist in the reconstruction and rehabilitation of the burned villages, destroyed buildings, and defoliated fields, and give suitable fiscal assistance to economic development. But our military efforts will cease. We will make every effort to assist the people of both North and South Vietnam to establish whatever form of government they can develop."

I ask unanimous consent that the article by Marquis Childs, entitled "Austerity Threat Hangs Over Parks," in this morning's Washington Post be printed in the Record at the conclusion of my remarks.

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

[From the Washington Post, Mar. 22, 1968]

AUSTERITY THREAT HANGS OVER PARKS

(By Marquis Childs)

If the austerity program promised by the President really does take hold it is not alone the decaying core cities that will feel the pinch. The whole natural resource and

conservation program already slashed in the Administration's budget will suffer.

Here is an example paralleling the cities of a fundamental asset that is being eroded away. At the very same time we are being told to stay home and see America first, the national parks are overcrowded, their facilities run down, the traffic bumper to bumper in the most popular parks. Federal incentives to clean up polluted lakes and rivers have been slowed and the air pollution program is cut back.

Combing through the Federal budget, the Conservation Foundation finds that net spending for natural resources will be reduced in the 1969 fiscal year from 1.38 per cent of total Federal spending, which is the figure for the current year, to 1.34 per cent. This sounds like a small reduction but it comes at a time when in almost every field the need is for increases to save the dwindling natural heritage from obliteration. And Congress is likely to whack even further at budgetary requests that seem vulnerable in the economy drive. While the Administration repeats the call for parks already requested, no new proposals for seashores or recreation areas are included while speculative developers constantly bid up the price of land and builders crowd already congested private beaches.

"The Federal Government has seriously defaulted on its commitment to battle (water) pollution," Gov. Warren Knowles of Wisconsin said in commenting on the resource budget at a four-state pollution conference on Lake Michigan.

Conservatives are fond of saying that government should be run like a business. But a business would hardly let its assets waste away when as in the instance of the natural heritage, so much of which has already vanished, they are irreplaceable.

Urban sprawl is cutting into once-beautiful and remote beauty spots. A prime example is the Everglades National Park in Florida where the water supply is jeopardized by spreading developments. Now a 38-mile-square airport is proposed adjacent to the park. Eventually it would be used by supersonic planes and the sonic boom would drive the surviving wild life out of the park.

But, if the cities are to be rehabilitated and natural resources conserved, where is the money to come from? This is what skeptical men like Chairman George Mahon of the House Appropriations Committee are asking.

The question is more fundamental. It is really: Are the American people willing to tax themselves for the services, the benefits and the advantages that only the Federal Government can in the last analysis provide? That is how Mahon puts it. He is not opposed to spending as such, since being against spending is like being against motherhood. The recourse of deficit spending, however, has in the view of Mahon and others come to an end with the crisis over the dollar.

President Johnson has given his assurances to House leaders that he will accept cuts in his budget of \$9 billion and perhaps as high as \$10 billion. He hopes this will move the 10 per cent surtax out of the deep-freeze in Wilbur Mills' Ways and Means Committee and get it enacted. The President wants Congress to do the cutting and set the pattern of austerity and he will abide by the cuts.

That has produced the beginnings of a thaw. Yet the resistance is still strong, with the feeling that the President's promise stops far short of what is essential if the deficit is to be reduced and confidence in the dollar restored. And why, the grumbling is, shouldn't the President step up to the line and spell out where the cuts are to come instead of putting the monkey on our backs?

In the torrent of political oratory beginning to flow, the commonest prescription is: De-escalate Vietnam, scale back spending on the war and money will be readily at hand for the urgent needs here at home. That is easier said than done. Johnson makes it

abundantly clear that he means to prosecute the Vietnam conflict at an accelerated pace with a division or more over and above the \$25,000 ceiling.

He has repeatedly said this country is rich enough to prosecute the war and do at the same time what has to be done at home. Neither he nor any other candidate has said how under the system of divided powers this can be done.

THE VALUE OF WORLD TRADE IS NOTED BY HOUSTON CHRONICLE

Mr. YARBOROUGH, Mr. President, foreign trade is vitally important to our Nation. For many years we have had a favorable balance of trade, and the continuing surplus of exports over imports has brought many benefits to our people. Export sales provide a market for the ever-increasing output of our farms and factories; they provide profits for business and jobs for labor; they contribute to the steady growth of our prosperous economy. In addition, the favorable balance of trade helps relieve the deficit in the balance of payments. Without the surplus in our trade accounts, the deficit would be far more serious than it is. It is clear that the United States must maintain its favorable trade balance and expand it whenever and wherever possible.

In recent days the importance of our foreign trade has come home forcefully to the people of Houston, Tex. In the city's new convention and exhibit center is a display of German imports ranging from kitchen utensils to industrial machinery. Called Spotlight on Germany, the exhibit has emphasized to Houstonians that the United States exported \$173 million more to Germany in 1967 than it imported.

This example of America's favorable balance of trade provides an important lesson about trade policy: If we expect to maintain our trade surplus, we must be willing to allow imports into our home markets. Some feel that an easy way to increase the trade surplus is to unduly restrict—even eliminate—imports. That is a course fraught with danger. If foreigners cannot sell to us and earn dollars to buy goods from us, our exports will quickly diminish. Far more serious is the danger that restricting all imports will provoke our trading partners to retaliate and close their markets to us.

Two editorials from the Houston Chronicle of February 23 and February 25, 1968, which raise these very points have recently come to my attention. They very aptly point out the need to keep the American market open to assure the continued growth of American export trade. The editorial of February 23, 1968, is entitled: "Import Quotas May Set Off Tariff War," and the editorial of February 25, 1968, is captioned "The Value of World Trade." I ask unanimous consent that both be printed at this point in the RECORD.

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

[From the Houston (Tex.) Chronicle, Feb. 23, 1968]

IMPORT QUOTAS MAY SET OFF TARIFF WAR

All those congressmen, senators, businessmen and lobbyists who favor import quotas

should consider the effect of protectionism on Canada. They also should weigh the words of many of America's trading partners condemning the import quota legislation currently before Congress. The attitude enunciated by the Canadian-American Committee is representative:

"Adoption of even a few of the U.S. proposals would trigger a protectionist response abroad that could . . . lead to runaway retaliation culminating in a total trade war."

Even such relatively unindustrialized nations as India and Pakistan have expressed concern. And it is anticipated that major trading areas like Great Britain, the Common Market and Japan would instantly retaliate if import barriers were raised in the United States at this time.

Canada will experience severe losses if import quotas are applied. Canada's economy is closely tied to the United States. Traditionally, goods have passed freely from one country to the other. The committee's report further stated: "U.S. quotas on an extensive scale would have an immediate and massive effect on Canada. Some \$770 million of Canadian exports to the United States would be affected."

"Enactment of the quota proposals would raise prices here and in Canada and would provoke retaliatory tariffs and trade curbs against the United States, nullifying any gain for its balance of payments position."

Import quotas do not spring from the balance of payments problem. If they did, they could be more justified. Rather, the proposals have been stimulated by business firms which seek commercial advantage over their foreign competitors.

These quotas would create more problems than they would solve. A tariff and trade war is the last thing the United States needs. Free trade, as exemplified by the recently completed Kennedy round of tariff negotiations, should be our goal.

[From the Houston Chronicle, Feb. 25, 1968]

THE VALUE OF WORLD TRADE

Houstonians who visit the "Spotlight on Germany" exhibition currently on display in the new Albert Thomas Convention and Exhibition Center will enjoy two treats:

First, the exhibit itself—a display of thousands of gleaming new products manufactured by more than 250 manufacturers representing some 30 different industries in Germany.

Second, the beautiful \$12-million exhibit center, part of which is open to the public for the first time. The center is an enormous place, large enough to handle several exhibits at a time. The "Spotlight on Germany" display occupies about 20,000 square feet on the building's west end. Use the Capitol Street entrance.

As for the exhibit of German products, there is a lesson here about world trade which is important to all of us. Attractive items of all types are on display—jewelry, glass and china-ware, watches, sporting goods, machinery, automobiles, household items. These are articles Americans want to buy. So long as trade between nations is free of artificial barriers, Americans can buy these goods. We pay dollars for them and, in turn, Germans can use these dollars to buy goods made in the United States. Such trade among nations is mutually beneficial. It puts goods in the hands of consumers, and it keeps the various economies of the world humming and healthy.

Dr. Bruno Toeffer, head of the Foreign Trade Division of the German Ministry of Economics, came to Houston with the exhibition. He explained that the decision to hold the trade show here as well as in San Francisco is an indication of Germany's high opinion of Texas as a market area.

Last year the United States exported \$2.139 billion worth of goods to Germany, and Germany exported \$1.966 billion worth of goods to this country, thus giving the

United States an export surplus of \$173 million in the bargain.

Government economists in Washington are trying hard to figure out how to boost U.S. exports without curtailing imports in order to alleviate the currently critical balance-of-payments deficit. Many congressmen seem to be perfectly willing to go back to the days of protective tariffs and trade quotas. But that wouldn't solve our trade deficit problem. It would merely force our trading partners to retaliate, and world trade would be the loser. A return to a protectionist policy would erase 20 years of trade negotiation progress. This would be foolish, indeed.

World trade is good for all nations. Competition in manufacturing may cause temporary or local difficulties, but ultimately it is economically healthy.

This is a thought for Houstonians to remember as they inspect the thousands of products Germany is displaying in the exhibit center.

THE HUMAN RIGHTS CONVENTIONS SEEK TO PRESERVE FUNDAMENTAL HUMAN FREEDOMS FOR POSTERITY

Mr. PROXMIER. Mr. President, a wise, 18th century philosopher once wrote:

We owe it to our ancestors to preserve entire those rights which they have delivered to our care; we owe it to our posterity not to suffer their dearest inheritance to be destroyed.

This is the spirit of the Human Rights Conventions on Genocide, Freedom of Association, Forced Labor and the Political Rights of Women.

After the ravages and terror of the Second World War, the nations banded together to create an institution designed to protect the rights of man and preserve the peace of the world. The United Nations has become the conscience of mankind. It is that organization charged with protecting the rights of all humanity.

The human rights conventions are an expression of these rights. These treaties represent the collected wisdom of mankind on the evils which are to be avoided and the rights which must be preserved for men to live free and happy lives. The fundamental purpose of the human rights conventions is to seek to preserve these human rights and pass them on whole to generations not yet born.

Mr. President, millions of Americans have died to preserve freedom and liberty both here and abroad. They have left us a glorious heritage. Shall we now allow a great part of that heritage to slip through our fingers because we will not ratify these treaties? Once again I urge the Senate to ratify the treaties on forced labor, freedom of association, political rights of women, and genocide.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

STANDARDS OF CONDUCT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the

Senate proceed to the consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business, which the clerk will state.

The ASSISTANT LEGISLATIVE CLERK. Calendar No. 996, Senate Resolution 266, a resolution to provide standards of conduct for Members of the Senate and of officers and employees of the Senate.

The Senate resumed the consideration of the resolution.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa has 30 minutes and the Senator from Mississippi has 30 minutes.

Mr. BYRD of West Virginia. Mr. President, if the Senator will yield, I wish to suggest a brief quorum call.

Mr. MILLER. Mr. President, I would hope that there would be a live quorum.

Mr. STENNIS. A live quorum might take all of the time.

Mr. MILLER. Mr. President, I understood from the distinguished majority leader last night that the time for quorum calls would not be taken from the time allotted on the resolution.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum, without prejudice to the rights of the Senator, who is operating under the previous order, and without the time being charged against him.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

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

[No. 72 Leg.]

Alken	Byrd, W. Va.	Pearson
Allott	Carlson	Pell
Bennett	Fong	Ribicoff
Boggs	Hayden	Spong
Brewster	Hickenlooper	Stennis
Burdick	Miller	Talmadge

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Hawaii [Mr. INOUYE], and the Senator from Missouri [Mr. LONG] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. ERVIN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Minnesota [Mr. McCARTHY], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from Massachusetts [Mr. BROOKE], the Senator from California [Mr. KUCHEL], and the Senator from Illinois [Mr. PERCY] are necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD of West Virginia. Mr. President, I move that the Sergeant at Arms

be directed to request the attendance of absent Senators.

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

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Anderson	Hartke	Morse
Baker	Hatfield	Morton
Bartlett	Hill	Mundt
Bible	Hruska	Murphy
Byrd, Va.	Jackson	Muskie
Case	Javits	Nelson
Clark	Jordan, N.C.	Prouty
Cooper	Jordan, Idaho	Proxmire
Cotton	Kennedy, Mass.	Randolph
Curtis	Kennedy, N.Y.	Scott
Dirksen	Lausche	Smathers
Dodd	Long, La.	Smith
Eastland	Magnuson	Sparkman
Ellender	Mansfield	Symington
Fulbright	McClellan	Thurmond
Gore	McGee	Tower
Griffin	McGovern	Williams, N.J.
Gruening	Metcalfe	Williams, Del.
Hansen	Mondale	Yarborough
Harris	Monroney	Young, N. Dak.
Hart	Montoya	

The PRESIDING OFFICER. (Mr. BREWSTER in the chair). A quorum is present.

The Senate will be in order. Who yields time?

Mr. MILLER. Mr. President, I yield myself as much time as I may require.

The purpose of my amendment is to fill what I believe to be a deeply serious gap in the filing requirements in the committee's proposed code of ethics with respect to tax returns.

On page 5 of the proposed rule, starting on line 24, the requirement is that "A copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code" must be filed with the Comptroller General.

There are other requirements, such as, for example with respect to a corporation in which the individual concerned is a director, or from which he has received compensation as an officer; and to that extent, that is all to the good. I point out, however, that there is no filing provision with respect to a corporation from which a Senator or an officer receives dividends; and dividends can be the most significant item that he would be concerned with.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. MILLER. I yield.

Mr. CURTIS. I have read the Senator's amendment. It is No. 617, is it not?

Mr. MILLER. That is correct.

Mr. CURTIS. If the amendment is adopted, will it require additional work in the filing of reports, or is what the Senator is calling for confined to copies of what a Senator would have available anyway?

Mr. MILLER. The Senator is correct. My amendment would merely require the filing of copies of a partnership return or a fiduciary return or a corporation return, which the Senator would already have himself, or which he would be quite entitled to have made available to him.

Mr. CURTIS. One more question. The proposed rule is based upon the premise that in a confidential way a Senator should make available information showing his net worth. What the amendment of the Senator from Iowa is saying is that as to an individual or a family having vast and far-reaching holdings and a complex ownership, a meaningful property statement cannot be filed unless it includes the information which the Senator from Iowa has cited in his amendment.

Mr. MILLER. The Senator is correct, except for this: I would not want to give the impression that we are concerned only with a person who has complex holdings. For example, if one of the officers of the Senate was covered by the code of ethics, and because of his work on one of the committees he had been able to engineer a transaction as a result of which there was a payoff of some kind—let us say \$10,000—although he might not have any vast holdings at all, all he would have to do when the time came for the payoff would be to arrange to designate one of his friends as trustee, and have the person who would make the payoff write a check to the trustee. The trustee would endorse it and deposit it in the trust bank account. Then, a few days later, the trustee could send the \$10,000 to the officer concerned.

Under the committee's proposal, when the proper time came, the officer would file a copy of his individual income tax return with the Comptroller General, and all that would be shown on the return would be an item of \$10,000 received from the XYZ trust; that is all. There would be nothing wrong in showing an item of \$10,000 received from the XYZ trust. But if we want to make this disclosure meaningful to the Committee on Standards and Conduct at such time as they decide to look at the return, a copy of the fiduciary income tax return ought to be filed, too.

Mr. CURTIS. In light of what the Senator from Iowa has just said, is it still true that the only additional burden placed upon a Senator or an officer in complying with the amendment of the Senator from Iowa would be to file copies of documents that he would be required to make out anyway?

Mr. MILLER. He would not have to make out a fiduciary return of the kind to which I have referred. The fiduciary would have to make that out.

Mr. CURTIS. Well, someone would have to make it out.

Mr. MILLER. But he would be entitled to receive a copy of that return, and all that he would have to do would be to file a copy.

Mr. CURTIS. My question is, Is the Senator seeking only to have copies provided, or is he seeking to have provided an accumulation of data far beyond what the committee is seeking?

Mr. MILLER. Not at all.

Mr. CURTIS. The Senator is confining his proposal merely to the filing of copies?

Mr. MILLER. That is correct. It is not confined to very many copies, so far as I am concerned. I would guess that most Members of the Senate would not have any additional filing to do. Probably some

Senators have an interest in a partnership, in a trust, or in a family corporation. All that such a Senator would have to do would be to file a copy of that return along with his own individual income tax return, and there would be no extra work at all. But it would fill a gap to meet the situation that I have described.

Similarly, with respect to partnership returns, everyone knows that all one has to set forth on an individual tax return is that he has received so much money from a partnership, and that is all. But that will not mean anything to the Ethics Committee if they decide to look at the returns, because the committee will want to know where the partnership got its income, and whether it was tied in with anything that is unethical.

All I am trying to do, without requiring any additional work except the copies, is to fill a gap for the sake of giving the Committee on Standards and Conduct the information it will need if it decides to look into the matter.

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

Mr. MILLER. I yield.

Mr. PEARSON. Are we speaking on limited time?

Mr. MILLER. Yes.

Mr. PEARSON. I yield 2 minutes on the committee's time.

I appreciate what the Senator from Iowa is trying to accomplish—a fuller disclosure and the fullest information possible for the committee to follow up any investigation. But would it not be true that income derived by any person obligated to file an income tax return under the limited disclosure—any Senator or employee—would include income received from trusts and corporations and partnership returns, and that would be reflected on the return that he filed with the Comptroller General?

Mr. MILLER. Yes. As I have already said in my colloquy with the Senator from Nebraska, that is what is required. But all that is required is so much in dividends from a corporation, so much in income from a trust, so much in income from a partnership, and that is all. That is not enough to enable the Committee on Standards and Conduct to find out what lies behind that item. The only way the committee can get that is by having a copy of the income tax return that enabled this item to be reported.

Mr. PEARSON. I say to the Senator that those returns are available to the committee. They are available at any time the request is made. The Senator may recall that some time ago it appeared that the committee had made a request of the Internal Revenue Service for income tax returns. There has to be a publication of that particular item. And they are available to us.

I tried to make clear the other day, and to make valid the point, that what we really sought to do was to file the basic instruments, the basic information available, so that the committee could then go to the very instruments.

I do not know where the line is to be drawn. If these new income tax returns are to be included, I am sure that the Senator and I can think of additional instruments to file.

In the judgment of the committee, this is what is needed for the committee and every committee that follows us in the years ahead.

Mr. MILLER. Is the Senator saying that the committee already has the power to ask for not only the fiduciary returns but also the individual income tax returns?

Mr. PEARSON. I think so—on proper cause.

Mr. MILLER. If that is so, why does the committee require, in the proposed rule, that a copy of the individual tax return be filed?

Mr. PEARSON. Because a basic instrument is necessary with which to start.

Mr. MILLER. The Senator has said that the Committee on Standards and Conduct can simply request from the Internal Revenue Service a copy of the individual income tax return.

Mr. PEARSON. We could very well have said that if you are going to have a disclosure, and have a limited disclosure, as we provide, that you are going to furnish certain information—income, from where the income is received, and so forth. And we could have provided that that information be supplied in an entirely new system of forms. It seemed to us that the best and the existing and the knowing manner in which to make this disclosure was to do that which we already have, with which we are all familiar, which we all accept as instruments prepared and filed with the greatest care and observance of rules. Here was something already provided for us.

If the Senator believes there would be greater value, we could come up with an entirely new set of forms, an entirely new procedure.

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

Mr. MILLER. I am not interested in doing that at all. I have tried to make that clear in my colloquy with the Senator from Nebraska. My proposal would not require any new forms or new information. It would just require the filing of a copy of the returns in the same manner as the committee proposes to have a copy of the individual income tax return, so that the committee would not have a gap left in its filing requirements.

These are the critical items. I can say to the Senator from Kansas that, having practiced as a tax lawyer, I am very familiar with the way some people, if they want to beat something, can divert income to a trust or to a corporation or to a partnership. These are well-known avenues of evasion, and we are trying to cover a situation which will prevent evasion as clearly as we can within reason.

The committee has done a very good job insofar as requiring the filing of the income tax return of the individual. It will not be a meaningful filing unless these other items are in there also. This constitutes a major gap, because these are the major ways in which evasion is practiced.

Mr. BENNETT. Mr. President, will the Senator yield to me, on the committee time?

Mr. MILLER. The Senator from Nebraska [Mr. HRUSKA] has asked me to yield. I should like to yield to him first.

Mr. HRUSKA. I have a brief question. Perhaps it should be directed to a member of the Select Committee on Standards and Conduct.

Information contained in income tax returns is already available to the committee, is it not?

Mr. PEARSON. The Senator is correct.

Mr. HRUSKA. Such information is available in another office, where confidence is reposed by most people that there will be no public disclosure. It is in the Bureau of Internal Revenue, 5 minutes away. I am willing to photostat my return and file the copy with the Comptroller General, and I suppose every other Senator is. But why this obsession to add to the paperwork with which we are already flooded? I would think that if any occasion arose at any time to obtain the income tax return to any Senator, it would only be necessary, upon a decision of the Select Committee to contact the Internal Revenue Service, and the return would be made available. Why add to this an additional burden.

I believe this observation is pertinent here, because what the Senator from Iowa seeks to do is to add another requirement and say, "Let us have another stack of papers"—all of which, including the original return, are now available to the committee.

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

Mr. MILLER. I should like to make a comment.

I believe that the Senator from Nebraska exaggerates a little, because I would guess that most of the people concerned by this rule will not have to do any more than file their income tax return. But some will have a fiduciary or a partnership or a family corporation situation. If what the Senator from Nebraska says is true, he should ask that the Senate delete item (a), which requires the filing of a copy of the individual tax return.

Mr. HRUSKA. I would be in favor of that, for the reasons I have just stated.

Mr. MILLER. I am not so sure that I would be in favor of that, but we should be consistent. Either we should proceed on the philosophy that the Senator from Nebraska has stated—that all the committee need do is to go to the Internal Revenue Service and get all the tax returns—or we should say we are going to fill the gap. To simply tease the public by saying he has on file his individual income tax return with the Comptroller General will not satisfy the public, because the public knows—they read about these things—that one of the most used avenues for evasion, for covering up and for hiding, is the fiduciary or partnership or family corporation return. That is what my amendment is designed to cover.

I yield to the Senator from Utah.

Mr. BENNETT. I speak on the committee's time.

The Senator from Nebraska, I am afraid, has a little more faith in IRS than the committee does. We have discovered that income tax returns are not available on 5 minutes' notice. They are in the field or they are being considered in a court case, and therefore are not

available to us at the time we may need them. Also, under IRS regulations, we must go there if we want to get any specific information from them, and we must copy it by hand. We are not allowed to put it into a copying machine.

Mr. HRUSKA. Will the Senator yield 30 seconds?

Are we not the lawmaking body? Can we not pass a law providing that for this purpose we can have a photostat? Who is running this Government—the Internal Revenue Service or the policymaking body which sits here?

Mr. CURTIS. May I answer that question?

Mr. BENNETT. Is not the simple solution the committee solution; that we be allowed to have a copy of the individual tax return, or the joint return, if that is the way the Senator does it.

I have another objection to the amendment which is, if there is going to be required the filing of the supplementary returns, there would be opened the records of other people not involved. I doubt we have the authority, as a matter of practice, to do so. I would refer, for instance, to the return of a partnership. If we have the purpose to investigate it for more than one member of the partnership that would be different than having the return of the partnership which would open up information with respect to a lot of people over whom we have no jurisdiction.

I know the argument is made, "You will get the return of the spouse only if it is a joint return and we can get the individual's return no other way."

Maybe it is convenient since we do have the right within the limits of the regulations of the Internal Revenue Service to get information from official returns, but there is the risk of losing time and there is the mechanical problem under the present regulations that does not permit us to duplicate the returns mechanically. We have to send people to the Internal Revenue Service to handle the matter.

The simple solution is the committee suggestion. I hope the Senate will support the committee suggestion and not vote for this amendment which would begin to involve us in a lot of areas where we do not belong.

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

Mr. MILLER. I yield.

Mr. ANDERSON. It has been said that the Senator from Nebraska has a philosophy on this matter. I do not think that is the situation. It is the law which the Senate and the House of Representatives adopted.

I think the Senator is right. I hope the amendment is agreed to, and I shall support it.

Mr. MILLER. Mr. President, I wish to say to my friend from New Mexico that I am not differing from the philosophy of the Senator from Nebraska.

I have pointed out that if this philosophy is going to hold we should delete the requirement for filing the individual tax return because, as he said, these returns could be obtained from the Internal Revenue Service.

I think the Senator from Utah has

pointed out a practical problem in this connection. After all, under the manner in which the committee set up the rule, these returns are well insulated and cannot be looked at except by members of the Select Committee on Standards and Conduct, and then only on the vote of a majority of the members of the committee.

The manager of the bill can correct me if I am wrong, but I am trying to make that provision more meaningful by filling the gaps in the form of partnership returns, fiduciary returns, and family corporation returns. This would not open them up to any more scrutiny than the individual tax return, as long as the committee has decided to require the filing of individual tax returns, but I would say all we have to do is to have these other copies of returns filed and we would have a complete picture. That is the point.

Mr. ANDERSON. I believe we have all the returns we need. The returns of partnerships and small family corporations are filed. They are all filed. As the Senator from Nebraska said, they are completely covered. The Senate committee can ask for anything it wants and have a chance to examine it, and they have done so.

Mr. MILLER. The Senator is correct, but I think the Senator from Utah proposed a practical problem as the result of which there should be a filing of the copies with the Comptroller General, insulated as they will be from general public scrutiny, and subject to the Select Committee on Standards and Conduct taking a look at them.

Let us put ourselves forward a few months when we have a canon of ethics to follow. An investigation is started, as a result of which the Select Committee on Standards and Conduct, by majority vote, wishes to take a look at a tax return. They do take a look at the tax return and all they find is so much money received from the XYZ trust, and it does not mean a thing. However, if there is a copy of the XYZ income tax return, then they have meaningful information.

I emphasize that these are avenues through which evasion and diversion of income are practiced. Granted, the great majority of the fiduciaries and beneficiaries of trusts, stockholders, family corporations, and partnerships play it straight, the trouble is that we are looking for a situation where somebody might not play it straight.

I wish to add one other thought. This proposal could have a deterrent effect on somebody who might want to cut the corners because he would know that if he did set up a fiduciary arrangement, or a small-family corporation arrangement, or a partnership as a vehicle for what we are getting at here, he would probably be caught by the Select Committee on Standards and Conduct when they looked at those returns.

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

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

Mr. MILLER. I yield 2 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, the ra-

tionale of the committee was to deal with Members of the Senate.

Mr. MILLER. And officers.

Mr. COOPER. And officers and employees.

The amendment of the Senator from Iowa would extend the rule to another group of people, not Members, officers, and employees of the Senate. It would require them to file, or the Senator to file for them, income tax returns dealing with persons who are not Members of the Senate, or officers, or employees. It would intrude on the privacy of persons who were not Members of the Senate, or officers, or employees.

Mr. MILLER. Not unless the parties in question were tied in with the individual on an intimate basis, which is exactly why the committee required the filing of the return of the spouse. Suppose there is the case of a husband and wife filing separate returns. The spouse is still required—

Mr. COOPER. It is a family relationship.

Mr. MILLER. The Senator is correct.

Mr. COOPER. My argument is that if the Senator's amendment is agreed to, it would extend the requirement of disclosure to persons not officers, employees, or Members of the Senate. This is, I believe, beyond the scope of the purpose of the committee and the Senate unless there is grounds for the committee and the Senate to investigate, and to secure the tax returns of other persons.

Mr. MILLER. I would say to my friend from Kentucky that I do not believe there would be any difference in the degree from the requirement of the spouse, which the committee has already decided to cover; but if there is a cumulative majority interest, by that close family tie of a 25-percent interest in a trust or majority interest in a corporation, they would be covered, and I think they should be.

Mr. President, I neglected to state that I modify my amendment as follows: On line 6, after the word "and" insert "/" or "and" on line 8, after the word "and" insert "/" or "and".

The purpose of that modification is to conform to the general approach of the present part A or the rule.

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

Mr. MILLER. I yield.

Mr. PEARSON. Mr. President, I wish to say, first, that I do not think the Senator misunderstands the purpose of the committee. However, I am afraid that what he has said might lead others to misunderstand the purpose of the committee.

I do not conceive this to be a detective agency or a committee that is going to engage in a fishing expedition. I do not believe the Senator means that either, but we should make that clear. If that is a proper expression of what the committee thinks it should be on orders of the Senate.

However, I wish to respond to the Senator from Nebraska as to why the committee set forth the requirement for filing an income tax return when that information can already be obtained, although with some burden in obtaining it.

The decision process, as I recall, is, first, a decision as to whether or not you

are going to have full disclosure. The answer by the committee was "Yes." Whether it will be limited or open, the decision by the committee was to have it limited, and then to determine what we will have. We have set out here itemizations of some property, itemizations of some indebtedness, income, and so forth. We can provide forms or leave it up to the individual Senator as to how he shall make the reports available. We elect to go to the requirements of filing an income tax return because it is complete, it is recognized, and it is in existence by other requirements for every Senator here. So that, for better or worse, unless I am contradicted by the chairman or the vice chairman, was the reason why we went the route we did.

Mr. HRUSKA. Mr. President, it is my intention to oppose the amendment. I think it would be unduly burdensome and would yield no result which cannot now be obtained. I recognize fully the explanation made by the Senator from Kansas. After all, the personal income tax is an index to all that a taxpayer claims he received as income. If \$5,000 is shown as coming from such and such a trust, and an investigation is made of that particular Member's, employee's or officer's business affairs, the committee can ask for an explanation of the matter from the Member, officer, or employee. If the explanation is satisfactory, fine, but if it is not, then the committee can obtain the income tax return of the trust.

Mr. PEARSON. The committee has subpoena power.

Mr. HRUSKA. I beg pardon?

Mr. PEARSON. The committee has subpoena power.

Mr. HRUSKA. Yes; the committee has subpoena power. It is for that reason that this amendment would be unduly burdensome. It would not serve any purpose not already served by filing the income tax return.

Mr. MURPHY. Mr. President, does the reference to trusts include foundations?

Mr. HRUSKA. I would not know. I am not the author of the amendment. That question should more properly be addressed to a member of the committee.

Mr. MURPHY. May I ask the Senator from Kansas then whether the reference to trusts includes foundations?

Mr. PEARSON. There is no provision in the code for that, so far as I know.

Mr. MURPHY. That is very important. In my 30 years of experience with various foundations, I have found that they deal with political matters to the point that we might properly look at their disbursements. I just wondered if my distinguished colleague had included donations and sums of money made available from private foundations, in his consideration of this matter.

Mr. PEARSON. My answer would be in the negative. I do not think the pending amendment would provide that any returns from such foundations would be filed either under the code or under the amendment of the distinguished Senator from Iowa.

Mr. MURPHY. I thank the Senator from Kansas.

Mr. MILLER. Mr. President, let me add a footnote. I think that the Senator from Kansas is correct, unless it were a founda-

tion with some kind of fiduciary relationship involved or a beneficial interest involved. But that is not a typical foundation. In sum, it appears to me that we must make up our minds: Are we going to require any filing, or are we not?

The Senator from Nebraska has made a good argument why there should not be any filing at all, because if the select committee wishes, it can go to the Internal Revenue Service, although it may take a little time to get the returns where it would know it might be a little difficult and, furthermore, are not going to be subject to public scrutiny, but subject to scrutiny only by the select committee, and that by a majority vote.

So, since that is the way it will be, we will have the individual income tax return filed, and to that extent the Senator from Iowa thoroughly agrees and grants that the Senator from Nebraska has a point.

All I am trying to do is to make the filing more meaningful by covering the areas which I know—from my personal experience as a tax lawyer—are used for purposes of evasion, or are used for purposes of covering up.

Thus, we are interested in laying a foundation so that there will not be a coverup, or that the covering up will be deterred. That is very important. It could be that what we do here will be a deterrent to someone from doing something wrong. To that extent, that would be a beneficial byproduct of the amendment. All I am trying to do is to fill what is a serious gap. If we are going to have to file, then we should have meaningful filing.

Mr. STENNIS. Mr. President, how much time remains to the committee?

The PRESIDING OFFICER. Seven minutes remains to the committee.

Mr. STENNIS. Mr. President, I shall not detain the Senate but a few moments on this matter. It has already been discussed fully and completely from the committee's viewpoint. But I do want to stress support of what has been said by the other members of the committee and add this point.

After all, this provision involves the tools available to the committee on matters that they have to deal with. The committee proposal is based upon the time that they have given to it and the experience they have had. We think this is enough, especially in view of the fact that the committee has the additional authority to go into any additional income tax return of any bank, corporation, trust, or individual, which might be needed in connection with any thorough inquiry we might make.

I said in the beginning of this debate that an attempt to evade the general rules made a person just as guilty of wrongdoing from an ethical standpoint as an actual, outright violation. Thus, I think when we establish a rule, everyone knows what it is, and it would be a deterrent. Of course, it would be possible to evade or avoid any of them, but that will be a matter of determining the facts, after it is alleged with probative value that a violation has occurred. I think the committee will have plenty of authority under the resolution and under general law.

But, where are we going to stop? The only question is: Shall we require those who report incomes of \$10,000 or more to file with his attorney a copy of their return? Thus, if some of their income comes from some other source, we would have to go to that additional source of income, not under the terms of the amendment, but under existing authority.

Thus, it must stop somewhere. After all, this is just a procedure to follow. We are not trying to convict anyone of a criminal offense. We think that this is adequate authority, and more would be an added burden upon the Senator, the employee, or any other person, corporation, or trust that had contributed that income.

Mr. President, I hope that the Senate will reject the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

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

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

The PRESIDING OFFICER. All time on the amendment has now been yielded back.

The question is on agreeing to the amendment, as modified, of the Senator from Iowa.

The amendment was rejected.

Mr. ALLOTT. Mr. President—

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CURTIS. Mr. President, I would like to have the Senator yield so that I may ask a question of the manager of the bill.

The PRESIDING OFFICER. The Chair was not able to hear the Senator.

Mr. CURTIS. Mr. President, I wish to be recognized 1 minute under the bill. I wish to ask the author a question.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to the Senator from Nebraska without losing my right to the floor.

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

Mr. CURTIS. I call the attention of the Senate to page 8, line 18, and the remainder of it, which relates to the effective date of the disclosure requirements. It reads:

This rule shall take effect on July 1, 1968. No reports filed under section 1 or section 3 shall include any interest held, payment received, or liability owed before the effective date of the rule.

Does that language mean that in complying with this rule as to a property statement, a Senator lists only that real and personal property acquired after the adoption of the rule? I shall not press for an answer at this time. I call it to the attention of the committee, in the event they want to give it further consideration.

Mr. STENNIS. Mr. President, I thank the Senator very much. There is a little complication here in mathematics in referring back and in making these various provisions effective. I do not think there is any doubt the answer is that the rule refers to income for the year 1968 and payments received in 1968—

Mr. CURTIS. But it says "interest held."

Mr. STENNIS. Yes.

Mr. CURTIS. And it refers to the section for the disclosure.

Mr. STENNIS. Yes.

Mr. CURTIS. I believe that the reporting should not include transactions underway. Many of our colleagues have campaigns already set up and going. So I am not pleading for total retroactivity, but I want to know whether or not my financial statement should include only interest in real or personal property acquired after the date of this rule.

Mr. STENNIS. I can tell the Senator now, although a more complete answer doubtlessly ought to be given later, that if the Senator owned property today and still owned it when this section became effective, he would have to list what he owned at that time.

Mr. CURTIS. The rule does not say that.

Mr. STENNIS. If anything were disposed of before the effective date of the rule, then he would not be holding it and would not report it. We will give a more complete answer. I thank the Senator for his contribution.

AMENDMENT NO. 619

Mr. ALLOTT. Mr. President, I call up my amendment No. 619, which is at the desk, and ask that the clerk read it.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment (No. 619), as modified, as follows:

On page 7, line 15, insert the following after the period: "Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination."

Mr. ALLOTT. Mr. President, I can present this matter very shortly. I believe the committee looks with favor on it.

It is an amendment which, as I see it, is necessary to protect not only a Senator or officer or employee but, in the final analysis, the committee as well. On page 7 of the resolution, under paragraph 2, it provides that the committee shall keep the papers confidential. Then it provides that, after a record majority vote, the committee may procure from the Comptroller General those papers, including the income tax returns, and use them for examination and audit.

I think it is a good presumption that the committee would never take this action unless something in the nature of a charge had been made to the committee prior to that time.

The sole purpose of the amendment is that when the committee, by a recorded majority vote, votes to take up the papers from the Comptroller General for examination and audit, whether it affects a Senator, an officer, or employee, the person involved shall, within a reasonable time, be notified of the vote that has been taken and also the nature and scope of the examination.

It would seem to me such examination and audit would contemplate the gathering of information from sources outside the confines of the papers filed.

Therefore, this provision is a necessary precaution for the person himself as well as the committee, not only be-

cause such an examination and audit may be going on even in his hometown without his knowing it, but also, because, without any purposeful effort on the part of the committee, the examination and audit might cause him great embarrassment, if not damage.

So my amendment just puts into this particular section principles that we recognize in all the codes of civil and criminal jurisprudence in this country, I believe.

I shall be happy to yield to the distinguished chairman.

Mr. STENNIS. Mr. President, I thank the Senator for yielding to me. The amendment proposed by the Senator from Colorado has been carefully examined by the committee membership. It is found that, in his resourcefulness, the Senator has thought up another valid, good safeguard to put upon the procedures proposed, for the protection of anyone who is involved, and also for the guidance of the committee.

Under those circumstances, we are glad to support the amendment. I wish to emphasize again, as I have before, that the committee wanted every safeguard and every reasonable restriction on the committee in delving into these papers, which are highly personal and ordinarily confidential.

We are glad that the Senator has made this contribution, in the reasonable terms he has used, and we gladly support him in his amendment.

Mr. ALLOTT. I thank the Senator.

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

Mr. STENNIS. I yield back our time.

The PRESIDING OFFICER. All time has been yielded back. The questioning is on agreeing to the amendment of the Senator from Colorado.

The amendment, as modified, was agreed to.

Mr. STENNIS. Mr. President, the Senator from Rhode Island [Mr. PELL] has spoken about an amendment. I think he is on the way to the Chamber.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Against whose time is it to be charged?

Mr. STENNIS. If the Chair will charge it to the time I just yielded back.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 639

Mr. PELL. Mr. President, I call up my amendment No. 639.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. PELL's amendment (No. 639) is as follows:

On page 5, line 23, immediately after the word "interests", insert the words "and the personal financial interests of his spouse".

On page 5, line 25, strike out the comma where it appears for the second time and the words "or he".

On page 6, line 1, strike out "jointly," and insert in lieu thereof the words "jointly or separately".

On page 6, line 5, immediately after the word "him", insert the words "or by his spouse".

On page 6, line 8, immediately after the word "he", insert the words "or his spouse".

On page 6, line 10, immediately after the word "his", insert the words "or her".

On page 6, line 14, immediately after the word "he", insert the words "or his spouse".

On page 6, line 16, immediately after the word "he", insert the words "or his spouse".

On page 6, line 20, immediately after the word "employee", insert a comma and the words "or the spouse of the Senator, officer, or employee".

On page 7, line 4, immediately after "him", insert the words "or by his spouse".

Mr. PELL. Mr. President, I congratulate the Committee on Standards and Conduct, its chairman, and its members for the very fine set of proposals they have devised. In my view, they have developed as fair and honorable a balance as can be achieved between some reasonable degree of privacy and the right of the public to know the motives of their public servants.

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

The PRESIDING OFFICER. The Senator will suspend until order is restored. The Senate will be in order.

The Senator from Rhode Island may proceed.

Mr. PELL. One of the problems encountered in an effort of this sort to devise a code of ethics is that rascals can always get around it, if they are rascals. It is impossible to devise a code that is completely tight. But in general, I believe we operate, in our society, on the basis that public servants, public officials; people who are elected to office, are honorable men. We know they nearly always are, and their interests are those of their communities and their people.

I spent more than 2 years—and it seemed like 10—on the Bobby Baker case. One of the most disagreeable experiences of my life was listening to some of the exceptions to the general rule of honor applied to public servants; and I think all the members of the committee felt the same way.

When it comes to the matter of disclosure, I am struck with the fact that some of the countries in Latin America which have, as I understand it, a high incidence of corruption, also have provisions for public disclosure. In every country, I believe, the general rule can be stated that the level of honesty and honor in public servants and elected officials is a little higher than that of the general community. It may not be a great deal higher, but it is usually a bit higher.

I do not know of many countries in which Members of Congress have been elected while they were in jail. Yet this has occurred in our own country. I think that it is fair to observe that higher standards should be applied by the people who do the electing and choosing.

I remember a story told of a man who served in our own body. He was once

defeated for office on the ground that he did not have faith in his State because he had made his investments outside the State. But if it were a small State, and he were a rich man, and he had had investments within the State, he might have been in the predicament of being involved in personal conflicts of interest many times. Basically, I think he did the right thing. He invested outside his State and was able to be of service to all his constituents to the best of his ability. Yet, he was defeated because of following this policy.

In connection with the recommendations of the committee, I myself tried, 2 years ago, to file a statement of assets with the Comptroller General, because I have always believed that that is the way to proceed. I ask unanimous consent to have printed at this point in the RECORD the text of my letter to Mr. Staats, Comptroller General of the United States. I also ask unanimous consent to have printed in the RECORD at this point Mr. Staats' reply to the effect that he could not accept such lists from me because he did not have the legislative authorization to do so, and courteously returning what I had sent him.

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

APRIL 29, 1966.

HON. ELMER B. STAATS,
Comptroller General of the United States,
Washington, D.C.

DEAR MR. STAATS: In accordance with the intent of S. Res. 123, I am enclosing a list of the business enterprises in which I or my wife have an interest, either by virtue of ownership or as a trust beneficiary. I request that you keep this on file and make it available to the Chairman of the Senate Committee on Standards and Conduct, if it should ever be requested.

Sincerely,

CLAIBORNE PELL.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington D.C., May 10, 1966.

HON. CLAIBORNE PELL,
U.S. Senate.

DEAR SENATOR PELL: Yesterday I received your letter enclosing a list of the business enterprises in which you or your wife have an interest, either by virtue of ownership or as a trust beneficiary. You request that I keep the statement on file and make it available to the Chairman of the Senate Select Committee on Standards and Conduct, if it should ever be requested.

I think your motives in forwarding a list of financial interests in order to comply with the intent of Senate Resolution 123 are most commendable. Senate Resolution 123 was favorably reported by the Senate Committee on Rules and Administration on June 30, 1965; but the resolution has not been acted on by the Senate.

I would like to honor your request. However, regardless of my personal feelings in the matter I do not think it would be proper for me to accept the statement for filing without the Senate having authorized me to do so by adopting Senate Resolution 123, or otherwise enacting legislation containing such authority. By accepting your statement for filing I would be placing into effect a procedure which the Senate, to date, has not approved, and thus performing an act which I have not been authorized to do.

For the reasons indicated I feel that I must return the statement forwarded with your letter. Also, I am sending a copy of this letter to The Honorable John Stennis, Chairman,

Senate Select Committee on Standards and Conduct.

With kindest regards, I am

Sincerely,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. PELL. Mr. President, what the Senator from Mississippi, the Senator from Utah, and the other members of the Select Committee on Standards and Conduct have done is to make it possible for the kind of filing sought to take place. For that reason, I very much support the recommendations of the committee along this line.

When it comes to contributions, one faces a problem. In my last campaign, I had a little surplus. I offered, or rather my treasurer offered, to return the surplus, on a pro rata basis, to each one of my contributors. Out of the 400-odd contributors to whom my treasurer offered rebate, only two asked to have their money returned on a pro rata basis. The others preferred the alternative of having their portions remain in escrow until my next campaign should I again seek public office.

But I do believe there is one loophole here, and that is that "spice"—the plural of "spouse"—are not included in the provision. I think the wives of Senators also have the same responsibilities as their husbands for filing and making their financial income known. I am not saying that a husband will not be able to get around that, because if he does not put his holdings in his wife's name, he can put it in the name of somebody else. At least, if we are going to support this resolution—and it is a good and proper resolution—I should think that wives should be included, and that is exactly what my amendment proposes. I would hope that there might be an expression of opinion on that now.

Mr. STENNIS. Mr. President, I yield myself 5 minutes of the committee's time.

First, I wish to thank the Senator from Rhode Island for his most generous and fine remarks about the activities and efforts of the committee in the preparation of the resolution, not as to what the final contents should be.

We had the counsel and guidance of many persons who were versed in various fields, and we obtained ideas from them. We were benefited, too, by the previous work of the Committee on Rules and Administration, including the work of several members who had worked on the Baker case, in particular. That includes a member of our committee, the distinguished Senator from Kentucky [Mr. COOPER], who was the author, too, of the resolution under which the committee operated.

We benefited from the work of others, including the Senator from Rhode Island, who proposed rules of guidance. He was the first one to suggest, to me at least, the idea of filing information with the Comptroller General, who would be the custodian of the various reports that might be required. We are especially indebted to him for that contribution as well as for others.

The Senator from Rhode Island makes a good point about requiring the return

of the spouse of a Senator or of an employee of the Senate. He suggests the possibility of a person transferring income to her and not reporting it himself. That is entirely possible.

As the Senator himself says, no rule can cover everything. Frankly, we have raised the question of honor and ethics, and have put it right on the doorstep of everyone affected. We did not try to plug up every hole everywhere and write this resolution as a police code.

The reason why we did not try to plug up everything is that to attempt to evade the rule is as much a violation of the ethical code as is the outright violation of it. So if anyone thinks that he will be innocent merely because he did not violate the letter of these guidelines, I think he will find himself sadly mistaken if he is ever called upon for an accounting. It is the ethical concept that will control. I believe that the public understands that and approves it.

There is another basic reason. The wife of an employee or of a Senator has her own civil rights. They include the right of privacy, to a degree, so the committee decided basically that we did not have any jurisdiction or control or any right to try to impose rules for the guidance of Senators or our employees over their wives. That was a basic decision. It is respected and followed all the way through these recommendations. Almost every paragraph, if not every line, of the proposals in the resolution recognizes that basic principle in one way or another. So to change now and make a 180-degree turn and go off in another direction would not only be a violation of a legal principle, as we see it, and a principle of right and wrong, as we see it from this viewpoint; it would be a contradiction of everything that has been prepared, much of which has been, in effect, approved by the Senate.

So with the greatest deference to the Senator from Rhode Island and his great sincerity, we shall respectfully have to decline to support his amendment. On the other hand, for the reasons I have given, we would have to feel that we are compelled actively to oppose it.

Mr. PELL. I understand. I submitted the same amendment, but did not press it to a vote, several years ago in connection with the recommendation of the Committee on Rules and Administration. I do believe that there is a very clear problem now that arises because of the difference between those of us who are lucky enough to have our own outside income and family income, and those of us who do not. I found it difficult yesterday to vote on this subject. In my more than 7 years as a Senator, I have had to write many a check for my office account. I have done it without assistance. No one else has put one cent into it. Nor have I ever permitted any political contributions to be used for office expenses. Everyone cannot be so lucky or fortunate, and that is why I feel that the resolution as reported by the committee is correct. It is all very well for those of us who can afford to contribute to our office account to do so; it should be made fair for everybody.

I hope that we may have a vote on my
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amendment concerning "spice." I move my amendment.

Mr. STENNIS. I again thank the Senator from Rhode Island.

Mr. President, I believe that the proper order now is that we return our time.

Mr. PELL. Mr. President, I release my remaining time.

Mr. STENNIS. I release the committee's remaining time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Rhode Island. [Putting the question.]

The amendment was rejected.

AMENDMENTS NOS. 642 AND 643

Mr. DIRKSEN. Mr. President, I call up amendments Nos. 642 and 643 and ask unanimous consent that they be considered together, because the text is the same and they apply to the same matter.

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

The amendments will be stated.

The assistant legislative clerk read the amendments, as follows:

AMENDMENT No. 642

On page 2, line 24, after "committee" insert "except that minority staff members shall be under the supervision of the ranking minority Senator on the committee."

AMENDMENT No. 643

On page 3, line 4, after "subcommittee" insert "except that minority staff members shall be under the supervision of the ranking minority Senator on the committee."

Mr. DIRKSEN. Mr. President, as the resolution now reads, the professional, clerical, and other assistants of a committee all come under the supervision of the chairman. It occurs to me that the minority staff members should very properly come under the supervision of the ranking minority Senator on the committee. That is all I have to say about it.

Mr. STENNIS. Mr. President, I yield myself 2 minutes.

Amendments Nos. 642 and 643 we believe cover a point—a so-called minor point, but it is an important point—that the committee had overlooked. They merely would put the minority staff members under the supervision of the ranking minority Senator on any committee.

We support the amendments and hope they will be adopted.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DIRKSEN. I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

AMENDMENT No. 644

Mr. DIRKSEN. Mr. President, I call up my amendment No. 644.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment, as follows:

(c) A Senator or candidate for Senator may receive contributions from his party when such contributions were from a fundraising event sponsored by his party, without giving his express approval for such fundraising event when such fundraising event is for the purpose of providing contributions for candidates of his party and such contributions are reported by the Senator or candidate for Senator as provided in paragraph (b).

Mr. DIRKSEN. Mr. President, this is a matter that probably the committee overlooked in its deliberations. It has been customary for the senatorial and congressional and national campaign committees to hold fundraising events. They do not ask for the approval of a Member of the Senate, and that is not necessary at all. As a matter of fact, no individual Senator is the sponsor of this event. But it is a fundraising event, and the funds that are derived—and they are rather substantial—are then made available to Members of the House and the Senate and to expenditures for a variety of purposes. It can be for television. It can be a direct contribution in cash. But the Senator has nothing to say about it, and therefore he is in no position to give approval to an event of that sort.

I believe this matter was just overlooked in the general deliberations of the committee, and I believe it should be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. STENNIS. Mr. President, as I understand the Senator from Illinois, his amendment would merely recognize and make proper the contributions to a Senator or a candidate for the office of Senator from his party's political committee. He could receive funds from them for that purpose without having given his prior approval to the fundraising event—for example, a \$50-a-plate dinner.

That is the correct meaning and purpose of the amendment, is it not?

Mr. DIRKSEN. That is correct.

Mr. STENNIS. That would make the resolution conform with what has been the practice and the procedure with respect to election funds, as generally practiced throughout the country.

Mr. DIRKSEN. The Senator is correct.

Mr. STENNIS. That is the version we had, Mr. President, that this is not a fundraising event for a particular Senator. It is not a testimonial dinner for a particular person. It is a party function, sponsored by the party; and, naturally, the Senator should not be called upon to give his dissent or his assent. It is a matter that has a sponsor, and the public knows, and it is well defined, and there is no doubt about it.

We believe this amendment would really fill out and make more complete the very purposes we have.

Mr. DIRKSEN. I might add, Mr. President, that the committees on both sides of the aisle that undertake these events make a very careful record and a very careful report of all their disbursements and what is taken in. So it involves no individual Senator as such.

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

Mr. DIRKSEN. I yield.

Mr. PEARSON. My question relates to

the word "party" on line 3. The Senator has explained this in relation to the national party and to the gala events about which we all know. Could this be interpreted, also, to be a State party organization?

Mr. DIRKSEN. I do not know whether it could. I had thought about putting in the word "State."

Mr. PEARSON. Or county party organization? The party organization in most States—at least it is in my State—is set out by statutory authority. The State party is a legal entity, and the county organizations are legal entities.

I have no objection to this amendment, and the chairman has expressed none for the committee; but in line with the statutory legal entity of the party organization as it may exist, I wonder whether this refers to National or State or county.

Mr. DIRKSEN. The language addresses itself to this question—the receipt of contributions by a Senator.

Mr. PEARSON. Where a legal entity of his party has done it?

Mr. DIRKSEN. That is correct. We do not confine it, and it could very well be interpreted to include State and even county, for that matter.

Mr. STENNIS. If the Senator will yield, the Senator from Kansas might agree to the insertion of a word after "his" on line 2, which would clarify the amendment.

Mr. DIRKSEN. Yes; I have no objection.

Mr. PEARSON. I have no objection, either. The thrust of my question was to what part of the party the Senator was referring. The Senator has answered my question.

Mr. STENNIS. Would the Senator modify his amendment?

Mr. DIRKSEN. Yes.

Mr. President, I ask unanimous consent to modify the amendment accordingly, so that in line 2 after the word "his" the word "political" is inserted.

The PRESIDING OFFICER. It is within the Senator's right to modify his amendment. The amendment is so modified.

Mr. STENNIS. If the Senator will yield, I should like to suggest another modification, not in opposition to nor a change in the meaning of the Senator's amendment. On the adoption of an amendment yesterday, in line 3, at the top of page 4, the language was changed, and now reads "a Senator or candidate for Senate." Well, it gives the full definition of a candidate; and if we have one definition at the top and another in the Senator's amendment, it would cause confusion.

Mr. DIRKSEN. I include candidates.

This language is in line with the modified Anderson amendment of yesterday.

Mr. STENNIS. The Cannon amendment of yesterday was the amendment to which I was referring.

Mr. President, those persons who deal with the language believe that the words here present a complication. I am advised by Mr. Fern, who deals with the language in this matter, that yesterday, upon the adoption of the Cannon amendment No. 630, language on line 3, at the top of page 4, was amended to add "candidate for a Senator or a candidate."

At any rate, this is a language complication. If we are going to further amend the language of the original resolution, the Dirksen amendment must be made to conform to the language of the Cannon amendment rather than to the original proposal.

Mr. DIRKSEN. It does conform.

Mr. STENNIS. Mr. Fern thinks not. There have not been changes to correct it.

Mr. President, I suggest that, since we are together on the substance of this matter, we adopt this amendment and whatever language change might be necessary to make it conform can be taken care of at the end, as is always done, in handling the language in the resolution.

Mr. DIRKSEN. That is quite satisfactory.

The PRESIDING OFFICER. Has all time been yielded back?

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

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All the time having been yielded back, the question is on agreeing to the amendment (No. 644), as modified, offered by the Senator from Illinois. [Putting the question.]

The amendment (No. 644), as modified, was agreed to.

AMENDMENT NO. 646

Mr. DIRKSEN. Mr. President, I call up my amendment (No. 646), and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 6, line 6, strike "from a client for legal services".

Mr. DIRKSEN. Mr. President, this is a very simple amendment. It would strike out the words "from a client for legal services."

Instead of legal services, there might be consultant fees or economist fees. Who knows where fees might come from other than from legal services, and those that would not be legal services.

Therefore, if there is to be included income over \$1,000 as compensation or fees, this amendment would put a period at the end after the word "client" and that would cover the waterfront.

Mr. STENNIS. Mr. President, I yield myself 5 minutes, because I think the history of this matter should be explained, even though we are going to support the amendment.

The original resolution provides that:

The amount or value and source of each fee or compensation of \$1,000 or more received by him during the preceding year from a client for legal service must be reported.

That language pertaining to members of the bar was provided because the Government activities enter into so many fields that are of special knowledge to one who is connected with the Government. Such matters generally involve legal work, not only legislation as such, but also commissions, contracts, and a host of things that could be in the neighborhood of conflict-of-interest problems.

So the language was submitted as a

kind of precaution and general guideline.

The effect of striking out these words would make the provision apply to other professions. The committee has no objection to letting it apply in that way, but it should be pointed out that it would also apply to surgeons' fees, architects' fees, professional writing, or nonprofessional writing that was compensated. It would apply across the board. It occurs to me that when you strike out "a client," you are going to apply this to the total amount of income from whatever source. I do not know that the Senator intended to do that.

The words "a client" would limit the provision to a person.

I think the language could be worked out a little more carefully so as to provide "from an individual" or "from each individual or corporation".

The Senator does not want reported every \$5 or \$10.

Mr. DIRKSEN. Mr. President, I submit a modification of the amendment in line 6 so as to make it read: "from an individual, corporation, or any enterprise."

The PRESIDING OFFICER. The Senator has the right to modify his amendment, and the amendment is so modified.

Mr. STENNIS. Mr. President, I think that would make the provision applicable across the board to all professional fees of \$1,000 or above. We support the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STENNIS. I yield back the remainder of my time.

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (No. 646), as modified, of the Senator from Illinois. [Putting the question.]

The amendment (No. 646), as modified, was agreed to.

AMENDMENT NO. 648

Mr. DIRKSEN. Mr. President, I call up my amendment (No. 648), and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 6, line 10, strike everything after "year" through line 11, and insert in lieu thereof: "and the amount of such compensation;"

Mr. DIRKSEN. Mr. President, when all is said and done, the only interest here is what the person receives by way of compensation. It is not particularly his capacity and the period of time. If he had to go into a dissertation of capacity in connection with any enterprise, that might become a long and wearisome operation, detailing his duties, while the only interest is the compensation he receives.

In the interest of clarity I think that on page 6, line 10, we should strike out everything after the word "year" through line 11, and insert in lieu thereof: "and the amount of such compensation;"

That is all that is involved in the amendment.

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

I understand that in his amendment the Senator is referring to page 6, line 7 of the resolution regarding directors' fees. Is that correct?

Mr. DIRKSEN. The Senator is correct.

Mr. STENNIS. This amendment would require that the report contain information giving the amount of such compensation. Is that correct?

Mr. DIRKSEN. The Senator is correct; because that is the only interest.

Mr. STENNIS. We think that is a good amendment and we are glad to support it.

The PRESIDING OFFICER. Is all time yielded back?

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

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment (No. 648) offered by the Senator from Illinois. [Putting the question.]

The amendment (No. 648) was agreed to.

AMENDMENT NO. 649

Mr. DIRKSEN. Mr. President, I call up my amendment (No. 649), and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 6, line 13, after "property" insert "except such property used for personal residential purposes".

Mr. DIRKSEN. Mr. President, as the resolution stands now, it provides, among other things which have to be reported, for the identity of each interest in real or personal property having a value of \$10,000 or more which was owned at any time during the preceding year.

It occurs to me, very properly, that an exception should be made with respect to the property used for personal residential purposes. That would mean a dwelling occupied or it might equally mean a summer dwelling, but it could not go beyond that. It must be property used for personal residential purposes, and no more. Thus, I do not believe that the requirement should go beyond that.

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

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 minutes.

Mr. STENNIS. The committee does not support the amendment and does not agree thereto. It thinks that the matter is properly covered already. It pertains to personal residential property, house and lot, used for personal residential purposes. There is no requirement now to report values for residences, except in the event where the item exceeds \$10,000. Any item standing alone has to be reported if it is \$10,000 or more in value. I think that falls in the category of "other property." We do not attempt to give a value on how much it will be worth next year, what it originally cost, or anything like that. It is just another item of property that is

supposed to be listed if it is worth \$10,000 or more—I spell it, o-r m-o-r-e.

In these inflated times, virtually everyone's house which is really used as a residence is worth \$10,000 or more in value. If not, of course, they do not have to report it at all. But we thought it best just to list it, if it was worth more than \$10,000, and let it go at that.

When we get into these exceptions, someone else will want to put in the actual value, what it was originally purchased for, and so forth, and we will get all mixed up. Therefore, I would hope that the Senator would reconsider his amendment and perhaps might wish to withdraw it and let the matter stand as we have it now. We did not mention "dwelling house"—but that is the way it will work. It will just be listed as an item of \$10,000 or more. Otherwise, to be consistent, and in order not to have to go into any of these questions on actual value, cost, and so forth, we have to oppose the amendment.

Mr. DIRKSEN. Let me say to the Senator from Mississippi that I will not press my amendment.

Mr. STENNIS. I appreciate the Senator's attitude. I think it will leave the situation more harmonious because it already covers the waterfront.

Mr. DIRKSEN. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 651

Mr. DIRKSEN. Mr. President, I call up my amendment (No. 651), and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 7, line 11, after "years," insert: "Provided however, That within six months after a Senator retires or is deceased such papers shall be delivered by the Comptroller General to whomever the Senator or the administrator or executor of his estate shall direct. Such papers".

Mr. DIRKSEN. Mr. President, these papers will be in the possession of the Comptroller General and are even susceptible to subpoena powers. I see nothing in the resolution with reference to that. When a Member leaves the Senate, either by defeat, attrition, or retirement, it would seem to me to be a mistake not to have his administrator able to receive the papers.

Mr. STENNIS. Yes. The Senator is correct. Late last night another amendment was offered that covered this point, and the committee supported it. I think it is entirely covered to the Senator's satisfaction that, 1 year after the termination of the office or the employment of a Senator or employee, the papers would be returned; and in case the party was not living then to his legal representative.

Mr. DIRKSEN. That would be satisfactory.

Mr. STENNIS. I think the Senator makes a fine point.

Mr. DIRKSEN. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 653

Mr. DIRKSEN. Mr. President, I call up my amendment (No. 653), and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 8, line 20, after "owed", insert in lieu thereof "or copy of an income tax return filed".

Mr. DIRKSEN. Let me say to the distinguished chairman and his counsel that this has only one purpose, to avoid the filing of an income tax return for prior years.

Mr. STENNIS. Yes. We do not ask that it be required for 1967 or for 1966.

Mr. DIRKSEN. Yes, for any prior year.

Mr. STENNIS. The Senator is correct. The resolution does not require that.

Mr. DIRKSEN. But it is not too clear, it occurred to me, in the resolution.

Mr. STENNIS. Would the Senator from Illinois read the amendment again?

Mr. DIRKSEN. On page 8, line 20, after "owed", insert in lieu thereof "or copy of an income tax return filed."

That applies to the prior years.

Mr. STENNIS. If the Chair will indulge me a moment, this is an amendment I have not yet seen. It pertains to language which we were using to make clear that there were no retroactive requirements with reference to any of the reporting or filing. The amendment is to that language, which is rather complicated and hard to draw. We have no objection to the amendment.

Let me make this one observation, that some clarification may be needed and we will therefore want to include that, if so, in a request to put it in the resolution.

The PRESIDING OFFICER. Has all time been yielded back on this amendment?

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

Mr. DIRKSEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time on the amendment has now been yielded back.

The question is on agreeing to amendment (No. 653) of the Senator from Illinois.

The amendment was agreed to.

Mr. STENNIS. Mr. President, while the Senator from Illinois has the floor, and he has no amendment pending at this moment, I should like to call his attention to an amendment pertaining to subcommittee staffs, the minority members thereof, amendment No. 643. One of those amendments was adopted. I believe that No. 643 was a companion amendment.

Mr. DIRKSEN. Yes.

Mr. STENNIS. Is the Senator going to take that up?

Mr. DIRKSEN. I shall ask that it be considered jointly.

The PRESIDING OFFICER. The Chair informs the Senator from Mississippi that both amendments have been agreed to.

Mr. STENNIS. I thank the Chair for

advising me. I thought perhaps I had overlooked it.

Mr. President, are we on controlled time?

The PRESIDING OFFICER. No amendment is pending at this time.

Mr. STENNIS. If the Senator from Illinois will call up his next amendment, I want to say a word on it.

AMENDMENT NO. 657

Mr. DIRKSEN. Mr. President, I call up my amendment (No. 657), but ask unanimous consent that the clerk not read it for the moment until after the Senator's explanation, because they will want to consider it in connection with still another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will withhold its reading for the moment.

Mr. STENNIS. Mr. President, I yield myself 3 minutes on the amendment.

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

Mr. STENNIS. Mr. President, my remarks pertain to the title on page 2, line 7, the first one in the resolution. There is interest in this. I have received many inquiries, which is the reason why I want to make this preliminary statement.

The committee has fully reconsidered rule XLI in the light of the points made by various Senators.

The Senator from New York [Mr. JAVITS], who could not be here at this moment, has an amendment in connection with it. However, the committee has gone through the entire title and will have an amendment that is far-reaching—there is much interest in it—that will constitute in part a rewrite of rule XLI. I give notice of this now, and propose to take it up as soon as the Senator from Illinois has concluded his other amendment.

AMENDMENT NO. 657

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The assistant legislative clerk read the amendment (No. 657), as follows:

On page 6, line 16, after "interest" add the following: "except for a beneficial interest that is created or arises as a result of a death."

Mr. DIRKSEN. Mr. President, yesterday and today we spent quite a lot of time on the so-called trust section of the resolution, dealing with the identity of each trust or other fiduciary relations in which a Senator had a beneficial interest. The distinguished Senator from Iowa belabored this matter at considerable length. I had an amendment up to strike out that entire section, and then prepared one, instead, which reads: "except for a beneficial interest that is created or arises as a result of a death."

I am not anxious to offer either one if we can get some clarification. I have these questions that I think ought to be incorporated here in order to make some legislative history. I wanted to discuss this particular section in order that we might develop some legislative history.

I address myself to the distinguished chairman and I refer specifically to paragraph (c) on page 6, that paragraph of

rule XLIV dealing with trusts. First, what do the words "other fiduciary relation" mean?

Mr. STENNIS. The Senator is referring to paragraph (e). Is that correct?

Mr. DIRKSEN. Paragraph (e); that is correct.

Mr. STENNIS. The word "trust" there is a relative term, in a way. We added the words "other fiduciary relation." It could include a guardianship or any other trust relation where there was a fiduciary relationship, in which a person would have a beneficial interest. That is a spectrum that has grown much in the last few years, and includes many different kinds of trusts.

Mr. DIRKSEN. So it can be a fiduciary relationship as distinguished from a trust?

Mr. STENNIS. Yes; I think that is correct.

Mr. DIRKSEN. Let me put a hypothetical example. If an irrevocable trust, let us say, of \$250,000 in assets were established by a Senator and he contributed most, or all, of the assets or corpus and were not the beneficiary, would such a trust be covered and would the Senator be required to report it? As a matter of fact, he cannot become the beneficiary unless one party to the trust is deceased.

Mr. STENNIS. As long as he was not a beneficiary, he certainly would not have to report it under any interpretation of this language.

Mr. DIRKSEN. He is a potential beneficiary.

Mr. STENNIS. He is a potential beneficiary, but until he becomes the actual owner, this language in the resolution would have no bearing.

Mr. DIRKSEN. My next question is: What effect would the creation in time of the trust have upon reporting it? Suppose it were created before this rule became effective.

Mr. STENNIS. I think the time that would control as to his duty to report would be the time that his beneficial interest actually came into being and came into operation; when it was no longer a potential benefit, but became an actual benefit. Anything created under that benefit would at the next reporting time have to be reported.

Mr. DIRKSEN. The committee used the language in the resolution of an "interest held" before this rule becomes effective. Would that term "interest held," which appears in line 20, on page 8, refer to a beneficial interest that a Senator might have in a trust?

Mr. STENNIS. Line 20, what page?

Mr. DIRKSEN. Page 8.

Mr. STENNIS. Yes; I think that language is very broad. When we say "any interest held," that would apply to an actual interest in being or actually running to the benefit of the person reporting. If it were just a potential benefit that might come into being later, it would not be in being. It would not have been born and would then be a nonentity, even though it would be potential; and would not have to be reported or referred to.

Mr. DIRKSEN. I had one other question. Where a trust is set up in a joint or reciprocal will, actually it is a testamen-

tary devise of property, and I do not think we are clear on that point here at all. It occurred to me that the committee could at least insert some language that was suitable to it to take care of a situation like that, because we run into the inevitable problem of the spouse all over again. The Senator knows how the Senate manifested itself the other day on this very matter.

Mr. STENNIS. We would naturally be concerned with an intimate matter of that kind, which is very personal. As long as the so-called will is just a piece of paper, so to speak, and not in operation, because death has not ensued, it certainly requires no reporting or any accounting or any reference in any way required to be filed. But after it becomes a real trust estate, if it is through operation of a law, and it has been probated and becomes a public record and some procedure is necessary in a record court, the committee thinks it is a source of income and trust that a Senator or employee would naturally report as he does everything else, but not in greater detail than is required in the resolution. We could not see any way to interpret it otherwise. That is the way we see it.

Mr. DIRKSEN. The matter could be cured, of course, by simply inserting, after the word "interest" in line 16, "except testamentary devise."

Mr. STENNIS. That would perhaps cure it and make it an exception. Of course, if this were a personal matter, I am sure we would have agreed to it readily, but it is not really a personal matter, and comes within the sources of income. We did not feel we could accept that suggestion without accepting others that might be required, and therefore we respectfully declined to support it. The committee had to go as far as it did, just as we went on the matter of disclosure. I think if we had not required these beneficial interests and fiduciary relationship income to be disclosed, we certainly would not have brought in a complete package here.

Now, if it was necessary to include that and if we make one exception, we open the door. We do not see how we could grant one and decline another, or very quickly we could have the whole concept more or less nullified.

For that reason, we respectfully regret that we cannot support the amendment.

Mr. DIRKSEN. Of course, Mr. President, I point out that these are not sacrosanct rules, and they can be reached by amendment at any time.

Mr. STENNIS. Oh, yes.

Mr. DIRKSEN. If perchance my estimate of the matter proves to be correct, then, of course, we would have to come in with a modification of the rule at some future time.

Mr. STENNIS. Yes.

Mr. DIRKSEN. But I did not want to let this occasion go by without raising what I think is a rather important question that is involved here.

Mr. STENNIS. I fully agree, as does the committee, with the Senator from Illinois about the importance of the matter, its relative sensitiveness, and the utmost personal nature of matters that are involved in it. I am glad that the

Senator raised the point and gave notice of such a possibility which could exist as to any of us.

Mr. DIRKSEN. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DIRKSEN. I certainly would not want to bring Senators over here at their inconvenience, and have a long afternoon of discussion, because there will be another day and another time when this matter can be reexamined.

Mr. STENNIS. Yes. I thank the Senator for his magnanimous spirit, which he always manifests, and for raising the point now in such a fine way.

AMENDMENT NO. 652

Mr. DIRKSEN. Mr. President, I call up amendment No. 652. Before the clerk reads it, I wish to say that this is a matter of real substance, and I am not at all sure that the committee will be sold upon what I am attempting to do here, because I am trying to make the effective date for all of these provisions May 16, 1969, instead of July 1, 1968, the date carried in the committee resolution.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 8, line 18, strike "July 1, 1968" and insert in lieu thereof "May 16, 1969".

Mr. DIRKSEN. Mr. President, when the House of Representatives considered this whole matter of ethics, they adopted the effective date of April 30, 1969.

The year 1969 is an off year; 1968 is not merely an election year, but it is a year for which Members already have goodness knows how many plans afoot. I think it is provided that this resolution shall become effective 90 days after it is adopted. That will require adjusting, of course, on the part of every individual Senator. It would seem to me to be far better if we removed it from the atmosphere of an election year, and let it become effective on the 16th of May 1969. That would be 1 day after everybody was supposed to have completed his income tax return and filed it for the prior year.

I do not know that the amendment requires any further discussion on my part, because the language is very simple, and it is just a question of what shall be the effective date for all these changes.

Mr. STENNIS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 10 minutes.

Mr. STENNIS. Mr. President, as the Senator from Illinois says, this is a far-reaching amendment, and I think it must be clearly understood; so I will go back just a little.

The committee worked on this matter a good long while, and had certain interruptions, and I think the Senators have been very patient. Frankly, I think the press has also been very patient with our committee and with the Senate, and the public as well. The public have an interest in this matter, of course, and we appreciate their concern. But we were not rushed into anything. We took our time. The matter deserved plenty of time.

We tried to bring in this report last November, but various things intervened; it is of no use to go into the details. Then we aimed for early January, and there was a long extended debate on another matter; then we got in, and the gold crisis pushed us out.

Anyway, the whole theme in the consideration of this matter has been that we should proceed, we should move along, we should accept these guidelines, and, after a reasonable time to digest whatever was passed, the resolution should go into effect.

It turned out, according to a vote of the Senate, that a vital part of the matter was this disclosure rule, which has now been fully understood and finally passed on, I think.

The copy of the income tax return is one of the main provisions of disclosure, with the other reports to go with it; but even under the terms of the Senate resolution as presented by the committee, no actual report will have to be filed until next May, which is a reasonable time, following the time we return our income taxes for the year 1968. Also, May of 1969 is when we will make these additional disclosures—within the sealed envelope, of course—about various transactions we had during that part of 1968 for which this resolution will be effective.

So there is no rush on anything. There is a provision for time to elapse between now and the date of effectiveness for the wheels to start turning on this resolution. Then there will be months and months; a year will pass before anyone will have to file an actual report. It will be more than a year from now—May 15, 1969; a year and 6 weeks, approximately—and after the regular income tax return is submitted.

So the only thing that will have to be done this year is to make some changes here, after the lapse of time, with reference to the so-called political fund, and start keeping a record of it. That is about the only difference; and that will not have to be disclosed until next May. That part that has to be publicly disclosed with the Secretary of the Senate will not come up next May.

So I do not foresee any hardship of any kind. We reconsidered this matter after it was brought to our attention here, in a very good way, by means of an amendment. I have said many times that time was not of the essence; that what we wanted to do was to get the best code that we could; and that is one reason why we took so much time getting the matter to the floor. But now, if the Senate agrees, I would respectfully say to our minority leader that we cannot find any justification for further delay in letting it start to operate.

Even though this is an election year, I do not see any hardship at all that will affect anyone. Yesterday afternoon, at the persuasion of the Senator from New Hampshire and other Senators, we took out the provision with reference to the staff of a Senator. That was a matter that was hard to adjust to, and it could affect some Senator's campaign planning. But that provision was knocked as high as the sky. The astronauts who are going around in the atmosphere are slow movers compared with what that amend-

ment did. That provision went out. I do not think there is any basis left now for any delay.

I am not complaining about what the Senate did. I can always live with what the Senate does after it has considered these matters.

The committee this morning considered this matter again and unanimously agreed that this provision should be stoutly defended. That is the purpose of my remarks now.

Mr. DIRKSEN. Mr. President, I have only this concluding word. It is strange that although we are all Members of Congress, one branch of the legislative body will file under one provision, and one will file under still another.

The only reason for even offering this amendment in the first instance was to bring the question into some degree of consistency. The House committee, consisting of 12 members, worked on this proposal for a long, long time. I am sure they were diligent in their labor. However, I think there ought to be at least reasonable uniformity as to when these rules would attach and become effective. That was the principal reason for my submitting the amendment.

Now I am going to withdraw the amendment, but I wanted the history to be made so that at some subsequent time there would still be an opportunity to modify the action of the committee with respect to the effective date. So I withdraw the amendment.

Mr. STENNIS. We certainly thank the Senator from Illinois. We think it was well to bring out the point he brought out.

I found that we changed the date from March to May, with reference to other reports, so I want my remarks to be corrected as to the date I gave.

Mr. DIRKSEN. Mr. President, I have one more amendment. I call up my amendment No. 656. I ask unanimous consent that the reading of the amendment be dispensed with but that the amendment be printed in the Record.

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

Amendment No. 656 is as follows:

On page 1, line 12, strike "rules" and insert "standing orders";

On page 2, strike lines 4, 5, and 6, and insert in lieu thereof the following:

"Sec. 2. The following are to be added as additional Standing Orders of the Senate:"

On page 4, strike line 1;

On page 4, strike line 26 and insert in lieu thereof the following: "under the standing order relating to disclosure of financial interests";

On page 5, strike line 2 and line 15;

On page 7, strike line 8 and insert in lieu thereof the following: "ported by the standing order relating to contributions,";

On page 8, strike line 5 and insert in lieu thereof the following:

"(a) the accounting required by the standing order relating to contributions for,";

On page 8, line 18, strike "rule" and insert "standing order."

On page 2, line 18, strike "rule" and insert in lieu thereof "standing order";

On page 2, line 19, strike "rule" and insert in lieu thereof "standing order";

On page 3, line 23, strike "rule" and insert in lieu thereof "standing order";

On page 5, in line 1 and line 14, strike "rule" and insert in lieu thereof "standing order";

On page 7, line 2, strike "rule" and insert in lieu thereof "standing order";

On page 8, line 14, strike "rule" and insert in lieu thereof "standing order";

On page 8, line 18, strike "rule" and insert in lieu thereof "standing order";

On page 8, line 21, strike "rule" and insert in lieu thereof "standing order".

Mr. DIRKSEN. Mr. President, these are modifications that should be made all the way through the resolution in order to make a package of standing orders rather than rules of the Senate. There is a reason for it.

On July 24, 1964, the Senate created the Committee on Standards and Conduct, but it was not done as a rule of the Senate; it was done as a standing order. There is a considerable difference, because if these are rules, and questions arise, the questions have to be referred to the Chair. There sits a Parliamentarian. He will have to pass upon these matters. Some of them, perhaps, will be very delicate, and that would put an unjust burden upon him. It would put him in the judgment seat, so to speak. I am sure he would not want to bargain for that kind of responsibility, nor should it be imposed upon him. That is the reason why these items ought to be standing orders rather than rules.

Standing orders are always printed in the rule book, and Senators can find there the order relating to the Select Committee on Standards and Conduct.

Even when we awarded service pins or emblems to the Members, we made that a standing rule.

The Senate youth program was established under a standing order.

We authorized suits by Senate committees as a standing order.

Loyalty checks on Senate employees are authorized under a standing order.

The printing of the Executive Journal is done under a standing order.

Hearings before Senate members of the Joint Committee on Atomic Energy are conducted under a standing order.

The Select Committee on Small Business was created by a standing order, not by a rule.

The purpose of the amendment now pending is to strike out the word "rule" wherever it appears; then these items can become a group of standing orders of the Senate.

Mr. STENNIS. Mr. President, this is a matter in which the Senator from Mississippi is not fully versed. I had known that this point would be raised, and I had suggested that it be deferred until the final moments of the debate for consideration.

Even though the Senator from Illinois may be correct, I am not willing to agree that the Senate would be handicapped in any way. We have a fine Parliamentarian, and we are proud of him. Ordinarily, we follow his advice. But after all, the Parliamentarian is just an adviser to the Senate. He does not rule on the rules; he merely advises the Chair on what is the rule. The Chair can follow his advice or not. My concept of the Senate is that the ruling come from the Chair. Anyway, that is what I was told when I first came to the Senate. When we say that we appeal, we appeal not from the advice of the Parliamentarian; we appeal from the ruling of the Chair.

I should like to request of him and of the Senate that the matter be laid aside for the time being, until we can confer with the Parliamentarian and any Senator who might wish to confer with us on this point.

I do not want the committee—there is no personal pride in this; I even voted against the creation of this small committee—relegated to second-rate status, and I do not want anything the committee adopts with respect to these proposals given second-rate status. In my opinion, they should be rules of the Senate, subject to the interpretation of the Chair. May we confer about this matter?

Mr. DIRKSEN. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 658

Mr. JAVITS. Mr. President, if the Senator from Illinois has concluded, I call up my amendment No. 658.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment, as follows:

On page 2, on line 16, strike out: "and has received permission from".

Mr. JAVITS. Mr. President, the purpose of my amendment is to raise with the committee the entire question of rule XLI as it affects employees of the Senate.

In this matter, Mr. President, I feel that I do not speak for myself but speak, rather, as an agent of the Senate; because the Republican caucus which we had last Tuesday, at luncheon, seemed to raise this as a question that was troubling us all.

Senator STENNIS, I must say, has been deeply understanding about it, and I gather that he will make some proposals to the Senate to deal with the problem.

This is the problem, Mr. President: A good many of the employees, and I have actually talked with them in my own office—I have some 36 in New York City, Washington, and Buffalo, which is as much as anyone has, but it is inherent in the fact that I represent such a large State—have felt rather demeaned by the fact that they had to come to the boss, as it were, though they do work for the United States, as has been said many times, and get "permission" to, for example, dabble around in stocks—it is not a very big deal for most of them, perhaps a few hundred dollars—or if somebody wants to buy a lot on speculation. Also left in question is whether their own home would represent a proper exempted transaction or whether they would have to get permission from the Senator to but their own home or to sell it.

Another matter that is worrisome—and I believe this is important for the committee to note—is the requirement that the employee must have reported in writing, but there is no requirement that the permission be in writing. I must say that, for my part, I was appalled to remember that when the very unfortunate case of the Senator from Connecticut was before the Senate, there was some conflict as between his employees and himself with respect to what he said and what they said.

That is the vital part of the authority given to the committee by the Senate. It is a direct declaration of authority to the committee by the Senate. I do not think we could report in any other way than as described in the standing order.

Mr. DIRKSEN. I never for a moment impeached the propriety of what the committee has done by offering these as rules. I lay my amendment on the premise that a rule must be interpreted, and the prejudgment in every case virtually starts with the Parliamentarian, for when a question is addressed to him, the Chair obviously gets the opinion of the Parliamentarian. More often than not—I would rather gather in 95 percent of the cases—the Chair will follow the advice of the Parliamentarian.

He is there because he is skilled in the interpretation of the rules and the precedents of the Senate. This imposes an additional burden, in the form of judgment on these matters, which I do not believe should be reposed upon him. If it is done in the form of standing orders, then it goes right back to the responsibility of the Committee on Standards and Conduct.

If we had not drafted the Cooper resolution in 1964 in quite the hurry we did, we might have taken account of the words "rules and regulations" and made certain that the text was correct, indeed.

But I do not for a moment take issue with the distinguished Senator from Mississippi as to the propriety of what has been done.

Mr. STENNIS. I thank the Senator.

I said in our own conference that because of that possibility, it made every Senator a surety for his employees, that the employees would not be operating improperly. I certainly would not controvert one of my employees if he said, "I told you, Senator, and you didn't say 'No.'" We do so many things that it would be difficult to contradict one's employee flatly, unless we were mighty sure that we had not in some busy moment heard about it and not reacted.

Another problem which it presented—again, I only submit these items, and I know that Senator STENNIS has some proposals to make—is that the employees who earn \$15,000 or more, and who are required to file, as are Senators, and I believe that is best, seemingly are included under rule XLI, also.

So they would be subject to two things: They would have to file, as would a Senator; and they would also be under the rather subservient requirement that they had to get the "permission" of the Senator to do almost anything.

Finally, it seemed to me that when the committee spoke of sanctions—incidentally, I am in favor of this resolution, and I have been one of the agitators for a code of ethics, so there is no question of my seeking to do anything but be practical about it, because that is the only way to make it effective—when the committee spoke of sanctions on a Senator as being the way in which the Senator can be controlled, he always has to respond to constituents, and he has to deal with whatever is a matter of public record. The same is true of an employee. He has to deal with the Senator. The Senator can take him off the payroll if he wishes. So there is a sanction there, too, if he just reports.

The rather servile requirement that he get permission for almost the smallest thing which is outside his employment in the Senate seemed to me to be rather inappropriate to our own respect for our employees, in addition to imposing upon us a very serious burden and responsibility, which we could find onerous and embarrassing.

For all those reasons, I thought the easiest way of raising the issue was by taking out the word "permission"; and I am hopeful now that the committee, having been sort of prompted along this line, will come up with some effective solution for these problems.

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

Mr. JAVITS. I yield.

Mr. ALLOTT. I wish to join with the distinguished Senator. I must say that in discussing this matter not only with employees of the Senate, on the floor, but also with my own staff, this has given me a considerable amount of difficulty.

I believe that much of the criticism that the Senate has enjoyed has come from the fact that most people, even those who think they are knowledgeable, not ever having been in a Senator's office, do not actually understand what goes on.

I agree with the Senator. As I view this language, I would become, in fact, almost a surety for each member of my office. But what is worse, it would require that

my employees report to me everything they own, everything they purchase, and everything they sell—if they sell it at a gain; or if they sell it at a loss, it does not matter. To me, there is something wrong about this.

Of course, now and then, a Senate employee goes wrong. But they go wrong in churches and in lodges. And this is one of the frailties of human nature.

I hope the Senator will not feel frustrated because one who has only 16 employees in his office talks about this matter, as compared with 36, but it does not matter how big the office is.

If I were an employee and were asked by my employer to do this, I would think I had been relegated to a second-class position. I would be very tempted to tell my employer, "If you don't have any more confidence in me than this, you fire me; and if you don't fire me quick enough, you can have my resignation anyway." It really puts all these people in a completely defensive position.

We have spoken on the floor of the Senate about appointing and accusing every Senator. But if anything in the world does this to a staff member, it seems to me that this does it.

Mr. President, I hope the committee can find some answer for this matter.

Mr. JAVITS. I thank the Senator very much.

Mr. STENNIS. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I hope that we will have the attention of all Senators who are in the Chamber. This is a matter of interest to all Senators and a matter of concern to all Senators, as well.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield.

Mr. JAVITS. Does the Senator think it would be well to have a brief quorum call so that Senators may know what we are talking about?

Mr. STENNIS. I would be glad to have a quorum call and I hope we would be successful in getting more Senators to come to the Chamber.

Mr. BIBLE. Mr. President, will the Senator yield to me before suggesting the absence of a quorum?

Mr. STENNIS. I am glad to yield to the Senator from Nevada on my time.

Mr. President, I yield 1 minute to the Senator from Nevada.

STATEMENT OF POSITION ON RESOLUTION

Mr. BIBLE. Mr. President, I find I necessarily must be absent from the Senate Chamber between 3 and 4 o'clock this afternoon. In the event that the resolution gets to a rollcall vote on final adoption, I want the Record to show that I am in favor of the resolution, and to have my name recorded in favor of it. I hope that I will be back in the Chamber by that time, but I may not be able to be present.

I thank the Senator from Mississippi and the Senator from New York.

Mr. STENNIS. I thank the Senator.

Mr. President, I join the Senator from New York in asking unanimous consent

that we have a quorum call without the time being charged to either side. This matter could bring about some debate.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. JAVITS. I yield myself 30 seconds.

The PRESIDING OFFICER. The Senate will come to order. Senators will take their seats so the Speaker may be heard.

The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I hope that attachés will tell Senators what is taking place in the Senate Chamber, although we have called them.

The PRESIDING OFFICER. Attachés may advise Senators that an important debate is in progress.

The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I yield myself 15 minutes or as much time as I may use for this purpose.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I ask that the Senators turn to page 2 of the resolution. I believe this will be of interest to all Senators. This is the rule that pertains to outside activity or employment by officers or employees. It concerns the responsibilities of the Senator, chairmen, and so forth.

The committee has several times very seriously considered this rule and considered the suggestions that have been made since the report was published.

As I announced in the Chamber the very first day that this resolution was before us, the purpose of the committee was to try to avoid infringing on the intimacy of that relationship of trust and confidence between the Senator and his staff, all the way around, and at the same time, in view of some unfortunate happenings in the last few years, to get some kind of report that would at least disclose to the Senator activities in which the staff might be involved.

This is no more a reflection on the staff than is the passage of any other rule or law that might deal with a conflict with their responsibilities to the Senator in their official duties, or to the chairman of a committee or a subcommittee. There might be something that would be a conflict of interest under the statutes and something that he should know about. We have never put any penalty on the Senator and really, there is no penalty on the staff, as such.

I said that a willful violation or evasion of this provision could place a staff member in a position where he could be handled by declaring that he could not draw any more compensation. At any rate, we were trying to handle a very delicate matter.

Mr. President, we recommend the following by way of amendment to the original proposal of the committee, which

would, in effect, be a substitute, but not trying to displace the other language or anything which the Senator from New York might have in mind.

On page 2, line 7, we propose to separate outside employment and personal services from financial activity.

We propose to strike out the word "financial" on line 7. I ask that Senators mark through that word.

On page 2, line 10, strike out the word "financial." We will handle "financial" separately and later.

On line 11, strike out the words "or gain". That would pertain to "financial."

Now, come down to line 13, still on page 2, before the word "with," we propose to insert the words "or in conflict".

We are sorry we do not have printed copies of these amendments. There was not sufficient time.

On page 2, the next proposal begins on line 15. Strike out all of the language to and including line 18. That means that beginning with line 15, the entire subsection (b) goes out. That paragraph contains the provision with respect to reporting in writing, the activity or employment and receiving permission from the Member of the Senate or officer of the Senate charged with supervision of the officer or employee.

As a substitute for paragraph (b), after striking out lines 15 through 18, we propose this language:

(b) he has reported in writing—

That is, the staff member—

when this rule takes effect or when his office or employment starts—

That is obvious—

and on the 15th of May in each year thereafter—

In other words, this annual accounting would have to come before May 15 of each year or thereafter—

the nature of any personal service, activity, or employment—

That is all he would be required to report to his supervisor, Senator, or chairman. That is all he would have to report—

the nature of any personal service or activity or employment to his supervisor.

That is, the Senator, or chairman, or chairman of the subcommittee.

The supervisor shall then, in the discharge of his duties—

That makes it official; there is a responsibility as a Senator or as a chairman in the discharge of his duties—

take such action as he considers necessary.

A Senator has some responsibility to the public and to the Senate about his employees, "to take such action as he considers necessary for the avoidance of a conflict of interest or interference with duties to the Senate."

That is the end of paragraph (b).

That is all that a Senator would be called upon to do. It is an important matter. It is highly important. As I see it, it is nothing more than a man would want to do anyway. I have some responsibility to the Federal Government, which is paying my office staff and paying me, too. So that all the subcommittee

chairman or committee chairman would have to do would be to have someone collect them and make some kind of notations upon anything they thought he might have to consider and then, in our official capacity as an officer of this body and a Member, we would, in the discharge of our duties, take such action as we considered necessary in our official capacity, and in our discretion and judgment, for the avoidance of a conflict of interest or interference with duties to the Senate.

We thought that that gave everyone a complete view of what was happening.

Again, on the financial part, later, we gave an opportunity at least to talk to his members of the staff, if he thought he should. I would think that any staff member that has any question raised about any of his holdings would be glad to talk about it. Then, whatever the Senator thinks he should do, that is up to him. But it certainly is a matter that deserves some attention, and does not require him to insure anything about a conflict of interest or interference with duties. So that is the story.

As I have already said, we have had many requests for copies of this, and I am embarrassed that we do not have them ready. It was only typed by the time the Senate convened today. We will get copies to all Senators in a few minutes except as to the financial part, which is left out; that is, financial investments, stocks and bonds, and everything else along that line.

By the way, contrary to my idea ever to try to discourage anyone that comes on my staff, I strongly advise them to invest in something, and try to talk them into something that will cost \$20 to \$50 a month, something with a gross. So I am not trying to prevent anyone from buying stocks and bonds, and so forth.

But, on the financial part, we have a provision now in the other rule, the latter part of the last rule, beginning on page 5, that all officers and employees of the Senate compensated at the rate in excess of \$15,000 a year, shall file with the Comptroller General.

That is the standard provision that has been in there all the time and will take care of financial interests so far as the rule we recommend now is concerned, that all employees earning \$15,000 and above must file a copy of their income tax return. There is no use to go further—I will hurry over that—and the other matters required that will be under seal. But it will be within ready reach of the Senate.

Rules can be changed only on a vote of four members of the committee. If there is anything found that is thought to be irregular, there must be notice given, and so forth.

That is our attempt to balance this thing off and get disclosures to the Senator and the confidential disclosures to the General Accounting Office. We believe that completely meets the obligations we are under here to have some regulations.

Mr. LONG of Louisiana. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. LONG of Louisiana. Is that language strong enough to make it clear that it is applicable only to employment or

self-employment where a man has his own private business?

Mr. STENNIS. I think so. We intend for him to report any outside employment, whether he is running a taxicab down here, or has an independent taxicab service. That is a simple illustration to give. He would have to report that. That is our intent. That is a good point, Senator.

Mr. JAVITS. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

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

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, will the Senator from Mississippi yield to me before the Senator from New York?

Mr. STENNIS. I yield, if the Senator from New York will.

Mr. JAVITS. Of course, I yield.

Mr. FULBRIGHT. I would say to the Senator that I had prepared an amendment to offer which dealt only with the employees of a committee. I discussed this with him the other day. There are some very large committees whose chairmen, in the first place, do not hire all the professional staffs. They are not personally responsible as they are for their own senatorial offices, which of course is their responsibility. That was the question I was seeking to get at. Some of the committee staffs number as many as 50 or more employees. Purely as a clerical matter, of a chairman having to receive notices, and all of that, is what I was seeking to get at.

With this simplification, it certainly improves the resolution. My committee staff is not anywhere near so large as are the staffs on the Committees on the Judiciary and Government Operations. I think those two chairmen will have quite a job even receiving notices, even though they do not have to approve them.

Mr. STENNIS. The Senator raises a good question. There is no approval involved now. The mistake—if I may use that word—the committee made was in trying to join all financial interest matters, all outside activities into one rule, one paragraph, and one category. We overspoke ourselves.

As to the financial matters, what we were wanting to do is what I have already explained. I think it greatly simplifies the situation.

Mr. FULBRIGHT. What the Senator has proposed does simplify the whole matter and takes away the principal justification from my amendment.

Mr. STENNIS. I believe it will be. I hope it will be. I hope that we can have the Xerox copies in the Senate Chamber in a few minutes and get this thing on the road.

Mr. JAVITS. Mr. President, from the sound of it, and that is all we have, it does sound like a very good solution. I compliment the committee. It certainly has performed. I wanted to raise the issue first. I shall assimilate my amendment with that of the committee's, as soon as we see a copy of it; but I should like now to restate what I understand to be the situation so that, as I am the proponent, we have it clear.

One is that reports will be required, as the committee would specify, for moonlighting—that is really what it is, jobs, self-employment—other than employment with the Senate.

Second, for financial and other transactions, employees earning under \$15,000 a year will be unaffected. Employees earning over \$15,000 a year will have precisely the same responsibilities as a Senator. It seems to me that is an intelligent plan.

Mr. President, to give us a moment or two to look at the copy, I suggest the absence of a quorum, with the time not to be charged to either side.

Mr. STENNIS. Mr. President, will the Senator withhold that request for a moment?

Mr. JAVITS. Yes.

Mr. STENNIS. We have other business that can be transacted, if the Senator will withhold that request.

Mr. JAVITS. Yes.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Arkansas [Mr. Fulbright].

STATEMENT BY VIETNAMESE STUDENTS IN THE UNITED STATES

Mr. FULBRIGHT. Mr. President, a group of young Vietnamese students at colleges in the United States and Canada recently issued an appeal to "end the war before it is too late." These young people, who will inherit the fruits of this bloody war, stated:

It is clear that there are limits to what American power can do in Vietnam; on the other hand, there are no limits to what American power can do to Vietnam. Unleashing on a small country the most destructive fire power ever known to mankind, the United States has brought our nation to the brink of annihilation.

I ask unanimous consent to have the plea of these young Vietnamese printed in the RECORD. I hope that it will be heeded by both sides.

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

TO SAVE BENTRE IT HAS BECOME NECESSARY TO DESTROY IT

We, Vietnamese in North America, speaking as individuals and independently of any political or religious organization, together voice our anguished concern over the war in our country.

At the moment, in the name of the highest sounding principles, the parties to the conflict in our country are fast reducing our villages and cities to ashes and rubble; in the process, tearing apart the whole fabric of our society.

To our widows and orphans, to our civilians mangled and burned beyond recognition, to our dead rotting unburied in sun and rain, we owe nothing less than the truth: this is not a struggle for freedom and democracy; it has become a war of genocide.

By now, it is clear that there are limits to what American power can do in Vietnam; on the other hand, there are no limits to what American power can do to Vietnam. Unleashing on a small country the most destructive firepower ever known to mankind, the United States has brought our nation to the brink of annihilation. The words of the American commander, that "To save Bentre it has become necessary to destroy it" plainly reflect the moral, political

and military bankruptcy of American policy in Vietnam. Both self-interest and moral responsibility, then, make it imperative that the people and government of the United States take the lead in ending this conflict.

To end the war before it is too late, we call upon the American government to heed Secretary-General U Thant's appeal and stop all bombing of North Vietnam. We call upon the United States government, the government of South Vietnam, the government of North Vietnam and the National Liberation Front to promptly reach a peaceful settlement. A lasting peace for Vietnam should be based upon a total withdrawal of foreign troops that will allow us, Vietnamese, to shape our future free from all foreign interference.

We urgently appeal to the world community, through the United Nations, to condemn, in view of their devastating effects on our people, the use of chemical warfare, napalm, and anti-personnel bombs. Finally, to prevent the ultimate crime against mankind, we ask the General Assembly to forbid the use of nuclear weapons by any party in this conflict.

In this dark hour of history, we appeal to all men of good will in the world, particularly in the United States, to join us in denouncing this war and in working for an immediate return of peace to Vietnam.

Coordinators: Ngô Vinh Long, Le Thi Mai Van.

Your signature here:

LIST OF STUDENT SIGNERS

Le Anh-Tu, Bryn Mawr College.
Quan Tu Anh, Montreal.
Vo thi Bach-Tuyet, New Haven.
Nguyen Huu Dung, Universite de Montreal.
Nguyen Quang Hoc, Universite de Montreal.
Trinh thi Hoang Mai, Quebec.
Nguyen thi Loan Anh, Cornell University.
Ngo Vinh Long, Harvard University.
Le thi Mai-Van, Yale University.
Nguyen Ngoc Phuong, Universite de Montreal.
Cong Huyen Ton Nu Nha-Trang, Berkeley.
Nguyen Thu-Huong, Macalester College.
Vo Thu-Nguyet, Universite de Laval.
Nguyen Thuy-Hoa, Universite de Montreal.
Nguyen Manh Tuong, Universite de Montreal.
Nguyen Hoi Chan, Radcliffe College.
Coordinators: Ngo Vinh Long, Le thi Mai Van, Nguyen Quang Hoc.

GULF OF TONKIN INCIDENTS

Mr. FULBRIGHT. Mr. President, on February 20 the Committee on Foreign Relations heard former Secretary of Defense McNamara testify on the August 1964 incidents in the Gulf of Tonkin. These hearings were released a few days later and now stand as important testimony to what actually happened in the Gulf of Tonkin during the few days that fundamentally changed the character of U.S. involvement in the Vietnam war. I commend a careful reading of these hearings to my colleagues.

I also suggest that Senators read the very thoughtful review of the hearings done by I. F. Stone in the New York Review of Books of March 28, 1968, entitled "McNamara and Tonkin Bay: The Unanswered Questions."

Mr. Stone is one of the most industrious and perceptive journalists I know. In his review of the committee hearings, Mr. Stone has drawn attention to a number of questions left unanswered by the Secretary of Defense and General Wheeler. I can assure Senators that the commit-

tee intends to continue to press the Department of Defense for the information we have thus far not received.

Mr. President, I ask unanimous consent that Mr. Stone's article be inserted in the RECORD at this time.

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

McNAMARA AND TONKIN BAY: THE UNANSWERED QUESTIONS

("The Gulf of Tonkin, The 1964 Incidents," hearing before the Committee on Foreign Relations, U.S. Senate, 90th Congress, 2d session with the Honorable Robert S. McNamara, Secretary of Defense, on February 20, 1968 (released February 24, 1968), U.S. Government Printing Office: Washington, D.C., 30 cents.)

(By I. F. Stone)

The big surprise at the new Tonkin Gulf hearing held by the Senate Foreign Relations Committee was the attitude of Secretary McNamara. Chairman Fulbright greeted him with affection and respect. "I for one," Fulbright said, "regret to see you leave the Government at this very perilous time in our history." The Committee's mood was nostalgic. Even Morse, McNamara's sharpest interrogator, called him "one of the most dedicated public servants I have experienced in my twenty-eight years in the Senate." Fulbright assured the Secretary that in seeking to establish the truth about the Tonkin Gulf incidents of August 2 and 4, 1964, "the purpose is not to assess blame on anyone, certainly not upon you." It was "simply to review the decision-making processes of our Government in time of crisis."

At the beginning of the hearing Fulbright was characteristically gentle and philosophical. He expected McNamara, in this last appearance before a Senate committee after seven years as Secretary of Defense, to enter into the investigation in the same spirit. Fulbright was encouraged in this expectation by McNamara's manner the previous Sunday on *Meet the Press*, when the Secretary referred sadly if cryptically to the many mistakes made in Vietnam and volunteered a confession of personal responsibility for those committed at the Bay of Pigs. Fulbright said he had long since admitted his own shortcomings in connection with the Tonkin Gulf affair. "I am a firm believer," Fulbright said, "in the idea that to acknowledge my mistakes of yesterday is but another way of saying I am a wiser man today." He expressed the view that it might be helpful to future Senators and Secretaries "and even future Presidents" if the way decisions were reached in the Tonkin Gulf affair were reviewed. "Mr. Secretary," Fulbright said, "I believe all of us here share your own desire that the United States profit from its mistakes—not repeat them."

But McNamara came on not as a fellow philosopher, ready to reminisce on the common errors of the past, but—as one staff member later phrased it—"like a 10-ton tank." At no point was he prepared to admit that any mistake had been made in the Tonkin Gulf affair. He showed no readiness for reflection, much less contrition. The Pentagon's own internal communications on the Tonkin Gulf incidents, as obtained by the Committee, were confused and murky. The full truth about the incidents, which triggered the first American bombing raids upon North Vietnam, is unlikely ever to be uncovered. But in McNamara's version they were evaluated with accuracy, beyond a shadow of a doubt, and responded to with precision. This was neither dove nor hawk but a fighting cock, insisting that he had had everything at all times completely under control. It was as if the Committee had touched the most sensitive depths of his pride, and perhaps also threatened to open up aspects of the story McNamara preferred

to remain untold. In retrospect his belligerence may prove as significant as it was unexpected.

Very early in the hearing McNamara indicated that he was going to play rough. He was examined in executive session, and at the very beginning Fulbright expressed the wish that McNamara withhold his prepared statement from the press "until after the committee has gone through the hearings" and decided what to do about its own staff report on the Tonkin Gulf incidents. "I thought it would be much fairer," Fulbright said, "if we could arrange to release them simultaneously." McNamara seemed to agree, but added, "I doubt very much that we will be able to withstand the pressures of the press today without releasing it." The Pentagon is not exactly inexperienced in the ways of withholding information it does not wish to release. Sure enough, during the luncheon recess it seized upon a remark by Senator McCarthy to the UPI as an excuse to release McNamara's prepared statement to the press, jumping the gun on the Committee and getting McNamara's version into the papers first. McNamara told Fulbright when the executive session resumed after lunch that McCarthy told the UPI McNamara had admitted that one of our destroyers had penetrated North Vietnam's 12-mile limit. "That is just contrary to what I said this morning," McNamara said. "I cannot stand by without having what I said in my statement issued." McNamara could not have hung his release on a more finely split hair. Indeed the difference between what McNamara said and what McCarthy said he said does not speak well for McNamara's candor.¹

The real purpose served by the release of the statement even before the executive session was over was not to correct McCarthy but to make the headlines with the counter-attack with which McNamara ended his prepared statement. "As a final point," McNamara said, "I must address the insinuation that, in some way, the Government of the United States induced the incident on 4 August with the intent of providing an excuse to take the retaliatory action which we in fact took. I can only characterize such insinuations as monstrous. . . . I find it inconceivable that anyone even remotely familiar with our society and system of Government could suspect the existence of a conspiracy which would include almost, if not all, the entire chain of military command in the Pacific, the Chairman of the Joint Chiefs of Staff, the Joint Chiefs, the Secretary of De-

fense, and his chief Civilian Assistants, the Secretary of State, and the President of the United States."

Put in this question-begging form, of course it was monstrous. Nobody had implied any such widespread conspiracy to bring about the incident—real or alleged—of August 4. But the more one studies the evidence so far available the more one does begin to see the outlines of a conspiracy, not to fabricate the incident of August 4, but to plan and to put into motion a sharp escalation of the Vietnamese war in the very year Johnson was campaigning for election as a man of peace. The aerial deployments necessary, not for the one retaliatory strike which followed the Tonkin Gulf affair, but for the continuous bombing of North Vietnam which began in February 1965, were ordered and accomplished—as was the alerting of combat troops—in the very year Johnson was promising not to widen the war. This was the conspiracy and this was monstrous and this is what will fully appear if the Senate Foreign Relations Committee finishes its job. One major and one minor aspect of this conspiracy are left tantalizingly unexplored in the record of the new hearing at which McNamara testified.

The major aspect involves the steps taken to widen the war before the Tonkin Gulf incidents which provided the public excuse for them. As these steps began to figure in Fulbright's examination of McNamara, it was curious to see how McNamara—who remembered so much and so exactly at other points in the hearing—suddenly suffered from lapses of memory. Fulbright cited an article by Hanson Baldwin in *The New York Times* in July of 1964—a month before the Tonkin Gulf incidents—saying that Pentagon sources were then arguing for extension of the war into the North. "Were there in fact," Fulbright asked, "recommendations by the U.S. military at any time from late 1963 until July of 1964 to extend the war into the North by bombing or any other means?" This was hardly a minor question, especially for an executive like McNamara who prided himself on a detailed knowledge of what was going on at the Pentagon. Suddenly the super whiz kid went blank. "Mr. Chairman," McNamara said, "I would have to check the record on that." He couldn't recall any such recommendations but he would be happy to check his records and supply an answer. The answer as supplied and inserted in the printed record at page 22 was amazingly cryptic and inconclusive. It consisted of two short sentences saying, "We have identified no such recommendation. A check of the records of the Joint Chiefs of Staff is continuing." Will the Committee drop the matter, or will it insist on an answer?

Fulbright turned at this point from McNamara to General Wheeler, Chairman of the Joint Chiefs of Staff, and asked, "I wonder if General Wheeler knows at this time?" The General's answer will repay careful study. "I don't believe so, Mr. Chairman," General Wheeler began. This was a curious reply. A witness asked if he knows something will usually reply (1) yes or (2) no or (3) that he can't recall. The General came up with a new one. Asked if he "knows at this time," he replied "I don't believe so." What does it mean when a witness says he doesn't believe he knows something? That he is waiting to go home and interrogate himself more closely? The rest of his reply, in its odd qualifications, indicates that the General was not being frank with the Committee. "I think that the proper answer would be," General Wheeler continued, "that there were certain intelligence activities [deleted] but to the best of my knowledge and belief during that period there was no thought of extending the war into the North in the sense of our participating in such actions, activities" (Italics added). He too promised to check for the record.

Now in one of the three speeches Morse made on the Senate floor after the hearing

(on February 21, 28, and 29) one may find the key to what Wheeler meant by saying "there was no thought of extending the war into the North in the sense of our participating in such actions." In those three speeches Morse courageously "declassified" most of the hitherto secret material the Foreign Relations Committee obtained from Pentagon files in its investigation. In his speech on February 29 Morse threw new light on the program for commando raids on the North known as OPLAN 34-A, which figured in the background of the Tonkin Gulf incidents. He revealed for the first time that this was initiated as early as February 1964 jointly by the South Vietnamese forces and the U.S. military advisory group in Saigon. Under this program Morse told the Senate:

"U.S. personnel were assigned to provide advice, training and assistance for South Vietnam maritime operations against North Vietnam. A U.S. Navy detachment was assigned to train and advise the South Vietnamese. For the first few months in 1964, the operations consisted of intelligence and interdiction missions. In July of 1964—the same month the Maddox began its patrol—the U.S. made available eight fast patrol craft to the Government of South Vietnam. The new craft permitted an extension northward of the attacks on North Vietnam."

From this account it appears that General Wheeler was being disingenuous when he said "there was no thought of extending the war into the North in the sense of our participating in such actions." If General Wheeler interrogates himself more closely he may come to believe that he knows more than he believed he knew when he was before the Committee.

While this secret extension of the war northward was going on, the State Department was not idle. It was drawing up that blank check resolution for a wider war in Southeast Asia which has come to be known as the Tonkin Gulf resolution. This was drawn up well in advance of the Tonkin Gulf incident. Here again McNamara suffered a lapse of memory. When Fulbright asked him whether he had ever seen the draft resolution before the Tonkin Gulf incidents, McNamara said "I don't believe I ever saw it." McNamara added that he called William P. Bundy, Assistant Secretary of State for Far Eastern and Pacific Affairs, "to ask him if he had any recollection that I ever saw it. He states that he has no recollection that I did, and he believes that I did not. But I can't testify absolutely on that. My memory is not that clear." What followed in the interrogation shows how even the best of our human IBM machines can on occasion falter:

"The CHAIRMAN. Mr. Bundy told this committee that this draft was prepared some months before the Tonkin incidents in the hearing. You know that."

"Secretary McNAMARA. I know that, but I don't think he said I saw it."

"The CHAIRMAN. No, I was asking you, you don't think you saw it?"

"Secretary McNAMARA. I don't believe I saw it, and he doesn't believe I saw it."

"The CHAIRMAN. Isn't it customary for the State Department to consult you on a matter of this kind?"

"Secretary McNAMARA. Well if it were a working paper and that is apparently what it was, no. It hadn't advanced to a point of decision within the Government."

Presumably "the point of decision" was the August 4 incident. It is hard to believe that a Secretary of Defense as famous for his memory as McNamara would recall so little. The war was being extended northward through these new South Vietnamese activities under American auspices, and a resolution was being readied to authorize the President to widen the war any way he saw fit. Yet McNamara cannot recall that he ever heard of it.

The same kind of amnesia appeared when Fulbright went on to open up the most im-

¹ McCarthy said McNamara had admitted that the *Maddox* had invaded North Vietnam's 12-mile territorial limits. What McNamara said (p. 13 of the hearing) was that "at no time . . . did the *Maddox* depart from the international waters. It had been instructed to approach the North Vietnamese coastline no closer than 8 nautical miles and any offshore island no closer than 4 nautical miles." This invasion of the 12-mile limit was defended by the Secretary on the grounds (1) that the U.S. "recognizes no claim of a territorial sea in excess of 3 miles" and (2) that there is "no official documentary configuration" of North Vietnam's claim to 12 miles. Presumably even if there were such a claim, we would not recognize it. Four years ago McNamara simply deleted from the first Senate hearing (pp. 32-33) the fact that our destroyers were instructed to penetrate North Vietnam's 12-mile limit in order to keep this provocative action from public knowledge. Morse's Senate speech of February 29, page 4692 of the CONGRESSIONAL RECORD disclosed a portion of the orders to the *Maddox* which McNamara did not mention. The destroyers were instructed not to approach the Communist Chinese coast any closer than 15 miles. Why did we honor Peking's 12-mile claim and not Hanoi's? Obviously we were willing to risk provoking the North Vietnamese but not the Chinese Communists?

portant question of all. This was whether the aerial and troop deployments announced under the cover of the Tonkin Gulf incidents were actually made *before* those incidents occurred. This is where the body is buried and this is where the Senate Foreign Relations Committee owes the country an obligation to complete its job.

To understand the tricky story of these deployments one must go back to Secretary McNamara's appearance before the Senate Foreign Relations and Armed Services Committees on August 6, 1964—the original hearing on the Tonkin Gulf resolutions. In his formal statement at the joint hearings, the Secretary said "the President and his principal advisers" had decided "that additional precautionary measures were required in Southeast Asia" and that "certain military deployments to the area are therefore now underway." Six measures were announced, including "movement of fighter bomber aircraft into Thailand" and "the alerting and readying for movement of certain Army and Marine forces." In retrospect this was the signal that the Johnson Administration was getting ready for the bombing of the North (which could only be done on a heavy and continuous scale by using Thai bases) and for the dispatch of combat troops to South Vietnam. But this was not discussed with the Senators at the joint session nor did it figure in the Senate debate on the Tonkin Gulf resolution. If known, it would have alerted the Senate and the public to what was being cooked up under cover of the incidents and the resolution. It would also have ruined Johnson's image as a peace candidate against Goldwater. So this information was withheld. It was included in McNamara's prepared statement and inserted later in the hearing record, but this record was so tied up in security snafu by the Pentagon and the State Department, and by other forms of delay, that it was not finally released until more than two years later, on November 24, 1966. Even the date was skillfully chosen, for that was Thanksgiving Day when it was likely to attract little public attention.

By that time the hearing record looked like ancient history to the press anyway and nobody noticed the significance of the military deployments disclosed in McNamara's prepared statement. I myself never read it until several weeks later when I began to do the research for the three-part series on Senator Fulbright which I wrote for *The New York Review*. It was in the second installment of that series, published in *The New York Review*, January 12, 1967,² that public attention was first called to the significance of those carefully buried revelations. I later learned that although the prepared statement was passed around at the hearing, no member of either committee seems to have had time to read it and ask questions while McNamara was on the stand. Later, other Senators could only have noticed it if they had taken the trouble to come to the committee hearing rooms and read the record there, for as a classified document it was not—until November 24, 1966—available elsewhere and it was not available to the staff assistants on whom Senators depend. This was perhaps the most ingenious device ever hit upon to make a record which could effectively be kept secret while allowing the Administration afterward to claim that they had disclosed it.

The transcript of the new hearing of last February 20 shows that McNamara and his military aides are still unwilling to be wholly frank about these deployments. The McNamara statement of four years ago said that because of "the unprovoked and deliberate attacks in international waters . . . certain military deployments are now under-

way." This gives the impression that the deployments were a result of the Tonkin Gulf incidents, even though—as any sharp reader will notice now—they were taken *before* the passage of the Tonkin Gulf resolution which was Johnson's authority for widening the war. But now the Senate committee found neither McNamara nor Wheeler ready to assure it that the deployments did in fact follow the incidents.

When Fulbright could get only a fuzzy reply from McNamara on the deployments, he turned to General Wheeler and said, "Maybe you are more familiar with military equipment. Is it not true that fighter bombers were moved into Vietnam and Thailand immediately after this [the incident of August 4] took place?" General Wheeler replied, "We moved some bombers in 1964, but I don't have the exact dates." But Wheeler had not been asked for exact dates, but only whether the deployments followed the second incident. So now Fulbright asked him, "Were these units alerted to impending movement prior to the Tonkin Gulf incidents?" The question, prepared by staff, reflected the fact that the Senate committee had collected considerable evidence that certain units *had* been alerted for movement before the incidents. Wheeler's reply was wary:

"General WHEELER. To the best of my knowledge, not, Mr. Chairman, but I will check that also, and make sure.

"The CHAIRMAN. Would you check whether or not you considered sending these units to South Vietnam and Thailand prior to the Tonkin incidents.

"General WHEELER. I will check that particular point."

At this point in the printed record there is a notation, "The following information was later supplied: We have not identified any air unit which had been alerted for movement into South Vietnam or Thailand prior to the Tonkin Gulf incidents. A check of the records is continuing." This is not a very responsive reply. It does not answer the question of whether such movements were "considered" before the incidents. It only says the Pentagon searcher had "not identified" any air unit alerted before those incidents. The phrasing is odd and in one respect revealing. It does not say that no units were alerted. It says only that it has not "identified" any "air unit" so alerted. The reply is confined to air units. The key to this may lie in a fact to which John McDermott first called attention in his penetrating review of Roger Hilsman's *To Move A Nation* (*The New York Review*, Sept. 14, 1967). McDermott noted a series of steps taken in the first half of 1964 to escalate the Vietnamese conflict, including the announcement on July 27, just six days before the first Tonkin Gulf incident, that we were sending another 5,000 troops to South Vietnam. Oddly enough no discussion of this appears in the Committee hearing. Were the "selected Army and Marine forces" to which McNamara referred in his statement of August 6, 1964 in addition to this 5,000? If so, were the new combat troops alerted before the incidents? Why this nonsense about "a check of the records is continuing," as if we were dealing here with some obscure disappearance of a recruit or a mislaid shipment of rifles? Could men as able as McNamara and Wheeler really be so ignorant of so important a matter? Why were they unable by unequivocal answer to scotch a suspicion most damaging to them and the Administration?

Morse interrupted at this point in order, as he said, to "help" the Secretary refresh his memory, and read McNamara his own description of these deployments in his prepared statement of four years ago. McNamara replied:

"I will be very happy to determine when those movements were first initiated, when the units were put on alert, and whether it occurred before the Tonkin Gulf incidents. I don't recall that information."

This was followed by a veritable cascade of non-recalls by a Secretary who is otherwise famous for his phenomenal memory:

"The CHAIRMAN. Mr. Secretary, if there had not been a Tonkin Gulf resolution would you have recommended to the President and Congress that the US step up its military assistance to South Vietnam . . . ?

"Secretary McNAMARA. Mr. Chairman, I think it is a speculative question. . . .

"Chairman FULBRIGHT. But to be more specific was there any plan for such an intensification of the US involvement?

"Secretary McNAMARA. No, not that I can recall.

"Chairman FULBRIGHT. Did it then include the bombing of North Vietnam?

"Secretary McNAMARA. Not that I know of, Mr. Chairman."

The Secretary seemed a little nervous about that last non-recall, for he hastened to add, "I don't mean to say that contingencies and targets hadn't been examined, because they had been, prior to that time, but there was no plan for further buildup that I can remember, and no plan for the bombing of the North." So he did remember that "contingencies and targets" had been "examined." In that case in what special sense did he mean that there was "no plan for the bombing of the North"? Any lawyer will agree this was not a very frank witness. The information he offered to supply was not forthcoming in time for the published record. Nine days later McNamara stepped down as Secretary of Defense. Will the committee insist on the full answer promised it?

I now want to bring up a matter I cannot prove, though I am willing to give the Committee the name of the witness who will confirm it. This is that a few days after the assassination of Kennedy, Secretary McNamara, with the support of McGeorge Bundy and Secretary Rusk, urged on the new President the need for "a decisive commitment" in Vietnam, and insisted—over Johnson's reluctance to be rushed quite that fast into so important a decision—that it had to be made quickly. This is known to quite a few insiders, and it is perhaps one reason why in an earlier period Senator Morse—who is, I might say in passing, not the source of this information—used to call it "McNamara's war." The Committee ought to recall McNamara and insist that he clear up the whole question of just when this major step-up in the war was initiated. For all this goes back to the question not just of decision making in a crisis but of crisis-making to support a secretly pre-arranged decision. Here the war-making power of Congress was clearly usurped by a private cabal in the executive department, which was soon to confront Congress and the country with a *jait accompli*, and to do so within a few months after Johnson was reelected on the pledge not to do what this inner circle had already decided he would do.

Now we come to a related matter which the Committee has left unexplored, though it goes to the very heart of how the incident came about that was used to cover and to authorize the deployments for a wider war, for the bombing of the North and for the commitment of combat troops in the South. This other "buried body" may be found in McNamara's prepared statement for the February 20 hearing. Its significance has escaped attention, perhaps because it could not be fully understood except against the background of the new revelations made by Morse in his Senate speeches of February 21, 28, and 29. The country and the future historian owe Morse an enormous debt for those speeches, as for those four years ago on August 5 and 6, 1964, in which he first began to lift the bureaucratic curtain of secrecy surrounding the Tonkin Gulf incidents.

In his prepared statement McNamara made an admission which must have cost him pride a good deal. It shows that he was not in full control of his own Department at a crucial

² The series may be found reprinted in my new book, *In a Time of Torment* (Random House). See pp. 343-4.

moment. The fact that he disclosed it himself would lead a trained lawyer to believe that he knew or feared that documents in the hands of the Committee's staff had already disclosed this, and that he thought it best to slip the fact into his statement to protect himself under interrogation. This is what the Secretary said: "I learned subsequent to my testimony of August 6, 1964, that another South Vietnamese bombardment took place on the night of August 3-4." And at page 90 of the printed record, under interrogation by Senator Cooper, McNamara added a supplementary revelation. "At the time of the specific incidents of August 4," he admitted to Cooper, "I did not know of the attack by the South Vietnamese, but we knew of the operations, and some senior commanders above the level of the commanders of the task force did know the specific dates of the operations." This seems to mean that certain senior commanders knew something McNamara still did not know three days later when he appeared before the Senate committees on the Tonkin Gulf resolution four years ago.

To appreciate the import of this revelation one must turn to the Morse speeches, and to the classified messages and information he courageously made public in them. If we look at Morse's speech of February 29 we will see that the patrols on which the *Maddox* was engaged were far from "routine," not only in the sense that they were electronic espionage missions, but that, when the first attack occurred on the *Maddox* August 2, 1964, it was only the third occasion since 1962—or within two and a half years—on which an American naval ship had approached the North Vietnamese coast. "The appearance of an American destroyer," Morse disclosed on the basis of the Pentagon documents obtained by the committee but still classified, "the appearance of an American destroyer along the Vietnam coast was highly unusual." The next point to be noted is that the first attack on the *Maddox* followed by 40 hours the first coastal bombardment of North Vietnam by the raiding vessels we had supplied the South Vietnamese.

Now we can understand the significance of McNamara's revelation. On August 2 the *Maddox* was attacked for the first time. On August 3 the President warned of serious consequences if that attack were repeated and announced that we were not only sending the *Maddox* back into those waters but a second destroyer, the *Turner Joy*, with it. That night, the night of August 3-4, there was a second coastal bombardment, the knowledge of which—so McNamara says—was kept from him though it was known to certain higher naval commanders and presumably arranged by the joint South Vietnamese and MACV headquarters in Saigon, which we now know from this new hearing directed these naval attacks. It was the night after this second bombardment—the night of August 4-5—that the alleged second attack on the *Maddox* and the new destroyer accompanying it took place. Whether the second attack actually took place or not—and this is still unclear—that new coastal bombardment was a provocation likely to make a second clash more probable, and therefore to trigger the retaliation Johnson had already threatened.

The Committee cannot close its books on its investigation without determining who was responsible for so provocative a move at so tense a moment, why it was not disclosed to the Secretary of Defense, and whether it was known to the White House. This is the kind of provocation military bureaucracies have often committed in the past to set off a war against the wishes of civilian authorities; a well-known example was the Mukden incident in which the Japanese military themselves blew up one of their own troop and supply trains to give them the excuse they wanted in 1931 for war on China and the annexation of Manchuria. If Chairman

Fulbright really wants to explore decision-making in a crisis, he cannot leave these questions hanging.

One final but intensely important point ought also be explored. *The Politics of Escalation*³ shows that the Tonkin Gulf incidents occurred just when, "within a two week period, proposals for a Geneva-type conference on Vietnam and, more largely, Southeast Asia had emanated from three important sources—U Thant, France and the USSR—and had been favorably received in Hanoi and Peking. None of these proposals, it should be noted, specified conditions or "preconditions" in urging that a solution be sought for the Indo-Chinese crises."

On July 24, the day after De Gaulle urged reconvening the Geneva conference, Johnson rejected it as a conference "to ratify terror," and declared "our policy is unchanged." But pressure for negotiations was rising. A bright chance for peace was torpedoed in the Tonkin Gulf that August night four years ago, and the Senate Foreign Relations Committee has a duty to find out how and why.

LETTER OF MEMBER OF FACULTY OF UNIVERSITY OF SAIGON

Mr. FULBRIGHT. Mr. President, I have received through Prof. George Kahin, director of the Southeast Asia program at Cornell University and one of America's most knowledgeable scholars on Vietnam, a copy of a letter he received from a member of the faculty of the University of Saigon concerning an appeal for peace signed by a number of other faculty members.

I ask unanimous consent to have the letter and the appeal printed in the RECORD for the information of my colleagues.

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

LETTER FROM A HIGHLY RESPECTED MEMBER OF THE FACULTY OF THE UNIVERSITY OF SAIGON

SAIGON,
January 28.

DEAR PROFESSOR KAHIN: I am sending you the text of the appeal that was made public last Sunday. The appeal implies many things that cannot be said by that I am sure you will be able to read between the lines.

A group of young faculty members (not known for any previous political activities) met for an informal discussion. They agreed to write the appeal and contacted their fellow faculty members for the signatures during the following 4 days. Most (perhaps 90%) of the people contacted signed the appeal and many newspapers carried the story on the front page the following day (Thoi The, Dantien, Chanh Dao, Tieng Vang ... etc. ...)

The government somehow paid a lot of attention to the appeal. They have discussed the way to cope with it at the cabinet meeting, made threatening announcement over the radio, called in some professors to warn them of possible danger ... etc. ... For example the Acting Dean of the College of Agriculture, Mr. Bui Huy Thuc, was called into the Vice Minister of Education and in a friendly way let to know that his appointment by UNESCO as a horticulture teacher for Africa may run into difficulties at the Ministry of Interior unless he publicly clarifies his position. Younger members are being told to worry about their being drafted into the army, etc. ...

I am still trying to find out whether the group want to stop right there or plan for

³ By Franz Schurmann, Peter Dale Scott, and Reginald Zelnik; Foreword by Arthur Schlesinger, Jr., Fawcett, 160 pp., \$0.60.

some other activity. I will let you know when it happens.

On the labor side there is the Association of Independent Labor Union which has also made an appeal—independently—and during the same Sunday but I heard that the press was told not to publish their appeal because it was too strongly anti-governmental. Only Tien newspaper carried the news.

The public opinion in Saigon is rapidly growing for a right away peace settlement.

By the way you may be interested to know that Mr. Nguyen Van Truong (Faculty of Pedagogy) whose signature appears on the Appeal is the brother of Prime Minister Nguyen van Loc. Hoping to hear from you.

APPEAL FOR CEASE FIRE AND NEGOTIATION

Considering the critical situation that may be decisive for the future of the country, we, a number of university teachers, feel we have the responsibility to make public the following statement:

(1)—The present conflict is seriously endangering the very existence of the Vietnamese people from both material and moral standpoints, therefore every Vietnamese has the duty to contribute to the finding of a suitable way-out for his fatherland. Being Educators we are all the more convinced of this obligation because there are nothing more harmful to education than violence, destruction, killing, deprivation and corruption bred by war.

(2)—In view of the horror of an ever expanding war as well as the recent hope for an ever eluding peace we cannot but appeal to all Vietnamese who have the responsibilities on this land not to forfeit this precious opportunity, because opportunity is quite rare in history, to sit together, to recognize one another as Vietnamese in order to find a formula for peace based on the supreme interest of the Nation.

(3)—The complex differences between the official positions require subtle solutions that can only be reached after long deliberations and drawn-out negotiations.

In order to create a suitable atmosphere for such an open hearted discussion between the belligerent parties and above all to save thousands of people from death and suffering while a peaceful settlement is being sought, we appeal to all the belligerent parties to extend indefinitely the tet cease fire and to negotiate immediately a peaceful settlement.

SAIGON, January 16th, 1968.

SPEECH OF SWEDISH MINISTER OF EDUCATION AT VIETNAM DEMONSTRATION

Mr. FULBRIGHT. Mr. President, I sometimes think too many of us react to the headlines, and too few of us read the text.

Recently the Minister of Education of Sweden at a Vietnam demonstration in Sweden on February 21 made a speech. For that speech he was subject to criticism. The United States called its Ambassador to Sweden home "for consultation"—a diplomatic way of saying to the Swedish Government that the United States is unhappy.

I wonder how many Americans have read what the Swedish Minister of Education actually said. Was he anti-American, or was he trying to help us?

How better can an American find out than to read the speech in full?

I ask unanimous consent that Mr. Palme's speech of February 21, 1968, be inserted in the RECORD.

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

TRANSLATION OF THE SPEECH OF MR. PALME, MINISTER OF EDUCATION, AT THE VIETNAM DEMONSTRATION ON FEBRUARY 21, 1968

Democracy is an exacting system of government.

It demands respect for others. One cannot force a system of government upon a nation from outside. The people must have the right to decide over their own destiny. It therefore presupposes *national right of self-determination*.

Democracy demands justice. One cannot gain a people by filling the pockets of those who are already rich while the poor are driven into ever deeper distress. One cannot meet the demand for social justice by violence and military power. Democracy presupposes *social liberation*.

The goal of democracy can never be reached by means of *oppression*. One cannot save a village by wiping it out, putting the fields on fire, destroying the houses, capturing the people or killing them.

These are basic points for judging the war in Vietnam.

The opinion against the war in Vietnam gains strength by being able to point to facts. For this war is not some temporary bewilderment, it does not reflect a centre of crisis which has suddenly flared up. It has a long history where events have developed themselves with a terrible logic.

Three dates are of particular prominence in this chain of events.

The first date is 1945.

Vietnam was a French colony. It was captured by the Japanese in their endeavour to create an Asiatic empire. The Japanese were defeated. But the conception of the superiority of the white man was shaken. When the French tried to recapture its colony they were met by a people who demanded national right of self-determination. The resistance movement in the war against the Japanese became the core in a movement which demanded liberty from all foreign intruders. It derived inspiration from the American Declaration of Independence. It put reliance on the United States in its demand for independence. It was considered that promise had been given to this effect. It proclaimed the Democratic Republic of Vietnam.

But the colonial power decided to recapture and assert its domination by force. And the United States decided to take side with the French.

That is how the war in Vietnam began, a war against foreign intruders. It is this war which is still going on.

The French and their local allies lost. They lacked the support of the people. The fighting spread to larger and larger parts of the country. The United States came to the aid. It is probable that early in the 1950's the Americans paid 70%-80% of the French war-costs.

But it did not help. The dream of the French colonial power crashed at Dien-Bien-Phu. And peace negotiations started at Geneva.

So now we have come to the second date: 1954.

Cease-fire of the Vietnam war was concluded on 20 July, 1954. The country was provisionally partitioned. But it was a temporary, military conditioned demarcation line. After two years—in July 1956—free elections under international supervision were to be held in the whole country. After that the country was to be united.

The United States had opposed the Geneva agreement. The United States would not sign the agreement. There were no free elections. Vietnam remained partitioned.

The United States declared instead that it wanted to build up a strong democratic alternative in South Vietnam. Organizational aid and enormous sums of money were staked on this alternative.

The regime in Saigon, which received sup-

port from the United States, combined a dictatorship's brutal persecution of the people holding different opinions with a total contempt of simple demands for justice in respect of the social and economic conditions of the people. There was some talk of land reform. Viet-Minh had distributed land to the farmers. But it was said that the old landowners and usurers accompanied the baggage-train trucks of the troops who declared that they had come as liberators to the villages. For the farmers it was not liberators who came. It was their old oppressors.

For this reason the people rose against the regime in Saigon. There is nothing which contradicts that, when the fighting started afresh, it was essentially a question of a spontaneous popular rising against a corrupted and hateful regime.

Just as it had gone badly for the French it went badly for the regime in Saigon. The people starved and corruption flourished. The United States interfered on an increasing scale. The escalation started. The number of advisors rose, became units, became divisions, became large bodies of dispatched troops consisting of hundreds of thousands of men. The largest military machine in the world began to put in all its power to break down the resistance in this small country.

But it still went badly.

So now we have reached the third date, February 1965, three years ago these days.

At that time the bombing of North Vietnam began. As the Vietnam war was declared to be the deed of a foreign intruder, the blow had to be directed against this foreign intruder. There was no declaration of war. It has not yet been made.

But during these three years more bombs have been dropped over North Vietnam than over Nazi Germany during the last World War. We know what this has meant of material destruction, of suffering for the individuals.

These events give us a feeling of agitation, sympathy, despair. But feelings can quickly flare up and equally quickly disappear if they do not find a hold in a cause or context. We should therefore be aware that these sufferings of individuals are the bitter logical consequence of an erroneous and deeply unjustified policy conducted over the past 20 years.

It is sometimes discussed if the policy of the United States in Vietnam is due to misjudgments or an expression of an imperialism of capitalism. My opinion is: No wise capitalist can be so unreasonably foolish. But no one can be so unreasonably foolish unless there are also economic interests in the picture.

In spite of the enormous military contribution, things are going badly, presumably worse and worse for the United States in Vietnam.

The whole world therefore trembles at the thought of the next step. The questions are put in fear: Shall it be nuclear weapons? Who then remain to liberate? And would this not mean that a third World War is a fact?

Shall the blow be directed against the dams of the Red River? It would be a terrible annihilation of human beings.

Or shall the inexorable series of illusions and failures result at least in giving the people of Vietnam peace and national right of self-determination?

Negotiations is a worn word. For many in Vietnam it has a bad resonance. For them negotiations have often meant not the end of a war, but the introduction to treachery. Their distrust must therefore be considerable. For this reason they look for guarantees that the negotiations will not become only a temporary cease-fire, but will lead to obvious results, to peace and liberty from foreign intruders. They also know better than others the devastation of war and they have the largest military power in the world, with half a million troops, as their opponent.

They have from bitter experience been forced to become realists.

It is sometimes said that Hanoi and FNL do not want to negotiate and that they reject all proposals to this effect. But this is not quite right. As recently as in a New Year's message, Foreign Minister Trinh stated that North Vietnam is prepared to enter into negotiations on the unconditional stopping of the bombing of North Vietnam.

It is therefore that a growing international opinion stubbornly and with ever increasing strength has agreed upon an appeal to the United States. Put an unconditional stop to the bombing of North Vietnam. Admit FNL as equal partner to the negotiation table. Not until then will there be any negotiations. Then there may be peace. Then there must be national right of self-determination for the people of Vietnam.

It should be a self-evident obligation for all European Governments to give an expression of this opinion with force and resolution.

In this way facts and evaluations can lead us to certain conclusions.

The United States maintain that they want to defend the democratic rights of the people of Vietnam against foreign intruders. But if one is to speak of democracy in Vietnam, it is obvious that this is represented in a considerably higher degree by FNL than by the United States and its allied juntas.

This is an assertion based on facts. The foremost characteristic of democracy is the support of the people, anchorage among the people.

Nobody denies that in 1945 Ho-Chi-Minh had the support of the people against the French colonial power. Nobody denies that at the free elections which, according to the Geneva agreement, were to be held in 1956, Viet-Minh would have won an overwhelming victory. President Eisenhower has pointed out that Ho-Chi-Minh would undoubtedly have received 80% of the votes. It was for that reason that no elections were held. Nor does anybody deny that the Diem regime, which was installed in Saigon to represent the so-called "democratic alternative", became intensely detested by the people. It was overthrown in 1963 and is missed by nobody.

Nor would anybody allege that, in reality, the present junta bases its position on the support of the people. It is, as you know, an established fact that corruption, inefficiency, indifference to social demands are more widespread than ever. A regime which requires the aid of more than 500,000 American soldiers to be able to survive one single day has not got the support of the people.

The fighting which has been going on during the last few weeks has shown to the opinion throughout the world that the Vietnam war is a revolt against those who oppress fundamental social and human rights. This revolt constitutes a social movement with deep roots among the people. If this revolt had not, in all essentials, had the support of the people, the attacks against towns all over South Vietnam could not have been so successfully accomplished.

But somebody may then say: "Maybe FNL has the support of the people today. But we cannot support FNL, because if FNL wins and comes into power the new regime will oppress the people."

Today we know nothing with certainty about this because FNL has had so few chances to show its deeds in peace-time. But we have access to the programme of FNL. I recommend a study of this programme. It demands a wide coalition in the fight against the Americans and a coalition government when victory is won. The domestic policy programme could be accepted on the whole by, for example, the political parties in Sweden. But it is obvious that we cannot today adopt an attitude to and take responsibility for what a movement in another country may do when it comes into power.

But the objections are first and foremost founded on principles. On what grounds can we deny the right of the Vietnamese people to choose its own regime? It cannot be the object of democracy to make itself a guardian for other peoples. On the contrary, it is an abuse of the fundamental ideas of democracy.

One thing we know with certainty. Worse social conditions than now, greater human sufferings than now—when it is alleged to be saved for the sake of democracy—the people of Vietnam will conceivably not have to suffer at any time.

Maybe somebody will say: In Vietnam thousands of American soldiers are killed who feel that they are fighting for democratic ideals. It is, without a doubt, horrible. It is horrible that young men shall be killed, wounded, mutilated—sacrificed unnecessarily for an unworthy purpose in an unjustified war. They could have important tasks to build a better society in their own nation or in constructive work in the fight against poverty and starvation in the world. They could promote the tradition of candour and generosity, of bold efforts for the future which still survive in America. An active international opinion should be able, among other things, to contribute towards giving them this possibility.

For many years we have heard that the war in Vietnam is also necessary in order to protect other people's democratic freedom from Chinese aggression.

They say that if Vietnam falls then the whole Southeast Asia will fall, then all the countries in the world run the risk of falling like ninepins in the face of a new imperialism having its centre in Peking. All democratic countries should therefore, in their own real interest, support the American military contribution in Vietnam.

This argument was propounded already in 1945 as a reason for supporting the French colonial power. The difference is only that the present regime in Peking did not exist then.

The allegation is really exceptionally doubtful. Maybe it is to the contrary. For example, it pays no heed to the history of Vietnam. But it is the principal aspect with which I am most immediately concerned.

Consequently, it would thus be that it is for the sake of our welfare that the people in Vietnam are suffering.

We are thus offered to sacrifice the right of self-determination, welfare, the physical existence of a small nation so that we may live in better security.

This is not the way we want to meet our future.

Because, what is the utmost consequence of the line of thought, not least if this situation is to be inexorably repeated time after time?

The national right of self-determination becomes a danger, the social liberation a threat, changes in the established order of things a risk to prevent. We are called upon to man the entrenchments and redoubts of the privileged groups, to furious defence of a way of living which has been accorded the rich.

And the circle will become more and more limited. Because the people will begin to search for their liberty, the demand for social liberation will become increasingly stronger, the longing for justice, better standard of living, freedom from poverty and starvation will on an increasing scale leave its impression on the world we live in. If we try to erect armoured walls around the rich, then the road will lead to reaction and fascism in our cultural circle.

But it need not be so.

Because within the international opinion there is another current growing, which is becoming stronger and stronger, an opinion which wants to put its reliance on generosity and fraternity across the frontiers, which

acknowledges human rights and which knows that it is the social reality which first and foremost needs to be changed.

The opinion against the war in Vietnam is a hopeful and joyful sign, not only for peace and liberty in Vietnam, but also when seen in a wider perspective.

It is an international movement of solidarity which is not based upon narrow selfish interests, but puts its reliance on joint responsibility, the feeling of a common obligation, willingness to exercise fraternity in a practical way. It therefore points towards the future in a constructive reality.

Sometimes it is alleged that Europe supports the war of the United States in Vietnam. It is said that it is only small groups which are driven to resistance by reason of a fanatic hate of America.

This is wrong. The truth is that the overwhelming majority of people in Europe disassociate themselves from this war, want to have an end put to the sufferings, want to give the people of Vietnam the right to decide over their own future. This democratic opinion does not experience the war of the United States in Vietnam as a support for democracy, but as a threat against the democratic ideas, not only in Vietnam but also throughout the world.

We believe in democracy because a democratic system of government, in spite of all its shortcomings, provides an active participation and an everyday consideration of the individuals which no despotism can dream of ever achieving. But democracy must never imply resistance against national liberty and social justice. It should be a road leading to the liberation of people. We do not wish to have a future where the rich, with the aid of force and oppression, shall guard their privileges. We want to have a world of equality in which people can live.

Therefore, Vietnam is not far away. Its people are near us. These people must at last be given peace and independence.

STANDARDS OF CONDUCT

The Senate resumed the consideration of the resolution (S. Res. 266) to provide standards of conduct for Members of the Senate and officers and employees of the Senate.

Mr. JAVITS. Mr. President, I yield myself 1 minute.

May I have the attention of the Senator from Texas [Mr. YARBOROUGH]?

Mr. President, I ask unanimous consent that my amendment be temporarily laid aside and that the amendment of the Senator from Texas be considered; that when the consideration of that amendment is concluded, my amendment be reinstated as the pending amendment.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Mr. President, reserving the right to object—and I do not intend to object—I think that is the thing to do, but I want to avoid getting into a situation here. If the Senator from Texas will understand and also agree that when we get a copy here and before the Senate, he will set his amendment aside for the time being, and let us finish with the other—

Mr. YARBOROUGH. Mr. President, I understand the agreement perfectly.

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

Mr. YARBOROUGH. Mr. President, I send to the desk an amendment on behalf of myself and the distinguished Senator from New York [Mr. JAVITS], and ask to have the amendment stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas, for himself and the Senator from New York, will be stated.

The bill clerk read the amendment, as follows:

On page 4, between lines 21 and 22, insert the following:

"3. Nothing in this rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's home state, for printing and other expenses in connection with the mailing of speeches, newsletters and reports to a Senator's constituents; for expenses of radio, television and news media methods of reporting to a Senator's constituents; and for telephone, telegrams, postage and stationery expenses in excess of allowances."

Mr. JAVITS. Mr. President, will the Senator yield to me for 30 seconds?

Mr. YARBOROUGH. I yield.

Mr. JAVITS. While this amendment necessarily applies to our interests, I think there are many Senators who would be quite inhibited by the blanket action we took on the Case amendment—which I supported—and I think it is necessary to inventory each of the items in the amendment. I submit each of them should be submitted to the ideas of the committee to see what really deserves affirmative action, rather than merely take the blanket action we took. I agreed with that blanket action. Now let us specify exactly what is covered.

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

As the Senator from New York stated, he voted for the Case amendment, which was adopted 41 to 40. That was an amendment that struck out lines 18 and 19 of (b) as the resolution was originally offered, because the resolution as originally authorized a Senator to raise money to defray reasonable expenses incurred or contemplated to be incurred in the future by his office. That might have included any additional number of personnel to be employed that he wanted to use as staff. It might have included hiring public relations men or specialists or anything else that he considered to be reasonable or the expense of which he might incur in the future.

This is a limited amendment and does not violate the rule adopted in the Case amendment. The amendment has been drawn as a result of work by different Members of the Senate. The Senator from Michigan [Mr. GRIFFIN] and the Senator from North Dakota [Mr. BURDICK] worked on it. We have had help from a good many Members on both sides of the aisle. It is a limited amendment to specify certain types of expenses that are normally incurred by Senators over and above the allowances the Senate itself provides.

The amendment is necessary because of the restrictive rules of the Senate. We will not vote ourselves enough money to run our offices.

There are county governing boards in my State the members of which receive bigger budgets to run their offices than is allowed a Senator of the United States. For my own State, we have slightly more allowed than for a State smaller in population, but not much more.

In my own State, we have a thrifty State government, noted over the Union for being parsimonious in its appropriations. Yet the allowance for running the Governor's office is eight times that allowed a Senator. The salary of the Governor is 33 1/3 percent larger than the salary of a Senator.

In addition, we allow ourselves reimbursement for six trips to our home States, while the other body allows one a month for a year.

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

Mr. YARBOROUGH. I yield.

Mr. ALLOTT. I support the amendment. I think it is necessary and is a step forward, though, likewise, this is an area where we have to set out lines.

As the Senator knows, the Senate rules provide for four trips per year for staff. I wish to ask him if necessary travel to the States as described in his amendment would include moneys advanced and paid for the travel of a Senator's staff to his State.

Mr. YARBOROUGH. No, it does not include that. As we discussed the amendment, that matter was brought up. Some Senators wanted that in the amendment. Other Senators pointed out that it cost them \$200 to \$300 a month to entertain constituents from their States. It is customary, when people come from some of our States, that a Senator take them to the dining room. If he does not do that, even some of his friends regard it as a discourtesy. We drew this amendment after much talk, to keep it sufficiently restrictive so that it would meet the approval of the Senate.

Mr. ALLOTT. Would not the Senator agree that the travel of a staff member to a State is in a wholly different category than opening up the door on entertainment?

Mr. YARBOROUGH. Yes; I do. And I wish to say to the Senate that this is a matter of great difficulty for me. The allowance is not enough for my State. The year before last, I did not have any money available to be raised from any other place, and I had to pay installments out of my salary for several months to get enough people back to my home State to run the office there.

Mr. President, we do not allow ourselves enough staff to run our offices. For the sake of supposed economy, we commit political suicide. This is supposed to be a branch of the Government coequal with the executive department; but, while we vote to make available to them \$180 billion a year, and raise the pay of their employees above the level of ours, we expect these small, underpaid staffs in comparison with those of the executive branch to manage to be coequal.

I do not accuse the executive branch of robbing the legislative of powers. We rob ourselves. We drop further and further behind them every year because we refuse to vote ourselves enough money to act like the Congress of the United States. Here we are, a nation of 200 million people, but we still think in terms of 80 or 90 million people. We have a nation with 200 million people, with a gross national product of \$800 billion a year, but we vote ourselves small staffs—smaller

than members of the governing boards of some counties I know of.

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

Mr. YARBOROUGH. I yield to the Senator from Connecticut.

Mr. DODD. Does not this situation necessarily result in the Senate becoming a body of millionaires, or vastly wealthy men, and thus not truly representative of the people of this country?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator's time has expired.

Mr. YARBOROUGH. Mr. President, I yield myself 5 additional minutes.

According to the press, there are only 20 millionaires here.

In fairness to wealthy Senators, I cannot see that the millionaires vote any more for or against the people than the Senators of limited means. But I agree with the Senator from Connecticut, that the adoption of this rule will ultimately make it harder for a man of limited means to be elected; and in the future, I foresee there will be far more men of great wealth in the Senate and far fewer men of limited means. That will be an inevitable result of the adoption of this rule without my amendment.

Mr. DODD. Mr. President, I did not mean to suggest that men of wealth are therefore dishonest. I know better. In fact, I do not know of any Senator who could be so classified. I was merely apprehensive for the future.

Mr. YARBOROUGH. I know the Senator did not mean to imply that people of great wealth were dishonest. We were just talking about representing the people. I believe the voting records of those of wealth among us show that they are as fair and considerate people as those of limited means. But it will ultimately screen out of public service everyone except those of great wealth, unless the Senate does the other necessary thing—appropriate enough money to run the Senate, so that Senators may take their staffs to their States and travel back and forth to report to the people.

I have in my State 10,700,000 people. I cannot drift down there five or six times a year and have the people think I have fully reported to them. With the modern jet planes, you can get there in 2 hours, and the people know it.

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

Mr. YARBOROUGH. I yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I must say there is a great deal of merit in the thought suggested by the Senator from Connecticut. It is for exactly that reason that I raise this question. Perhaps I should address the question to the Senator from New York [Mr. JAVITS] also, since he is a cosponsor.

I agree completely with the elimination of the entertainment feature, because it can get into such dirty ground that none of us wants to be involved with it.

But those of us who live a long way away—I live as far away as does the Senator from Texas, and my travel expenses are just as great as his—and are limited

to four trips by staff members a year, have great difficulty. I ask the Senator, in line with his argument—the Senator from Texas has made an excellent argument for his amendment and I should like to hear also the remarks of the senior Senator from New York—if this should not encompass the travel expenses of staff members as well.

When I go home, I take at least five employees with me, which, in general, means I have already spent more than the Senate allows me; and I can never take a fifth staff member to Colorado with me without digging up the cost out of my own pocket.

Mr. YARBOROUGH. Furthermore, it is the law that the Senator could not take five staff officers and divide his allowance for four by five ways; that is a violation of law.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. YARBOROUGH. I yield myself 2 additional minutes.

So the Senator must pay that additional staff member out of his pocket, or go arrange a fundraising dinner to pay him. I have seen times when I could not carry back to Texas enough staff members to do the work because of the cost; some of them drive cars at their own expense, some of them travel by plane. Sometimes we have to allow one staff member a trip one year, and somebody else the next.

Of course, the Senate could remedy this situation. The Senate could permit Senators to take enough staff members home with them. I am a member of the Committee on Appropriations, and I have appealed to the Rules Committee—it is like charging a stone wall—to get enough money to run an office like it ought to be run around here. I have even appeared before the Reorganization Committee, headed by the Senator from Oklahoma [Mr. MONRONEY], appealing for money to run a Senator's office like it ought to be run.

Mr. President, why should we fetter ourselves down like a bunch of stone age chiefs? It is time we modernize the Senate. We have the responsibility, but we cannot exercise it, because we trip ourselves up.

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

Mr. YARBOROUGH. I yield to the Senator from New York.

Mr. JAVITS. I would merely say to the Senator—I was not here when he stated his interpretation of the language of the amendment—that it was my judgment that the language would cover both Senator and staff, because the operative words related to the kind of contributions a Senator could seek; for what purpose. The purpose for which he could seek contributions was travel home, and to me, that would represent also travel home on his behalf, to wit, by his staff.

I would hope that perhaps that could be clarified by my colleague, the Senator from Texas.

Mr. ALLOTT. I would hope he would accept that interpretation.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. YARBOROUGH. I yield myself 1 more minute.

If it is the interpretation of the Senator from New York, as cosponsor, that this amendment includes travel expenses of staff as well as of the Senator, I will join him in endorsing that understanding of the amendment.

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

Mr. YARBOROUGH. I yield 2 minutes to the Senator from Connecticut.

Mr. DODD. I wish to address a question to the Senator from Colorado.

Mr. ALLOTT. I do not have any time.

Mr. DODD. I have time.

Mr. YARBOROUGH. I have yielded time to the Senator from Connecticut.

Mr. DODD. I was not clear about the Senator's observation on the staff.

Mr. ALLOTT. My observation, if the Senator wishes to know, was that I thought there was a great deal of truth in the substance of what had been stated.

Mr. YARBOROUGH. Mr. President, I yield myself 2 minutes.

I thought the resolution which the committee brought out was far broader and more responsive to the actual needs of the Senate than the amendment I have offered. We know that that provision was voted down by the Senate, 41 to 40. What we have here is modest and small in comparison with the rule which this able bipartisan committee brought out—therefore, I ask the committee if they will not accept this very modest amendment.

Mr. STENNIS. Mr. President, in response to the Senator's question, I yield myself 10 minutes, since under the rule I have control of the time. But I will yield from that time to any Senator who wishes to oppose the amendment.

The PRESIDING OFFICER (Mr. CLARK in the chair). Would the Senator from Mississippi indulge the Chair by permitting him to speak on this matter, if another Senator would be willing to take the chair?

Mr. STENNIS. Yes.

(At this point, Mr. MANSFIELD took the chair.)

Mr. STENNIS. Mr. President, the Senator from Pennsylvania wishes recognition. I defer to him. I do not ask for the floor. I yield to the Senator as much time as he may require up to 10 minutes.

Mr. CLARK. Mr. President, I am very sympathetic to the point of view of the Senator from New York [Mr. JAVITS] and the Senator from Texas [Mr. YARBOROUGH], but I think we are imposing the wrong remedy to do something which needs to be done.

I need, as do most other Senators, although not all, a great deal more in terms of allowances than we are given by—and I use the word advisedly—the parsimonious Committee on Rules and Administration, of which I am a member.

I propose, within the next week or so, to present to the Senate—and I hope with the cosponsorship of more than half the membership of the body—a proposal to have the Committee on Rules and Administration increase drastically the allowances for Senators' offices, not only with respect to trips back home by Senators and members of Senators' staffs, but also with respect to additional clerk hire.

The present setup is absolutely and

outrageously inequitable. The difference between the allowances for large States and small States, for example, is unjustifiable on any basis. The way to proceed, in my opinion, is to obtain from the Committee on Rules and Administration adequate allowances, because adequate allowances have for so long been denied us. I hope we shall not hear the words, "You can't do this in an election year," and that, therefore, we shall have to take this step in a nonelection year, which to my way of thinking would be much worse.

I want the Committee on Rules and Administration to provide adequate allowances. I believe there are enough Members of this body, as a result of the debate during the last few years, to create the sentiment to insist that these allowances be drastically increased. I do not like to see these expenses, modest as they are, picked up by lobbyists. That is inherently the same situation that we rejected yesterday by the very slim vote of 41 to 40.

I agree with everything in the amendment of the Senator from Texas [Mr. YARBOROUGH]. We ought to have adequate allowances. I would like to have the Senator include in his amendment the cost of subscriptions to newspapers from a Senator's own State. I am paying out of my own pocket the cost of subscriptions to many newspapers published in Pennsylvania.

Mr. YARBOROUGH. Mr. President, will the Senator from Mississippi yield, to permit me to respond to the Senator from Pennsylvania?

Mr. STENNIS. Yes, I yield to the Senator from Texas.

Mr. YARBOROUGH. I agree with the Senator from Pennsylvania that we will not reach the remedy by rejecting the amendment. I have spoken with the chairman of the Committee on Rules and Administration; in fact, I pleaded and reasoned with him that we should at least treat ourselves as being as important to our constituents as are Members of the House.

There are 23 Members of the House who come from Texas. Each of them gets a trip home each month. I get only six trips a year. We cannot get this arrangement changed. We are told that this is an election year. I agree with everything the Senator from Pennsylvania has said.

I shall not name the chairman of one committee I went to, because he is not in the Chamber. I went to him and asked him why we could not have more trips home?

He said, "Why do you want to go home? What do you need to go home for?"

Mr. CLARK. The Senator from Texas is so right. I believe it is within the ability of this body to require the chairman of that committee to change his mind. If the amendment is adopted—and I am in complete agreement with its substance—I will call upon the Committee on Rules and Administration to get off the small dime it is sitting on. I think this action ought to be taken in an orderly and appropriate way.

(At this point Mr. CLARK took the chair.)

Mr. STENNIS. Mr. President, I think the Senate is fully familiar with the pro-

posal. I want it understood—and I want the Senator from Pennsylvania, in particular, to hear this—that my position, and I think it is the position of the other members of the select committee, is such that there is no effort to undercut the Senate's action of yesterday by a vote of 41 to 40. We accept that result as the will of the Senate.

To come right down to the substance, and to think of this as individual Senators, the amendment contains the very items that most Senators need to fill out until the law is changed, to permit the use of these funds.

But I wish to point out that it is not so simple to get the law changed as it seems to be. These matters have to go to conference, and the Members of the House, in their wisdom, usually agree to what the Senate asks for. At the same time, they can get tied up on other matters and delay action.

The proposal to defray expenses for travel to and from a Senator's home State was one of the most convincing proposals we had before us when we drafted the provision that was stricken out yesterday. I had nothing to do with drafting the amendment or suggesting what should go into it. I simply knew that some items were being considered, such as the item for printing and other expenses in connection with the mailing of speeches, newsletters, and reports to a Senator's constituents. That is directly in line with keeping constituents advised.

I have no such fund for these purposes. I am not involved in this. I said yesterday that occasionally my telegraph account runs over, but that does not run over a great deal. So I am not concerned in that way. But I know how expenses pile up on Senators. I know about travel. Much of it is official travel, the expense piles up. For Senators from the Far West, it is an unbearable burden.

I shall support the amendment, particularly as it requires accounting. It requires accounting as is set out in the resolution itself. It requires the public disclosure that was set out in the original resolution. I think there is a safeguard and a protection. I join in the efforts to have the law changed for some of these necessary allowances that I feel are absolutely official.

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

Mr. STENNIS. I yield.

Mr. BURDICK. I was interested in the colloquy between the Senator from Pennsylvania and the Senator from Texas regarding newspaper subscriptions. I think that item should be included.

Mr. STENNIS. An item for the inclusion of newspaper subscriptions was rejected.

Mr. YARBOROUGH. I would not object. Even in my State the legislature limited its allowances. It is allowed from time immemorial funds for newspaper subscriptions from home counties; or for a State senator, from his home district. I will accept that amendment if the Senator from New York is agreeable.

The PRESIDING OFFICER. Does the Senator from Texas modify his amendment accordingly?

Mr. YARBOROUGH. I modify my amendment subject to acceptance by the cosponsor, the Senator from New York [Mr. JAVITS], so as to include newspaper subscriptions.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator may modify his amendment. Does he desire to modify it?

Mr. YARBOROUGH. I desire to modify my amendment.

Mr. STENNIS. Mr. President, reserving the right to object, what are the words of modification?

Mr. YARBOROUGH. "Newspaper subscriptions."

Mr. BURDICK. From the home State.

Mr. YARBOROUGH. "Newspaper subscriptions from the home State."

The PRESIDING OFFICER. The Senator from Texas has the right to modify his amendment, and it is modified accordingly.

Mr. STENNIS. Mr. President, I wish to make it clear that we have no quarrel with the vote yesterday and are not trying to undercut it. Every member of our committee can speak for himself.

I yield the floor.

Mr. SCOTT. Mr. President, I think it better to spell out what Senators and Senate personnel may do and may not do. The less gray areas left, the better. Therefore, I support the Yarborough amendment.

The PRESIDING OFFICER. Who yields time? Does the Senator from Texas yield back his remaining time?

Mr. YARBOROUGH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Texas. [Putting the question.]

The amendment, as modified, was agreed to.

Mr. DODD obtained the floor.

Mr. MAGNUSON. Mr. President—

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I call up my amendment—

The PRESIDING OFFICER. The Chair rules that the Javits amendment, pursuant to the unanimous-consent request, is now the pending business.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be laid aside temporarily.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Connecticut is recognized to call up an amendment. How much time does the Senator yield himself?

Mr. MAGNUSON. Mr. President, will the Senator from Connecticut yield to me for 10 seconds?

Mr. DODD. I yield.

The PRESIDING OFFICER. Does the Senator from Connecticut yield time to the Senator from Washington?

Mr. DODD. I do.

Mr. YARBOROUGH. Mr. President, will the Senator yield to me, without losing his right to the floor?

Mr. DODD. I have already yielded to the Senator from Washington.

Mr. YARBOROUGH. Will the Sena-

tor from Washington yield to me, so that I may make a motion to reconsider?

The PRESIDING OFFICER. The Senator will suspend.

Mr. YARBOROUGH. Mr. President, will the Senator from Washington yield to me, so that I may make a motion to reconsider?

Mr. MAGNUSON. I yield to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Washington was yielded time by the Senator from Connecticut, who has the floor. Does the Senator from Washington wish to be heard?

The Senator from Connecticut has the floor.

Mr. DODD. I yield to the distinguished Senator from Texas.

Mr. YARBOROUGH. I move to reconsider the vote by which the Javits-Yarborough amendment was agreed to.

Mr. ALLOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. JAVITS. Will the Senator from Connecticut yield to me for a second?

Mr. DODD. I yield.

The PRESIDING OFFICER. There is no amendment pending before the Senate.

Mr. JAVITS. Mr. President—

The PRESIDING OFFICER. The Senator has yielded how much time to the Senator from New York?

Mr. DODD. How much time does the Senator desire?

Mr. JAVITS. Thirty seconds.

Mr. DODD. I yield 30 seconds to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I wish to make a point of order. Under the unanimous-consent request previously adopted, the next order of business, after Senator YARBOROUGH's amendment, was the amendment which I have proposed.

The PRESIDING OFFICER (Mr. McGEE in the chair). The Chair is advised that that request was modified by a subsequent request by the Senator from Montana.

Mr. MANSFIELD. Mr. President, in view of what has happened, I withdraw that request, because the Senator from New York was outside the Chamber, attending to some official business.

The PRESIDING OFFICER. Without objection that order is rescinded.

Mr. JAVITS. If the Senator from Connecticut wishes a few minutes to do something, I will happily yield to him.

Mr. DODD. Mr. President, I was about to call up my amendment.

Mr. STENNIS. Mr. President, will the Chair obtain order? We cannot possibly keep up with the order of business.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the pending amendment is disposed of, the distinguished Senator from Connecticut [Mr. DODD] be recognized to offer his amendment.

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

Mr. JAVITS. I yield myself 5 minutes.

Mr. President, I have examined the amendment which is suggested by Senator STENNIS, and I find it acceptable. I would like to ask him one question, however. It strikes me that he should consider this very seriously.

As was said earlier—for the benefit of Senators who might not have been in the Chamber at this time—if I just assimilate my amendment to this, or whatever the procedure is—the Chair will rule—what will happen will be that we will require reports on any moonlighting activities by any Senate employee who receives less than \$15,000 or more than \$15,000 a year. That report will be made to his supervisor, to a subcommittee chairman, to a committee chairman, to the ranking minority member, if in that particular case there is a minority staff, or others, as specified in the resolution—and that is all for employees receiving less than \$15,000 or more than \$15,000.

But as to employees receiving more than \$15,000, in addition, they will have the reporting requirements of the Senators, and that is fine.

The one sentence that troubles me is this, and I submit it to the Senator for his consideration:

The supervisor shall then—

To wit, the Senator—

In the discharge of his duties, take such action as he considers necessary for the avoidance of conflicts of interest or interference with duties to the Senate.

That does impose an affirmative obligation on the Senator and upon the committee chairmen, and so forth, over, above, and beyond the normal responsibility of a Senator or a committee chairman, for which he is subject to discipline by the Senate.

I raise this question because in one instance permission is not required for the employee. That is a distinct improvement. But again some affirmative evaluation or appraisal by the Senator is required, charging him with the responsibility of the moonlighting which is being done by his employee.

In view of the fact that the committee leaves in the prohibition against conflicts of duty in respect of outside employment—that remains in the resolution—and in view of the fact that the ultimate sanction on the Senator continues in the Select Committee on Standards and Conduct, which has its original jurisdiction to deal with derelictions by any Senator, would we not be better off to leave those sanctions as the basic ones to cover everything and not again impose some very special duty upon each Senator, each chairman, and so forth, to evaluate the outside employment of his particular subordinate, and to take affirmatively such action as he may consider necessary?

I am not stuck on this. I do not believe it is awful either way. But I believe that we are introducing yet another factor into the resolution, instead of sticking to the basic prohibition which applies to the employee—he is his own surety for that—and the responsibility of the Senator generally to engage in conduct becoming a Senator, subject to sanctions by the committee.

I wonder whether the chairman of the committee might consider that, instead of introducing yet a new duty.

Mr. STENNIS. Mr. President, I appreciate the fine sentiments of the Senator from New York, and also his reasoning.

The committee considered the identical point that is raised by the Senator from New York, and we are of the unanimous opinion that this requirement is no more than the requirement that is now imposed upon a Senator. If a Senator has facts before him, the requirement is that he do whatever he considers necessary for the avoidance of conflict of interest or interference with the duties to the Senate—the duties owed by the employee to the Senate.

I have that obligation as a Senator, and I would have it as chairman of a subcommittee or of a full committee. If we do not at least affirm what I call the common law of the situation, the inference will be that we discharge them from any prudence or any understanding and that he can have the final say on these matters. That does not mean that he can be indifferent and reckless. We are just spelling out, in very simple language, what we believe is the Senator's duty, anyway.

The point all the time was that we wanted to get before the Senator or the chairman the main, essential facts and get a judgment or some opportunity to get the benefit of his reaction. As a matter of fact, it is just the regulatory and the deterrent effect it may have.

If I may mention names to the Senator from New York, the Senator from Arkansas [Mr. Fulbright], the chairman of the Committee on Foreign Relations, has been concerned about this matter with respect to his obligation as chairman of that committee. He read this language and gave the amendment his blessing; and when he left the Chamber, he authorized me to say that, in his humble judgment, it completely satisfied the situation.

Mr. JAVITS. Mr. President, on my own time, may I say, as the author of this amendment, that I do not agree that if we excluded this sentence it would by implication free the Senator of any responsibilities which are included under the Committee on Standards and Ethics, as the standard of conduct for Senators and his being subject to their jurisdiction if he violated that standard.

If the Senator's interpretation is—and I understand it to be—that this does not impose an added duty upon Senators or committee chairmen, but simply spells out in terms the duty they already have under the existing orders and rules of the Senate, then, Mr. President, I accept this language and I conform my amendment to the amendment proposed by the Senator from Mississippi so that only one vote may be required on the entire matter.

Mr. STENNIS. Mr. President, I do not think I could bind any Member of the Senate by what I might think and neither could the Senator from New York, with respect to the rules that would apply.

I only say that language appeals to me that way and that is what we were trying to do when we wrote the provision.

There is an affirmative responsibility

here of some kind as the Senator from New York stated, but I believe it goes right along on all fours with my responsibility as a Senator.

Mr. JAVITS. I was saying that as co-author of the language that was our interpretation, and with that, I believe the Senator agrees.

Mr. STENNIS. Mr. President, I believe that some other Senators may wish to say something. I believe the parliamentary situation is that this could be accepted as a substitute for the Senator's amendment and then agreed to.

Mr. JAVITS. In order to save one vote, I will join with the Senator.

The PRESIDING OFFICER. The Chair is advised that the Senator from New York can and apparently has modified his amendment.

Mr. JAVITS. Mr. President, also I would ask that the amendment read that it is offered by the Senator from Mississippi and the Senator from New York, and that would be the amendment.

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

Mr. STENNIS. I do not see the need, myself, except to indicate that the committee joins in the amendment and had it here ready for proposing as a matter of deference to the Senator from New York. The Senator from New York has an amendment that is right in the middle of it and we wanted him to know.

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

Mr. STENNIS. I shall yield to the Senator from Pennsylvania but the Senator from Colorado had asked me to yield first.

Mr. ALLOTT. Mr. President, I am glad that the Senator from New York is in the Chamber. There is one element that should be clarified by some discussion.

What is meant by the words "personal service activity"? I assume, just to use a few examples, that they would mean writing a book, preparing a speech, doing research, or any activity that that person did which involved a personal nature, a personal output, as distinguished from an investment.

Mr. STENNIS. The Senator is correct. The financial matter is left to operate under the other rule. That is a good question.

I wish to refer to page 8 of the report and the language is still pertinent with reference to this outside employment.

With our change with reference to the financial situation that language is now out of date and obsolete. For the Record, I shall read from the report on page 8:

Such activity or employment is in addition to the duties performed by the officer or employee for the Senate. Examples of business activity or employment are so-called moonlighting of any kind; any outside job; a management position in a business; writing or speaking for compensation, a royalty or an honorarium; consulting or research for a fee; selling real estate or any other types of property as a broker; typing or operating office machines for compensation; and serving as a director for a fee.

I think that is a good and clear illustration; it still applies.

Mr. ALLOTT. I thank the Senator. I think this discussion has been helpful

because just exactly what these three unusual words mean might be troublesome later. I thank the Senator.

Mr. STENNIS. We tried to tie it in with the report.

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

Mr. STENNIS. Yes, but first I wish to read the remainder of this language:

Some examples of financial activity or employment are the making of investments for gain; participation in any group or syndicate which provides money for business ventures; or the holding of stocks, bonds, or other types of property interest for gain. Professional activity or employment includes, among others, the practice of law or medicine; teaching for wages or salary; or the participation for compensation in any other type of calling commonly denominated a profession.

Mr. CLARK. Mr. President, will the Senator yield to me for 3 minutes so that I may address a question to my friend from New Jersey?

Mr. STENNIS. I yield 3 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I am seriously concerned about—

Mr. STENNIS. Mr. President, may we have quiet in the Chambers? I do not call for order any more; I only call for quiet.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CLARK. Mr. President, I wish to say to my good friend from Mississippi that I am seriously concerned about what we are doing on the floor of the Senate today. It is now 3:15 p.m. on a Friday afternoon. As we know, many Senators have already gone back to their home States. In the last hour or so we have drastically modified decisions that we took yesterday. We are in the process of accepting amendments here and there.

My understanding is that the Senator from Illinois had a great many amendments accepted during the course of the morning.

Mr. STENNIS. They were very minor.

Mr. CLARK. All of this was done without a quorum call or a rollcall vote. I happened to be in the chair as Presiding Officer when a very important amendment of the Senator from Texas was called up which makes very important qualifications to what we did yesterday.

I wish to ask the Senator this question: Does the Senator intend that the resolution be agreed to this afternoon?

Mr. STENNIS. We have been taking the amendments as we came to them. The Senator from Illinois did offer several amendments; and there were several amendments that he offered to withdraw after debate. One amendment that he did offer has to do with housekeeping; something that is minor.

Mr. CLARK. As the Senator from Mississippi knows, I have the greatest confidence in his integrity.

Mr. STENNIS. I appreciate that.

Mr. CLARK. The Senator from Mississippi is one of the most honorable Members of the Senate, and he has his heart in these serious rules to upgrade the ethics of this body.

I know I do not have to do any more than to say I know he will not in the course of the afternoon, from here on, take any serious action which would

change in a material way the report from the committee which was approved in part and rejected in part. However, I have to leave to go to my home State. I am going to leave in confidence that the Senator from Mississippi is not going to change the resolution in any material particular from 3:15 p.m. on.

Mr. MANSFIELD. The Senator can have that assurance without the Senator from Mississippi giving it. We have considered many amendments, and many amendments have been rejected. The one in which I joined with the Senator was the most serious one of the day.

Mr. CLARK. I do not put it in the form of a question; I have complete confidence.

Mr. DODD. I put it in the form of a question. Are we or are we not going to complete action on the resolution?

Mr. MANSFIELD. Yes.

Mr. STENNIS. We are going to try to complete action on the resolution.

Mr. DODD. We should have quorum calls and be sure that Senators are here.

Mr. CLARK. Does the Senator intend to have a rollcall vote at 4 o'clock in the afternoon?

Mr. STENNIS. I think the matter deserves a rollcall vote when we have finished with the amendments.

Mr. CLARK. Does the Senator have any idea how many more amendments there are?

Mr. STENNIS. There is one house-keeping amendment. The Senator from Connecticut has one amendment.

Mr. JAVITS. Except mine.

Mr. DODD. Mine is not minor.

Mr. STENNIS. I did not call it minor.

Mr. DODD. I wanted to make sure that the Senator did not. We can all shout here and then call for order, but I am trying to get to a reasonable conclusion and we can do so. I do not want to delay anybody. However, I want time to bring up my amendment. It is late on a Friday afternoon. I doubt we can get a quorum here in an hour. I do not think that is any way to deal with a question like this.

Mr. STENNIS. Mr. President, I am ready to yield back my time, unless a Senator wishes to speak.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STENNIS. Mr. President, just a moment. Does anybody wish to speak?

Mr. CASE. Mr. President, I would like to have about 3 minutes to speak on the Yarborough-Javits amendment. I was not here when it was considered.

Mr. STENNIS. That amendment is over.

Mr. CASE. I know, but I regard it as a most serious matter.

Mr. STENNIS. I am glad to yield to the Senator. I want to get to a vote on this matter as fast as we can.

Mr. CASE. Mr. President, I was told a few minutes ago that there would be an amendment offered by the Senator from Texas and the Senator from New York, that the Senator from Mississippi felt I should be advised of, with his customary understanding, courtesy, and sense of fairness.

He asked that I be notified. It took me, I expect, 10 to 15 minutes at the most to get over here. At that time, without a

quorum call, and without a record vote, the amendment had been adopted. I expect that it would have been adopted whether I had been in this Chamber or not. It was a most unfortunate reversal of a decision of the Senate taken yesterday afternoon on my amendment. That is not to suggest that there is anything wrong with expenditures which, by negative implication, the Yarborough-Javits amendment sanctions. There is nothing wrong, in itself, in spending money for subscriptions to newspapers, for travel back home, and for the other matters specified there.

But, on the other hand, there is nothing inherently right about it, either.

What the amendment will do will slough off and blur the question of whether we should permit sanctions or perhaps have ever sanctioned—and the public will not sanction—expenditures in unlimited amounts in what are, really, the public relations operations of a Member of the Senate.

Yesterday, we came pretty close to making a decision that these matters should either be real expenses in connection with an office, with the holding of an office, and the performance and the functions of a Senator, in which event they should be paid for by the public; or they should be, frankly, recognized as intended to enlarge the image of a Senator, his standing with his constituents, and with other possible, wider constituencies, in which event they should be recognized, in effect, as being for that purpose. Expenses of the nature implicitly sanctioned by the Yarborough-Javits amendment might very well be either of these things. It is not the kind of expenditure. It is the purpose and effect of the expenditure which is involved here.

I think it was most unfortunate for the Senate to have adopted that amendment because it gets us further away from the time when we all have to recognize it. It is up to the Committee on Rules and Administration. I hope very much it will do this: Take up the matter of what it really costs to run a Senator's office and to allow proper amounts for that purpose. Also, to take up the question of what is a proper amount to be spent for a Senator's public relations and to put limits on that, whether the money comes from contributions, or whether the money comes from his own resources.

It is agreed that there is no justice and it is not intended to permit a man, whose family may have \$100 million or \$200 million, to spend any amount for public relations for the purpose of electing a member of that family to public office.

I think it is time we met and faced these hard questions in the right way. I am afraid that this amendment is just putting off the time when we come face to face with those problems.

Mr. JAVITS. Mr. President, I yield myself 3 minutes to answer the Senator from New Jersey.

Mr. MANSFIELD. This is not the Senator's amendment.

Mr. JAVITS. I know that my amendment has not yet been dealt with, but—

Mr. DODD. Mr. President, a parliamentary inquiry. When I rose to call up

my amendment, I was asked to yield for 5 minutes. That 5 minutes has now grown to—I do not know what—35 minutes? What is going to happen here? Am I going to be here until about 5 o'clock or 6 o'clock on a Friday afternoon trying to call up my amendment?

Mr. STENNIS. Mr. President, if the Senator will yield, I am ready to yield back my time. We have not yet yielded back our time.

The PRESIDING OFFICER. The Chair advises the Senate that the order to recognize the Senator from Connecticut was rescinded, in order to revert to the Javits amendment.

Mr. DODD. Then I mistook my majority leader. I thought I had yielded for 5 minutes.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

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

Mr. JAVITS. I assure the Senate that I can make my reply to the Senator from New Jersey in 2 minutes.

Mr. President, the Senator from Texas [Mr. YARBOROUGH] came to me and explained that the amendment was adopted yesterday, for which I voted—to wit, to strike out, "reasonable expenses incurred or contemplated of his office," because it was onerous upon Senators who had no private means. I think he was right. I think the distinguished Senator was quite right in striking out such a broad exemption as was contained in this code of ethics. So he went into specificity which would deal with the problems of Senators without much means. Before he even began to speak, I made it clear to the chairman of the committee that I had joined in, so that the Senate could consider it, and accept it or strike out any part of it we chose.

Frankly, I did not expect they would take the whole thing, but they did.

I would now, therefore, like to point out to the Senator from New Jersey [Mr. CASE] that he has relief. He is not helpless in this matter at all. The Senator can move to strike the provisions on page 4, line 25, which exempt from reporting anything which comes under the Yarborough amendment, and can require that to be reported publicly or privately and, therefore, have complete control over it within the scheme of the resolution.

There is not the remotest desire on my part to shortchange this general proposition. I am all with the Senator from New Jersey. But I think that Senators who have no major, private means have a real problem. The Senator from Texas [Mr. YARBOROUGH] went into the specificity of the necessary travel. I certainly should know what that costs, because I do not get contributions for my travel. My airplane bill is \$1,000 a month which, fortunately, I am able to manage; but I have never received 1 penny out of my salary for travel expenses in the 20 years I have served in the House and Senate. That is my business, of course.

I am sympathetic to the situation, for example, of the Senator from New Jersey. So I would suggest to the Senator, before we lock up the resolution, that he look it over very carefully. The situation

is by no means irremedial in the case of Senators who have a paucity of personal means.

Mr. CASE. Will the Senator from New York yield me 1 minute?

Mr. JAVITS. Mr. President, I yield 1 minute to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 1 minute.

Mr. CASE. I thank the Senator.

My objection was not to the fact—of which I had not been aware, because I had no opportunity to study carefully the impact of the particular amendment—that not only would the uses of contributions be permitted, but that the contributions would not be made public. The uses not made public is an added and grievous error. My main objection would not be corrected by making them public. My main objection is to the thesis; namely, that it is appropriate for persons to receive contributions and expend them for this kind of office fund.

I understand the problems relative to rich men. Poor men have a harder job meeting the expenses of being a Senator. That should be remedied by, frankly, looking into it.

My most basic objection to the particular resolution is that by putting on a poultice we will not really get at trying to heal the sore.

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

Mr. STENNIS. I yield back the remainder of my time.

Mr. CLARK. Mr. President, I should like to have 2 minutes to ask the Senator from New York a question because, as I understand it, the Senator from New York and—

The PRESIDING OFFICER. Does anyone yield to the Senator from Pennsylvania?

Mr. MANSFIELD. Mr. President, if the Senator will allow a vote to take place and have the Senator from Connecticut [Mr. Dodd] recognized, I will be glad to give the Senator 2 minutes.

Mr. CLARK. I may want to suggest the absence of a quorum and get a rollcall vote—

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. CLARK. I want to ask the Senator from New York whether he agrees with the Senator from Mississippi both on the possible outside income raised to provide for the categories of expenditures set forth in the Yarborough amendment and the specific amounts of expenditures themselves, that they must be publicly revealed and without which—

Mr. JAVITS. Well, I would hope that—I will look it over carefully. In the first place, the Senator is under a little misapprehension as to the amendment. It relates to employees under \$15,000.

But, answering the Senator's question as to the Yarborough amendment, I believe that it should be publicly disclosed. I will look over the amendment. If I find that it is not, then I will, myself, offer something to that.

Mr. CLARK. Mr. President, I asked the Senator from Texas if he would correct

me if I misstated him, whether the expenditures had to be publicly revealed and accounted for, and he said he did not know. The Senator from Mississippi tells me that they do.

Mr. STENNIS. Mr. President, there is no question about it. Absolutely. The resolution requires public disclosure.

Mr. YARBOROUGH. Mr. President, will the Senator yield me 1 minute?

Mr. MANSFIELD. Mr. President, I yield 1 minute to the Senator from Texas on the bill.

Mr. YARBOROUGH. Mr. President, as I understand the resolution, if one is a millionaire and gets a \$100,000 income, from which he gets money to run his office, he simply files that information, and it is not known; but if a Senator has to raise money to run his office, that information is filed and given to the newspapers. This resolution encourages the election only of Senators of vast wealth, and that will happen in about 10 years, under this resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. JAVITS]. The amendment was agreed to.

AMENDMENT NO. 636

Mr. DODD. Mr. President, I call up my amendment No. 636, as modified.

The PRESIDING OFFICER. The clerk will read the amendment, as modified.

The assistant legislative clerk proceeded to read the amendment.

Mr. DODD. Mr. President, I ask unanimous consent to suspend with further reading of the amendments. They involve technical modifications. I think I can save the time of my colleagues by explaining it.

The PRESIDING OFFICER. Without objection, the amendments will be printed in the RECORD without being read.

The amendments (No. 636) as modified, are as follows:

Insert at the proper place on page 4:

"(c) discharge in whole or in part any duly authenticated indebtedness incurred by him which is directly attributable to expenditures made by him or on his behalf in support of his efforts to obtain nomination for, or election to, the office of Senator or for his subsistence or that of his immediate family during any period in which he conducted an active campaign for such nomination or election;"

At the proper place in page 4:

"3. No Senator may accept or use any contribution described in paragraph 1 for any purpose described in paragraph 2 unless—

"(a) In the case of any contribution obtained through a public fundraising event, each invitation extended by or on behalf of the Senator to one or more persons to attend such fundraising event contains a clear and unequivocal statement of one or more purposes described in paragraph 2 for which money so obtained will be used; and, if any contribution so obtained will be used for one or more purposes described in paragraph 2(c) and Yarborough amendments, the statement so made contains an affirmative disclosure of the fact that money so obtained is not intended for use to defray expenses incurred in any future political campaign.

"(b) All of the net proceeds of the money obtained by contributions described in paragraph 1 are promptly deposited in a separate bank account established for the purpose of receiving such net proceeds and making disbursements therefrom.

"(c) Withdrawals from such separate bank account are made exclusively for the purpose of defraying duly authenticated lawful ex-

penses incurred for purposes described in paragraph 2; and, in the case of money obtained through any public fundraising event, exclusively for the purpose of defraying such expenses of the kinds specifically described in the invitation given in conformity with subparagraph (a).

"(d) Specific and detailed records are established and maintained, in accordance with accepted accounting principles, which disclose the source of each deposit of money made in such bank account and the object of expenditure for each withdrawal of money made from such bank account.

"(e) Such separate bank account and such accounting records are audited at the end of each calendar year by a certified public accountant.

"(f) The full and complete text of the report of the accountant upon each such audit for any calendar year is filed by the Senator for whose use or benefit such separate bank account was established as an appendix to the report for that calendar year filed by that Senator with the Secretary of the Senate under paragraph 3 of rule XLIV, relating to the disclosure of contributions.

"4. (a) If a Senator who is a candidate or prospective candidate for nomination for or election to the office of Senator for a later term of office receives one or more contributions of money which were intended for use as a campaign fund to defray expenses incurred or to be incurred to influence such nomination or election or such nomination and election, and the aggregate amount of such fund exceeds the aggregate amount actually expended by or on behalf of such Senator for that purpose, the remainder of that fund shall be deemed to be a campaign fund surplus and shall be disposed of pursuant to subparagraph (e) of this paragraph.

"(b) If a Senator who has become such a candidate or prospective candidate, and has received one or more such contributions, thereafter withdraws from his candidacy for such nomination or election, any portion of the campaign fund so established which remains unexpended and unobligated at the time of his withdrawal from such candidacy shall be deemed to be a campaign fund surplus and shall be disposed of pursuant to subparagraph (e) of this paragraph.

"(c) If a Senator has received before or after his election to the office of Senator one or more contributions of money which were intended for use as a fund to discharge any indebtedness incurred by him for the purpose of defraying expenses incurred or to be incurred by him or on his behalf to influence his nomination for or election to the office of Senator for any term, and the aggregate amount of such contributions exceeds the amount required to discharge such indebtedness, the remainder of that fund shall be deemed to be a campaign reimbursement fund surplus and shall be disposed of pursuant to subparagraph (e) of this paragraph.

"(d) If a Senator during any term of office as a Senator has received one or more contributions of money which were intended for use as a fund to defray the reasonable expenses, incurred or contemplated, of his office, such contributions may be expended by him for that purpose during any portion of the period of his continuous service as a Member of the Senate. If any such fund has been established by or on behalf of any Senator, and that Senator resigns or is removed from his office during any term or does not seek reelection or is not reelected to the office of Senator for the next succeeding term, any portion of such fund which then remains unexpended and unobligated shall be deemed to be an office expense fund surplus and shall be disposed of pursuant to subparagraph (e) of this paragraph.

"(e) If any portion of any such fund becomes a surplus within the meaning of subparagraph (a), (b), (c), or (d) at any time during the life of an individual who is or has been a Member of the Senate, such surplus

shall be disposed of, as that individual shall direct, in one or the other of the following two ways:

"(1) such surplus shall be returned to the contributors to that fund in proportion to the amounts of their respective contributions thereto; or

"(2) such surplus shall be transferred in its entirety to the senatorial campaign committee of the political party of which such individual was a member while serving as a Senator during his most recent term of office.

"(f) All contributions received by a Senator for the establishment of any fund for any purpose described in subparagraph (a), (b), (c), or (d) shall be deposited in a bank account in the name of a trustee designated by him who shall have power (1) during the life of such Senator to make disbursements therefrom on behalf of the Senator for any of the purposes for which such fund was established or for disposition in compliance with subparagraph (e) of this paragraph, and (2) upon the death of such Senator to dispose of any sum remaining unexpended and unobligated in such fund in accordance with subparagraph (e) of this paragraph."

On page 4, line 22, strike out "3", and insert in lieu thereof "5".

On page 5, line 1, strike out "4", and insert in lieu thereof "6".

The PRESIDING OFFICER. The Senator from Connecticut may proceed.

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

Mr. DODD. I yield.

Mr. COOPER. Mr. President, I have been on the floor during practically the entire debate. The only time I have been off the floor was for perhaps an hour when the amendment was adopted. I support the Senator from New Jersey's position. Yesterday we debated at long length the amendment which he offered and which was adopted by the Senate by a rollcall vote. I supported the amendment. I supported the position in committee and filed supplemental views affirming my position on the subject.

Before action was taken on this amendment, there should have been a quorum call and a rollcall vote, to give those of us who oppose this system of collection of funds for office expenses a chance to vote on it. I would have voted against it. We should have a rollcall vote.

Mr. CASE. Mr. President, will the Senator from Connecticut yield me half a minute?

Mr. DODD. I yield.

Mr. CASE. Mr. President, I think a great many of our colleagues feel that way; and, in the circumstances, I wonder if I might not suggest the possibility of a unanimous-consent agreement for reconsideration of the action by which the Yarborough-Javits amendment was adopted. As far as I am concerned, we could agree on a time limitation of very short duration, if that were done. I think there is a feeling, which I share, not that there was any intended effort to rush it through, but I was not notified of any intention.

Mr. GRIFFIN. Mr. President, reserving the right to object, did I understand the Senator from New Jersey to say he was not notified?

Mr. CASE. No; I was not notified in time to get here. I received a call from the Senator from Michigan about 15 minutes before action was taken. I got here as quickly as I could, but there was no delay for me to get here. I am sure the Senator from Mississippi felt I had

more time, but Senators who have similar feelings had no notice. I think it would be more in the spirit of this institution that the matter be reconsidered.

Mr. DODD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DODD. Is this debate coming out of my time?

Mr. ANDERSON. Mr. President, I ask unanimous consent that—

The PRESIDING OFFICER. The Chair is advised that it is out of the time of the Senator from Connecticut.

Mr. ANDERSON. Mr. President, I was trying to make a request.

Mr. DODD. Mr. President, with the indulgence—

Mr. ANDERSON. Mr. President, I ask unanimous consent that the time not be charged to the Senator from Connecticut, because he has not had control of it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the time is not charged to the Senator from Connecticut.

Mr. DODD. Mr. President, as I tried to say my amendment amends rule XLII, which has been previously amended in two instances by the Senator from New Jersey [Mr. CASE] and the Senator from Texas [Mr. YARBOROUGH]. My amendment will have to be technically amended to fit the changes that have taken place.

As is always the case with new legislation, there are respects in which this resolution, or any resolution, or any legislation, can be clarified and strengthened. That is all I seek to do.

My amendment seeks to fortify rule XLII by laying down hard, comprehensive, and rigid rules governing the conduct of fundraising functions authorized by the resolution and the handling and reporting of all contributions received, whether the contributions are intended for campaign purposes or for liquidating political debts incurred in the course of seeking nomination and election.

I want to call to the attention of the Members of the Senate the following facts about this amendment. I shall be brief. It does not need any lengthy explanation.

First, it differs from the original resolution in that it establishes three distinct categories of contributions, whereas, as I understand the resolution—it tends to put both kinds of contributions together in a single, omnibus category.

The wording of the resolution as amended does not explicitly, permit the use of contributions for the purpose of liquidating debts incurred in seeking nomination and election.

I want to say to the Senator from Mississippi and the Senator from Kentucky that I know from our colloquy and I know of their assurances, as I read the RECORD that it was not the intent of the committee to prohibit fundraising dinners for the purpose of liquidating old campaign debts. I do not think it is clear enough in the resolution, and I do not think the colloquy is enough to make it so. I think it ought to be spelled out in the most explicit manner, so that nobody in this body, from this hour on, will have any doubt about it.

Believe me, there has been doubt. If there has ever been a gray area or a jungle, this has been it.

I believe my amendment would strengthen the original resolution by establishing these three categories of contributions:

First, campaign contributions.

Second, contributions intended to defray campaign deficits or debts incurred in the course of seeking nomination and election.

Third, in view of the amendment of the Senator from Texas [Mr. YARBOROUGH], there would now be included specific costs of office.

So there are three. In the second place, I think my amendment will strengthen the original resolution by spelling out, I think in a very precise manner, the conditions which should govern the holding of fundraising affairs and the handling and accounting of these functions.

I do not think there is anything more important for us. My experience is past, and I am not trying to be fulsome when I say I do not want it to happen to anybody else. The best way for Senators to insure themselves against that is to have written into this resolution precisely what they can do and what they are required to do, so there will never be any gray area, any doubt, any jungle.

The amendment would require that the invitations to one of these functions must contain, in print on its face, a clear and unequivocal statement of the specific political purpose to which the funds raised will be put. There should not be any doubt in anybody's mind as to what they are being raised for and what they are to be used for.

That has not been the custom in this country, despite what anyone may say; but it ought to be made so, and I wish it had been so. I think this is the hour to make it so.

If the function is not part of a political campaign, the invitations should make it unequivocally clear that the function is not a campaign fundraising function.

Next, the proceeds from such functions, as I suggest in this amendment, must be promptly deposited in a separate, entirely independent bank account, under the control of an independent trustee—that is, independent from the Senator involved, not one of his employees, but a person designated by him; and that withdrawals from such bank accounts are to be made exclusively for the purposes of defraying specific political expenses described in the invitation.

Then my amendment would require that detailed records, disclosing the source of each deposit and the purpose of each withdrawal be maintained. I do not know how anybody can find fault with that. If we are going to have these affairs, let us get some ground rules: Where did this come from, and what did you do with it?

My amendment would require such records to be audited annually by a certified public accountant, and the complete text of the accountant's report is to be filed with the Secretary of the Senate, to be available to the public, as is true under the committee's resolution.

Finally, my amendment provides for the disposition of any surplus. I have

not heard this subject discussed during the debate. Though it has been an interesting and I think a constructive debate, I do not recall having heard anyone raise this question of surpluses.

If there is any surplus in a campaign fund, what do we do with it? Why have we not talked about it? If a Senator receives campaign contributions and then decides not to run, for example, but he has already raised some money; maybe he has spent it all, maybe he has not. What is he supposed to do? I think we ought to make clear here, by this resolution, what he is supposed to do with that money.

Mr. MURPHY. Mr. President, will the Senator yield for a question?

Mr. DODD. Yes; I am happy to yield to the Senator from California.

Mr. MURPHY. I commend the Senator for the contribution he is obviously making, but I should like to ask him a practical question.

When does a campaign begin? When is a Senator campaigning; or I might put it the other way: When is he not campaigning? I think that should be spelled out.

Mr. DODD. I think so, too. But I believe that is pretty largely governed by State law.

Mr. MURPHY. There is a restriction, also, that has to do with the television and radio situation, and equal time.

Mr. DODD. We are campaigning every day of our lives.

Mr. MURPHY. Certainly. That is my belief.

Mr. DODD. And these fictions about calendar dates are only fictions.

Mr. MURPHY. I agree.

Mr. DODD. Nobody lives by them. Almost everything that I do, and I think almost everything that most Senators do, to assure their own approval by their constituents, and, if we are healthy and strong enough to get their approval, in seeking reelection, is campaigning.

But I do not wish to get into that, if the Senator will forgive me for putting it that way. I think I have something here that the Senator from California will be interested in, as well as other Senators. I do not think it is harsh; I do not think other Senators will think so. I am sure there are surpluses; I am sure this has occurred. I think a man might very well decide to run for the Senate today, and not be able to continue by July. What does he do with the money?

I have suggested in my amendment two alternatives, which I believe should be entirely acceptable. One permits a Senator to dispose of the surplus by returning it, which is the first thing to try to do, on a pro rata basis, to the contributors. That sometimes is very difficult, but he could do his best.

Otherwise, it permits him to dispose of the surplus by turning it over to the party of his choice—for example, to the Senate campaign committee of his choice—for the purpose of assisting other Senators with deficits and in need of financing, or those who require assistance in running for reelection.

But the importance of this part of the amendment, I say to my fellow Senators, is that I think we ought to define it.

Otherwise, we more or less make a mockery of all we have been trying to do.

When a man gets through with a campaign, he has \$100,000, so he puts it in a bank account, and nobody knows what it is or what it is to be spent for, and he can use it for all kinds of purposes. I think we ought to put this thing right down in writing.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. DODD. I yield.

Mr. LAUSCHE. Did I understand the Senator to say that under the resolution as it now stands, there is authority granted for the solicitation of funds to run a campaign?

Mr. DODD. As I understand it, that is so.

Mr. LAUSCHE. And, second, authority to solicit funds to liquidate deficits that have been incurred in campaigns previously conducted?

Mr. DODD. Past debts incurred.

Mr. LAUSCHE. Yes.

Mr. DODD. I drew my judgment about that from the colloquy, as I have pointed out.

Mr. LAUSCHE. That is not in the Senator's amendment, though, is it?

Mr. DODD. Yes; it is. I am trying to make it more definite.

Mr. LAUSCHE. I see. The third item is whether he has the authority to solicit funds to help finance the operating costs of his office.

Mr. DODD. No; this is not in the amendment.

Mr. LAUSCHE. That is what I wanted to find out.

Mr. DODD. That is not in my amendment. The Senator from Texas [Mr. YARBOROUGH] offered an amendment, as I understand, to relate to specific costs of office, which the Senate agreed to. But that is not in my amendment.

Mr. LAUSCHE. I would look with disfavor upon granting authority for any Senator to solicit funds to help operate his office. There is no justification for that.

Mr. DODD. I know the Senator's view, but that is not in my amendment.

Mr. LAUSCHE. Is it in the resolution anywhere?

Mr. DODD. Yes; the amendment of the Senator from Texas in a limited sense, provides for specific costs of office, if I understand it correctly. I ask the Senator from Texas, am I not correct?

Mr. YARBOROUGH. I beg the Senator's pardon?

Mr. LAUSCHE. Is there, in the Senator's amendment, a provision authorizing a Senator to solicit funds for the purpose of operating a Senator's office?

Mr. YARBOROUGH. The amendment that was offered jointly by me and the senior Senator from New York does not change the authorizing amendments of this resolution whatsoever. Ours is an addendum, by which funds might be spent that are solicited and raised, but we did not change the authorizing language of the resolution.

Mr. LAUSCHE. Is there a provision in the bill now that says that a Senator may accept contributions specifically for the purpose of financing the operations of his office?

Mr. DODD. As I understood it, that is correct.

Several Senators addressed the Chair.

Mr. STENNIS. May I answer the question?

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. DODD. I yield. I did not mean to interrupt, but may I put the question to the distinguished Senator from Texas? Am I correct?

Mr. YARBOROUGH. Yes.

Mr. DODD. In understanding the Senator's amendment as allowing for specific costs of the office?

Mr. YARBOROUGH. The amendment does not authorize the raising of money for the purpose of operating an office. It authorizes the raising of contributions to defray the travel of a Senator to and from his home State; for printing and other expenses connected with mailing speeches, newsletters, and reports to a Senator's constituents and to news media; and for telephone, telegraph, postage, and stationery expenses. It permits the expenditures of money for the purposes named.

Mr. LAUSCHE. There is not much difference between the two.

Mr. YARBOROUGH. It is spelled out exactly, instead of in general terms, as before. The Yarbrough-Javits amendment spells out what the funds can be spent for. Certainly it does not permit the hiring of management or other means to run an office.

Mr. MURPHY. Mr. President, will the Senator from Connecticut yield?

Mr. DODD. I yield to the Senator from California.

Mr. MURPHY. I wonder if the amendment would include travel within a State. In my State, I maintain three offices. Does the amendment include travel between offices? I have an office at San Francisco, another at Sacramento, and another at Los Angeles. In many States, a number of offices are not needed. But with 20 million people in a State the size of California, I have to travel back and forth.

Mr. YARBOROUGH. Our amendment is not broad enough to permit the Senator to raise money for paying for that kind of travel. I have a similar problem. At one time I went from my home in Austin to El Paso, and the fare to El Paso and back was as much as the cost of one trip home from Washington to Texas and back, because the only ticket I could buy was a first-class ticket. In traveling from Washington to my home State, I could travel at night on a jet at the tourist rate. In going from Washington to Dallas and back the fare was the same as the fare from Austin to El Paso.

That is a very heavy burden. I might add, although not at all bragging because Alaska is now in the Union, that my State is considerably larger than the State of the Senator from California. So I realize his problem. It is very expensive to travel within a State, because most of the time, on the feeder lines, the fare is first class.

Mr. DODD. Mr. President, how is the time running?

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator from Connecticut has 13 minutes remaining.

Mr. MURPHY. Mr. President, I should

like to ask that the colloquy between the Senator from Texas and the Senator from California not be charged to the time of the Senator from Connecticut.

Mr. DODD. That may not be necessary. I should like to finish what I have to say.

The PRESIDING OFFICER. It is difficult to extend that courtesy to the Senator from California at this time.

Mr. MANSFIELD. Mr. President, if the Senator from Connecticut needs additional time, it will be yielded to him from the time on the bill.

Mr. DODD. I thank the majority leader for his uniform kindness. I am grateful. I can conclude in a few minutes. I was trying to explain the subject of surplus funds. I feel it is important Senators ought to be protected. I do not know whether it is of so much importance to me any longer, but certainly other Senators ought to be protected. If there is a surplus after a campaign, there is no rule to provide for its disposition. At least, there is none that I know. What shall be done with it? Why do we not adopt some rules to provide what shall be done with a surplus?

I favor two alternatives. I have mentioned one. It can be made available on a pro rata basis to the contributors. That is one way to handle it. Or the surplus can be turned over to the Senate campaign committee of a Senator's choice, or to a political party of his choice. I think that ought to be done. Otherwise, the Senate will be subject to further suspicion. These clarifications ought to be made.

As to the costs of office, the question arises, Can the surplus fund be retained if the Senator is reelected? I should like the attention of the Senator from Mississippi because he knows a great deal about this. Assume that a Senator had \$50,000 left over after his election and that he put it into a separate bank account. May he draw on that account, under the resolution, to pay the costs of his office?

Mr. STENNIS. I do not think the resolution expressly covers that point. We were directing our attention to funds that are raised by a Senator who is already elected and is looking to renomination for election or to election in activities that the resolution denominates as a campaign. We were speaking prospectively, of future campaigns.

Mr. DODD. Yes; but I think the resolution involves future campaigns and past campaigns. I am certain that this has happened. I am sure that many other Senators besides myself know about it. If we are going to clean this problem up, let us go whole hog and do it right. In my judgment, it should have been considered.

One Senator could have a \$100,000 special bank account to cover the cost of his office and would not come under the resolution or any rule. If we are going to write some rules, let us write them so correctly that no one can have any doubt about them. I do not think it is fair to allow one Senator to have such a privilege while another must be subject to the rule. I do not think the American people think that is fair either. We had better write that into the resolution. I believe that Senators will agree that it has been overlooked.

I understand the problem of the Senator from Mississippi. He had many problems. I am not critical of him for not thinking of it, but it has occurred to me. Why should we not take care of that now? I suppose the answer could be made, "Let us agree to the resolution first; then the committee will try to write some rules." I know that it will, and I believe they will be good ones. I look forward to them. But I think that this subject is so important that the whole Senate ought to write the provision and say what it believes to be true about it.

It is also true as to what I have tried to offer in the amendment with respect to what is involved by "making public." In my travail, if one four-letter-word had been used by those committees which issued invitations—the word "gift"—I do not think I would have passed through the agony that I did.

So let us make it clear, so that no Senator will have any doubt. Let us have it written down and know what we are up against. Let us know what we can do and what is forbidden.

I say this, believe me, not so much for myself, but for other Senators. It ought to be done. We have the opportunity to do it.

I would appreciate knowing of any fault that the chairman of the committee finds with my amendment. I myself do not know whether there is any fault within it. I think we ought to air it.

Mr. STENNIS. Has the Senator from Connecticut yielded the floor?

Mr. DODD. I do not know how the Senator from Mississippi feels about these suggestions. I had to change my amendment, as the Senator knows, because of what took place in the Senate yesterday. I assure the Senator from Mississippi and all other Senators that this is an effort to strengthen the resolution and to pin down what we are permitted to do and what we are required to do. I do not want to ask for a rollcall vote at this late hour on Friday, but I would like the Senate to work its will. I do not see anything in the amendment, I say to the Senator from Mississippi, that in any way weakens the resolution; I think it only strengthens it.

Mr. STENNIS. I should like to reply to the Senator on my time, when he has finished.

Mr. DODD. I shall reserve what time I have remaining.

Mr. STENNIS. Mr. President, I yield myself as much time as I may use, not to exceed 15 minutes.

I thank the Senator from Connecticut for his fine remarks and for his contribution in preparing the amendment. I want to get his opinion on one salient fact.

Mr. President, the only matter before the Senate at this time is the amendment of the Senator from Connecticut. I believe we have to understand a fundamental fact.

The provisions in this resolution, Mr. President, relate solely, so far as a Senator is concerned, to matters in the future and his conduct as a Senator, after he has been elected and is serving in office. The question of contributions particularly relates in that way. It does not go into the matter of surplus, because it is rarely that anything is heard about a surplus.

After the funds have gone into the control of the Corrupt Practices Act—we have not tried to control them, of course not—they come under the State law or the Federal law that may be applicable during that campaign. That is where we cut off generally in the resolution, and we do not try to follow them.

If any Senator has raised money and if he turns it over to the political committee, that is a receipt for him, and he does not have to trace it any further, under this resolution.

I do not believe we should go into the operations of a Senator's office and permit him to raise money under this resolution in order pay off a deficit he might have. We might disagree with that, but it seems to us that the problem will have to be solved in some other way. They do have deficits, and the deficits must be paid. But the idea of discharging Senatorial duties and raising funds on the side at the same time, through his office, should not be permitted in our thinking, and the wording of the resolution is not intended to include that, and I do not believe we should add it. If that were to be added, it would raise all sorts of questions about what is to be allowed.

The Senator's amendment refers to authenticated indebtedness incurred by him, and so forth, and then particularizes some of them—for instance subsistence for immediate members of the family during the period in which he conducted an active campaign for such nomination.

There must be a cutoff point. Should we undertake to regulate, merely through a Senate resolution, how a Senator who has already been seated can use his office to generate these campaigns funds or to generate funds to pay for items that are as personal as those? In my opinion, we would be going far out of bounds.

Mr. DODD. That subsistence has to do only with the time during campaigns.

Mr. STENNIS. I made that clear—indebtedness incurred during the campaign.

Mr. DODD. I suppose he would be entitled to what someone not a member of his family would be entitled.

Mr. STENNIS. The committee is under a mandate to bring back rules and regulations that we think are proper for the conduct of a Senator while he is holding office. That is our only jurisdiction. I believe this amendment is foreign to our thought and foreign to the concept of the entire resolution. I do not believe any members of the committee considered trying to regulate matters such as these.

With all deference to the Senator from Connecticut, we do require, with respect to any testimonial dinner—we understand that these are used by the parties in many ways, but they are used especially in some States—that the Senator must give his permission, if it is a personal testimonial. Our idea was that he would then be put on notice with respect to the nature of the function, what its purposes were, and how it was going to be conducted. He would at least know something about it, so that if he wished to, he would have a say as to whether it would be held, how it would

be held, and what the ground rules were going to be.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield.

Mr. CLARK. I should like to call the attention of the Senator from Mississippi and the Senator from Connecticut to page 4, rule XLII, lines 3 through 5:

A Senator may accept a contribution from—

(a) a fund-raising event organized and held in his behalf, provided:

(1) he has expressly given his approval—

Then skipping down, he is allowed to use the contribution only to influence his nomination for election, or his election; and we deleted paragraph (b) yesterday—

and shall not use directly or indirectly any part of any contribution for any other purposes.

I am at a loss to understand why a Senator should not be permitted to use that type of fundraising event to pay off his deficits.

Mr. STENNIS. We did not cover it, and we did not attempt to cover it. I believe it is another matter. The Senator can argue the other way, but I believe it is too late for us to get a full consideration of that matter.

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

Mr. STENNIS. I yield.

Mr. CLARK. As I read the language of the committee report, it would prohibit a fundraising event to pay off a deficit, because it says he may use the contribution only to influence his nomination for election, or his election. How is he going to get his debts paid off if he does not have a fundraising event?

Mr. STENNIS. My interpretation is that this language does not permit the payment of prior debt. There may be a different interpretation. I do not know. But a simple amendment permitting it would put the issue squarely. My argument is that this amendment is long; it is drawn out. I shall point to other features that I do not believe are relevant. But a direct amendment would raise the issue properly.

Mr. CLARK. Will the Senator yield?

Mr. STENNIS. I yield.

Mr. CLARK. I am coming to the belief, from the argument made by the Senator from Connecticut, that the language of the committee is essentially unfair.

Much has been said about rich men's amendments, and I have been accused of being a rich man and trying to take advantage of the poor men of the Senate. But there is hardly a Member of the Senate who is not going to run a deficit in a campaign for reelection. If the committee says that he cannot raise money to pay off that deficit—and that is what the committee says—I believe it is unfair.

Mr. STENNIS. I say he should not use his office for personal gain after he comes to the Senate. I say that the deficits must be paid. This is my view.

Mr. CLARK. At the very least, I believe there should be an exception so that the way the language is written it would not be illegal and improper and a violation of the rule to hold a fundraising event to pay off a deficit.

Mr. STENNIS. We can return to that.

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

Mr. STENNIS. I yield.

Mr. DODD. I note that the Senator talks about dealing with the future, and I understand that. I assure the Senator that my amendment deals with the future. It is not intended to go back prior to the adoption of this resolution.

Mr. STENNIS. I thank the Senator.

My main point is that this is entirely new thinking and entirely new procedure and an entirely new problem. If we were to adopt an amendment such as this, it would permit all types of things to be done in retiring prior indebtedness, alleged campaign expenses. Who is to determine what are real campaign expenses? I believe that the matter of meals, traveling expenses, and so forth, is beyond the rule of the Senate.

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

Mr. STENNIS. I yield.

Mr. DODD. Mr. President, I call attention to the fact that that has only to do with the campaign. The record would make it appear otherwise. It would not change anything but only suggests some improvements in the resolution.

Mr. STENNIS. My argument is that it goes beyond the resolution to get into a new field of activity and category. We could get at it simply by the amendment suggested by the Senator from Pennsylvania, but then we are immediately confronted with the question. What are campaign deficits? What goes in? This language would open up a can of worms and it would take a most minute and microscopic examination.

Returning to campaign fundraising, we put the Senator in the picture and give him an opportunity to modify or reject it. He should not be charged with that responsibility, but he is when he gets notice.

The Senator has a plan here—and I am not critical—that these things have to be reported annually by a certified public accountant. That's all right. That is a system adopted for the funds raised during this term and to be published, and that has never been required before.

The Senator talks about keeping proper accounts. That is very good. However, we have language here to make him keep proper accounts of whatever he takes in as a Senator.

We said in the beginning that we offer a package here. I do not see how in the world this could be properly defined, and try to regulate deficits, and whatever is in there. What constitutes a proper item for a deficit would be a new bill and would require most careful consideration by a committee and then by the Senate itself. If this amendment is thrown on here like a wet blanket, we will not know where we are, and neither will the Senator when the proposal is completed.

Let us get at the problem of trying to regulate what we have been debating. I do not know that the committee will be back any time soon with any new proposals unless it would be to pick up any defects; but that is something that can be done in the course of time.

My plea is: Let us take what we want of the package we have and not go into other fields.

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

Mr. STENNIS. I yield.

Mr. ANDERSON. We started to talk about deficits.

The regulation would finally say that:

2. The Senator may use the contribution only to—

(a) influence his nomination for election, or his election; or

(b) defray the reasonable expenses, incurred or contemplated, of his office; and shall not use directly or indirectly any part of any contribution for any other purposes.

And also:

(c) discharge in whole or in part any duly authenticated indebtedness incurred by him which is directly attributable to expenditures made by him or on his behalf in support of his efforts to obtain nomination for, or election to, the office of Senator or for his subsistence.

We had a debt in our State last year in the campaign. I understand now we could go back and with perfect propriety raise moneys to apply to that debt. I think that is dangerous and I agree with the Senator from Mississippi.

Mr. STENNIS. That is my point. We are going into a new field. Even though the Senator worked on this faithfully, we would be going into a field in which we are not fully informed. We would be adopting ground rules in fields not yet explored. One of the areas involved is the corrupt practices acts of the States from which some of us come. We have virtually no control over that. Somebody's judgment and opinion must be had before we can come up here and legislate.

With reference to a surplus, that is another field we had better not go into.

Mr. DODD. I may have grossly misunderstood the Senator and I could well have done so. However, on Monday in a colloquy with the Senator I asked the specific question: Does this include past political debts? I pointed out the word "incurred" was used, which is certainly in the past. I understood the Senator to say that it did. Now, I understand him to say it does not. I was not the person who put in section (a) about defraying reasonable expenses. We should know just what is intended. On Monday we are told it does, and on Friday we are told it does not.

Mr. STENNIS. I beg the Senator's pardon.

Mr. DODD. If the Senator will let me finish, the Senator had yielded to me. I hope the Senator will indulge me long enough to state my question.

Mr. STENNIS. Very well.

Mr. DODD. Did I understand the Senator correctly on Monday to say that it did include past debts, and do I now understand him to say it does not; and if he has changed his mind, why?

Mr. STENNIS. The Senator from Mississippi has not changed his mind and has not changed his position.

I shall state what the Senator's question was directed to on Monday. Then, there was language in the proposal here that referred to office expense of a Senator. It referred to debts either incurred or contemplated. It was in the bill on page 4 at line 18. That language has been stricken out of the bill since.

The Senator from Mississippi replied

that that had to do with expenses of operating the office; the funds could be accepted and paid for things that had already happened in the office, such as buying extra paper.

I said on Monday, in substance, it could be used for paying expenses already incurred in the office. I do not think I used the illustration of stamps or paper, but that would have been all right if he contemplated a certain plan of action. Then, they could go for that purpose. I think it was there I used the illustration about our friend from Illinois, who at one time had a plan he contemplated for certain things and then changed his mind. I do not think I said to the Senator he could go back and pick up old debts.

Mr. DODD. I thought I understood the colloquy between myself and the Senator from Kentucky. There may have been a misunderstanding. We can only ascertain that from the RECORD.

Mr. STENNIS. That is all right.

Mr. DODD. I remember the colloquy because I remember asking how far in the future we could contemplate. I do not think we know. This is what I am talking about. I think the Senate should know and I should know.

There should not be any vagueness about this. And, I think we should take the time to carefully define just what is the intention of the committee concerning this matter.

Mr. STENNIS. I am not in a hurry I have been standing here for a week and I can stand here for another week.

Mr. DODD. I know. But, I am afraid that on a Friday afternoon we do not have sufficient time. That is why I am concerned about the time limitation. I think this is the last proposal that should have a time limitation, but it was proposed. I think we could do a much more thorough job by discussing the matter, debating it, bringing up many facets, and airing everything, if we take the time to do it.

Why do we not have a live quorum and then we could ascertain how many Senators we can get at 20 minutes after 4 on a Friday afternoon.

Mr. STENNIS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

Mr. President, before doing that, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, before the quorum call—

Mr. STENNIS. Mr. President, I withdraw my request for the call of the quorum.

Mr. MAGNUSON. I wanted to make the statement that—

Mr. STENNIS. I yield 1 minute to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 1 minute.

Mr. MAGNUSON. Mr. President, because of serious illness in my family, I must catch an airplane for Seattle which leaves here about 6 o'clock.

I hope that we can vote on this reso-

lution by 5 o'clock. But, if we do not, I want the RECORD to show that I would vote for the resolution, as amended. I am wholeheartedly in favor of it and compliment the committee on the fine job it has done.

I thank the Senator from Mississippi for yielding to me.

Mr. MANSFIELD. Mr. President, for the information of the Senate, I think that the leadership has a commitment. I will restate that commitment.

It is that, if at all possible, we intend to try to finish work on the resolution and vote on it tonight.

Whether we do or not, is up to the Senate and not to the leadership.

Many Senators have engagements of great importance to them. They are staying in the Chamber. We have a quorum here, and it is a good quorum. I would say that we have in the neighborhood of 75 Senators, at least.

Mr. DODD. Mr. President, if the majority leader will yield, I had no thought of questioning him.

Mr. MANSFIELD. No; no. I am not talking about the Senator at all.

Mr. DODD. If a quorum is present, I am happy about it. I want to be sure we have a quorum, at this late hour on a Friday afternoon.

Mr. MANSFIELD. We have one.

Mr. DODD. Then I shall not ask for a live quorum.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield 2 minutes to the Senator from Kentucky [Mr. COOPER].

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. COOPER. I should like to have the attention of the Senator from Connecticut to say that at least in one respect, and there may be others, the main question he raised is one which I think deserves the consideration of the committee after the resolution is adopted.

This rule, as I understand it, operates in futuro in that a Member or incumbent Senator can receive funds from fundraising events for campaign purposes to influence his nomination for election, or his election in the future.

It might be that in a preceding campaign, in which a Senator was elected that there were legitimate campaign expenses which were not paid for.

The Senator is asking, would the rule permit him to have a fundraising event to pay off legitimate campaign expenditures for the election in which he was elected to the Senate.

My judgment is, and I think that the Senator from Mississippi said this, that this resolution would not permit him to do so. However, I believe that the committee should consider the problem of legitimate campaign expenses that have occurred.

Mr. DODD. I want to thank the Senator from Kentucky very much for his remarks.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from Pennsylvania but want to say right now that I certainly think the Senator from Kentucky has made a good suggestion. I did not want to make any promises that we would be back in here in 10 days or 2

weeks with another resolution. Not at all. It will take a great deal of time to determine what is needed.

Now I yield 1 minute to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 1 minute.

Mr. CLARK. Mr. President, I want the RECORD to show that, in my opinion, the Senate is legislating this afternoon in an unseemly manner.

The Yarborough amendment was passed with no adequate quorum call, and with inadequate notice to the Senator from New Jersey [Mr. CASE]. It is a matter which required careful consideration, but it did not get it.

I think that we are now in the process of being quite unfair to the Senator from Connecticut [Mr. DODD] who has raised a very important question here which, in my opinion, should be dealt with by the resolution.

It seems that everyone wants to get away on a Friday afternoon. I think we may be taking action today which I am sure we will regret.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. CURTIS] is recognized for 1 minute.

Mr. CURTIS. Mr. President, due to a longstanding engagement, I must leave for Nebraska on public matters at 5 o'clock.

If I were present in the Chamber at the time the resolution is voted upon, I would support it. It is not perfect. The committee has had a very difficult job to do.

I believe that canons of ethics for lawyers have proved to be valuable over a period of time. I believe that judicial canons of ethics have been helpful. I think that the beginning of the formation of a body of rules for the guidance of Senators is also a good thing. I commend the committee for its action in that regard.

Were I to be present at time of final vote on the resolution is taken, I would vote "yea."

Several Senators addressed the Chair.

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from Nebraska [Mr. HRUSKA].

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 1 minute.

Mr. HRUSKA. Mr. President, the same necessities are imposed upon me, as my junior colleague has stated. Due to a longstanding commitment in my State on a matter of public business it is necessary that I leave the Chamber prior to the vote on final passage of the resolution.

I am in favor of the resolution, its merit and its purpose, and if I were present during the final vote, I would vote "yea."

I want to express my personal appreciation to the entire committee for the work it has done on this resolution.

I want particularly to express my appreciation to the Senator from Mississippi because I am always impressed with his performance when he undertakes to manage a measure on the floor. I am

especially grateful to the committee for its willingness to work out many suggestions and accept matters on the floor for the code of ethics which is embraced in the resolution to fill a long-felt need.

The resolution is not as perfect nor is it as complete as I would have it. However, it is an important step forward to meet a difficult situation.

Again I want to express my commendations and my appreciation to the Senator from Mississippi and to all members of the committee.

Mr. STENNIS. For all members of the committee, I thank the Senator from Nebraska most kindly.

Mr. AIKEN. Mr. President, will the Senator from Mississippi yield me 1 minute?

Mr. STENNIS. Mr. President, I yield 1 minute to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 minute.

Mr. AIKEN. Mr. President, I think that the Select Committee on Standards and Conduct has performed a useful and valuable service to the Senate. But, as amended, the resolution which it brought in is fast becoming a farce, in my opinion.

I certainly am not going to be a party to supporting such an effort, unless the resolution is radically changed and some of the amendments which have been adopted are thrown out.

I am going to stay in this Chamber long enough to vote against the resolution because I will not be a party to the perpetrating of a fraud upon the American people by making them think that we are trying to purify ourselves when we are really making ourselves look worse by the demonstration put on here today.

Mr. STENNIS. Mr. President, I have only 1 or 2 minutes remaining—

Several Senators addressed the Chair.

Mr. STENNIS. I yield 1 minute to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. MILLER. I thank the Senator from Mississippi very much.

Mr. President, I share some of the concern of the Senator from Pennsylvania [Mr. CLARK] regarding the implications in the resolution with respect to carrying over expenses which have not been paid for in a campaign. I would have the feeling that payment of those expenses, after one has been elected, can have a definite bearing on future renomination or reelection of an incumbent. But, if there is any question about it, it might be well for the Senator to have his campaign finance committee handle the whole matter instead of accepting the contributions himself.

Mr. DODD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. DODD. How much time remains to me?

The PRESIDING OFFICER. Eight minutes remains to the Senator from Connecticut.

Mr. DODD. I thank the Chair. I shall not use the 8 minutes.

I am, believe me, more than sym-

pathetic to Senators with previous engagements on a weekend. Frequently, I must leave Washington on Fridays, too. I know what Senators are up against in that respect. I know what we are all up against. I am particularly sympathetic to Senators who come from distant States. I do not want to take advantage for that or ask for a live quorum, hoping that enough Senators will be away so that we cannot get a quorum. I do not do that. I am not going to do that today. But I should like to make a very brief response to the very eloquent argument of the Senator from Mississippi [Mr. STENNIS].

As I understand it, what he stressed, and rightfully, is that we are legislating for the future. Of course we are. We are not legislating retroactively. I am the last one who would so suggest. Thus, I want to make that point, at least, that I do not think the Corrupt Practices Act cures the problems I have raised. We are not amending the Corrupt Practices Act. We are here to adopt a resolution with respect to the conduct of Senators. I think that this is the place to do it.

The specific point about the resolution requiring the permission of a Senator, I do not think that is enough. Permission can be in various forms.

It depends upon the Senator. It depends on how much attention he pays to what the committee is doing. The results will probably vary in many respects. That is why I introduced the amendment to make it possible for every Senator to know exactly what he has got to do. He has got to give more than permission to collect the money; he has to get an agent to collect it and make the report to the Secretary of the Senate.

I see nothing burdensome about it. If we had this rule, we probably would not be having this discussion.

That is the thrust of that part of my amendment. I do not understand why it should not be adopted. Is it too much to do? Will it protect us too much? Does it make our task more difficult?

It is a very little thing to do. I am asking that we do everything we can in this resolution to tighten up the rules and make them known to all members of the Senate, so they make no mistake about them, and thereafter we can all be held to abide by them.

My fear is that this is going to be argued for a long time. I think what the Senator from Vermont [Mr. AIKEN] has just said is quite true. I do not think we have done what we intended to do. That is why it has taken longer than we intended, and there is a lot to do now. I plead that the Senate adopt the amendment. It is not going to hurt anybody. It is going to help everybody.

It will put us on notice of the rules, what we can do and what we cannot do, and not deal with the rules in generality, like the jungle we have been operating in for 100 or 200 years; and every man here, and the lady, too, knows that to be true.

All I am asking the Senate to do is to spell it out; write it out; do not leave any doubt for anybody. Why cannot we do that? It will take a little while. Members want to get away. I said I understood it. If there are not enough Senators here, why cannot we do it on Monday?

Let me plead with you—and I am a little bit of an expert, if that is the way to describe myself. I wish there had been rules like these. I do not want any of you to feel as I have, for your sakes, for our children's sake, for the country's sake. Let us write rules about which there cannot be any doubt that everybody will understand them, and that we will have a chance. Let us not be so foolish as to say it is too late, that we do not have enough time, that we do not need it, that we already know. We do not know. We do not know anything about it, and here is a chance to do something about it.

Mr. CLARK. Mr. President, will the Senator yield in order that I may propose a unanimous-consent request?

Mr. DODD. Yes.

Mr. CLARK. Mr. President, I ask unanimous consent that further consideration of the Dodd amendment be postponed until Monday, and that it be debated for an unlimited time at that time.

Mr. STENNIS. Mr. President, I object. The PRESIDING OFFICER. Objection is noted.

Mr. DODD. Mr. President, I thank the Senator from Pennsylvania for his unanimous-consent request. I wish it could be done, but I shall not delay the Senate longer. I think, if we had more time, you would all agree that there is nothing here that should not be done; that it puts no burden on anybody; it clarifies the situation as it now exists. Yes, we will get regulations, and I am sure they will be good ones, but the Senate itself should regulate, particularly in this area, and not delegate it to a committee any more than it has to. This is the time to say what we think these canons of ethics, as the Senator from Nebraska described them, are.

Mr. President, that is my plea. I am not so foolish as to feel I will prevail over a respected and powerful committee. I think it is making a mistake in opposing the amendment. I think it made a similar mistake in opposing the proposals of the Senator from New Jersey and other Senators. I think our people want this done. I think they expect it to be done, and they do not expect us to put it off to some future time.

That is my plea. I hope the amendment will be approved.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. DODD. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Hawaii [Mr. INOUE], the Senator from Missouri [Mr. LONG], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr.

ERVIN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Washington [Mr. JACKSON], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Minnesota [Mr. McCARTHY], the Senator from New Hampshire [Mr. McINTYRE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Georgia [Mr. TALMADGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Nevada [Mr. CANNON], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Washington [Mr. JACKSON], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. TALMADGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Ohio [Mr. YOUNG], would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Massachusetts [Mr. BROOKE], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. KUCHEL], and the Senator from Illinois [Mr. PERCY] are necessarily absent.

The Senator from Kentucky [Mr. MORTON] is detained on official business.

If present and voting, the Senator from Massachusetts [Mr. BROOKE], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from California [Mr. KUCHEL], and the Senator from Illinois [Mr. PERCY] would each vote "nay."

The result was announced—yeas 5, nays 65, as follows:

[No. 73 Leg.]

YEAS—5

Bartlett	Dodd	Murphy
Clark	Hart	

NAYS—65

Alken	Gore	McGovern
Allott	Griffin	Metcalfe
Anderson	Gruening	Miller
Baker	Hansen	Mondale
Bennett	Harris	Monroney
Bible	Hartke	Montoya
Boggs	Hayden	Morse
Burdick	Hickenlooper	Mundt
Byrd, Va.	Hill	Nelson
Byrd, W. Va.	Hruska	Pearson
Carlson	Javits	Pell
Case	Jordan, N.C.	Prouty
Cooper	Jordan, Idaho	Proxmire
Cotton	Kennedy, Mass.	Randolph
Curtis	Long, La.	Ribicoff
Dirksen	Magnuson	Scott
Eastland	Mansfield	Smathers
Fong	McClellan	Smith
Fulbright	McGee	Sparkman

Spong	Tower	Yarborough
Stennis	Williams, N.J.	Young, N. Dak.
Thurmond	Williams, Del.	

NOT VOTING—30

Bayh	Holland	Morton
Brewster	Hollings	Moss
Brooke	Inouye	Muskie
Cannon	Jackson	Pastore
Church	Kennedy, N.Y.	Percy
Dominick	Kuchel	Russell
Ellender	Lausche	Symington
Ervin	Long, Mo.	Talmadge
Fannin	McCarthy	Tydings
Hatfield	McIntyre	Young, Ohio

So Mr. DODD's amendment was rejected.

Mr. MANSFIELD. Mr. President, I am about to propound a unanimous-consent request. I understand it has been cleared all around. If the Senate will agree to reconsider the amendment which I am about to mention, I think we could face up to it very quickly.

I ask unanimous consent that the vote by which the so-called Yarborough amendment was agreed to be reconsidered.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). Is there objection?

Mr. YARBOROUGH. Mr. President, reserving the right to object, and I shall not object, I want to state the facts about this. Statements have been made that no notice was given to the distinguished Senator from New Jersey [Mr. CASE]. Notice was given before the amendment was considered. I had agreed with the distinguished Senator from Mississippi, the chairman of the Special Committee on Standards and Conduct, that we would give notice to the Senator from New Jersey. A number of Senators worked on the amendment. The Senator from Michigan [Mr. GRIFFIN] was asked if he would handle the notification to the Senator from New Jersey. The Senator from Michigan gave that notice 15 minutes before the consideration of the amendment started. I personally spoke for 13 minutes. The Senator from New Jersey could not have had less than 40 minutes between being notified and the time of the vote.

The majority leader has said that it is the duty of Senators to be in the Chamber. The Senator from Pennsylvania [Mr. CLARK] was in the chair. He was relieved by the majority leader and came to the floor. He suggested one change in the amendment to make it broader than it was. Then he went back to the Chair, and we voted. No Senator asked for a quorum. Forty minutes must have elapsed. There was no injustice to the Senator from New Jersey.

But because of the objection of the Senator from New Jersey, I join in the unanimous-consent request that the Senate set aside that vote and start over.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a limitation of 10 minutes on the pending amendment, the time to be equally divided between the Senator from Texas [Mr. YARBOROUGH] and the Senator from New Jersey [Mr. CASE].

The PRESIDING OFFICER. Is there

objection? The Chair hears none, and it is so ordered. Who yields time?

Mr. CASE. Mr. President, may I first ask for the yeas and nays?

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 4 between lines 21 and 22, insert the following:

"3. Nothing in this Rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's home State, for printing and other expenses in connection with the mailing of speeches, newsletters and reports to a Senator's constituents; for expenses of radio, television and news media methods of reporting to a Senator's constituents; and for telephone, telegraph, postage and stationery expenses in excess of allowance, newspaper subscriptions from his home State."

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Jersey will state it.

Mr. CASE. Do I correctly understand that this is to be a consideration of the amendment as in the first instance, and therefore it has to be adopted affirmatively, otherwise it fails?

The PRESIDING OFFICER. The request for reconsideration has been granted. The question now is on the adoption of the amendment as such.

Mr. CASE. As in the first instance?

The PRESIDING OFFICER. As in the first instance.

Mr. ALLOTT. Mr. President, I should like to inquire as to that. Do I correctly understand that the unanimous consent request of the majority leader was that the motion to lay on the table the motion to reconsider be laid aside?

The PRESIDING OFFICER. The request of the majority leader was that the vote by which the Yarborough amendment was agreed to be reconsidered.

Mr. ALLOTT. Be reconsidered.

The PRESIDING OFFICER. The question now is on agreeing to the Yarborough amendment.

Mr. CASE. Mr. President, I assume that this colloquy is not being taken out of the agreed time. I ask unanimous consent that it not be taken out of our time. But I have one more question, a parliamentary inquiry, to clarify the situation for every Senator.

Pursuant to the Chair's ruling, the adoption of the Yarborough amendment would require a vote "yea"; opposition to it would be represented by a vote "nay"?

The PRESIDING OFFICER. The Senator from New Jersey is correct.

Who yields time?

Mr. CASE. If the Senator from Texas is agreeable, I will yield back my time, if he will yield back his time.

Mr. YARBOROUGH. I yield back my time.

Mr. CASE. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator

from Michigan [Mr. GRIFFIN] may be included as a cosponsor of the amendment. Mr. YARBOROUGH. I join in that request.

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

The question is on agreeing to the amendment of the Senator from Texas [Mr. YARBOROUGH]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Hawaii [Mr. INOUE], the Senator from Missouri [Mr. LONG], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Washington [Mr. JACKSON], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. TALMADGE], the Senator from Georgia [Mr. RUSSELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Ohio [Mr. YOUNG] are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. ERVIN], the Senator from Washington [Mr. JACKSON], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Georgia [Mr. RUSSELL] would each vote "yea."

I further state, that if present and voting, the Senator from Maryland [Mr. BREWSTER] would vote "nay."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Indiana [Mr. BAYH]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from South Carolina [Mr. HOLLINGS]. If present and voting, the Senator from Florida would vote "yea," and the Senator from South Carolina would vote "nay."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Missouri would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Massachusetts [Mr. BROOKE], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. KUCHEL], and the

Senator from Illinois [Mr. PERCY] are necessarily absent.

If present and voting, the Senator from Massachusetts [Mr. BROOKE], the Senator from Colorado [Mr. DOMINICK], and the Senator from Arizona [Mr. FANNIN], would each vote "yea."

On this vote, the Senator from Illinois [Mr. PERCY] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from California would vote "nay."

The result was announced—yeas 43, nays 28, as follows:

[No. 74 Leg]

YEAS—43

Allott	Hayden	Monroney
Anderson	Hickenlooper	Montoya
Bennett	Hill	Murphy
Burdick	Hruska	Pearson
Cotton	Javits	Pell
Dirksen	Jordan, N.C.	Scott
Dodd	Jordan, Idaho	Smathers
Eastland	Kennedy, Mass.	Sparkman
Fong	Long, La.	Stennis
Fulbright	Magnuson	Thurmond
Griffin	McClellan	Tower
Hansen	McGee	Williams, N.J.
Harris	Metcalfe	Yarborough
Hart	Miller	
Hartke	Mondale	

NAYS—28

Alken	Cooper	Prouty
Baker	Curtis	Proxmire
Bartlett	Gore	Randolph
Bible	Gruening	Ribicoff
Boggs	Mansfield	Smith
Byrd, Va.	McGovern	Spong
Byrd, W. Va.	Morse	Williams, Del.
Carlson	Morton	Young, N. Dak.
Case	Mundt	
Clark	Nelson	

NOT VOTING—29

Bayh	Holland	Moss
Brewster	Hollings	Muskie
Brooke	Inouye	Pastore
Cannon	Jackson	Percy
Church	Kennedy, N.Y.	Russell
Dominick	Kuchel	Symington
Ellender	Lausche	Talmadge
Ervin	Long, Mo.	Tydings
Fannin	McCarthy	Young, Ohio
Hatfield	McIntyre	

So Mr. YARBOROUGH's amendment was agreed to.

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

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The Senate will be in order.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that it is not necessary to move to reconsider the vote.

Mr. YARBOROUGH. I withdraw my motion.

Mr. BENNETT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment, as follows:

On page 3, strike lines 18 through 22 and insert in lieu thereof the following: "Secretary for the Majority"—

Mr. BENNETT. Mr. President, I suggest—

Mr. MANSFIELD. Mr. President, that is not the amendment we discussed and agreed to—yes; go ahead.

The assistant legislative clerk continued reading, as follows:

The Secretary for the Majority is the supervisor of the employees of his office;

(1) the Minority Leader is the supervisor of the Secretary for the Minority. The Secretary for the Minority is the supervisor of the employees of his office.

Mr. MANSFIELD. Mr. President, how would (h) and (i) read as amended?

The assistant legislative clerk read as follows:

On page 3, line 17:

"(h) the Majority Leader is the supervisor of the Secretary for the Majority and of the employees of the Office of the Secretary"—

Mr. MANSFIELD. No; as changed.

Mr. President, will the amended sections read as follows, line 17:

"(h) the Majority Leader is the supervisor of the Secretary for the Majority. The Secretary for the Majority is the supervisor in his office.

"(i) the Minority Leader is the supervisor of the Secretary for the Minority. The Secretary for the Minority is the supervisor in his office."

Mr. BENNETT. Of the employees.

Mr. MANSFIELD. "The secretary for the minority is the supervisor of the employees of his office," and it would read the same with respect to the majority secretary.

Mr. BENNETT. That is correct.

Mr. President, I yield myself 1 minute.

The purpose of this amendment is to straighten out a relationship that was improperly stated in the original draft of the amendment. It is entirely a technical amendment.

I ask unanimous consent to have printed at this point in the RECORD a statement explaining how the relationship of the secretaries of the majority and the minority came into this situation.

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

The positions "Secretary for the Majority" and "Secretary for the Minority" were created by Public Law 17-71st Congress, approved June 20, 1929 (Legislative Pay Act of 1929) effective July 1, 1929.

On June 18, 1929, (Legislative day June 17, 1929) immediately following passage of H.R. 3966 (PL 17-71), the following Resolutions were considered and agreed to:

"SECRETARY FOR THE MAJORITY OF THE SENATE

"Mr. Watson, by unanimous consent, submitted the following resolution (S. Res. 96), which was considered by unanimous consent and agreed to:

"Resolved, That Carl A. Loeffler, of Pennsylvania, be, and he is hereby, elected secretary for the majority of the Senate, effective on and after July 1, 1929.

"SECRETARY FOR THE MINORITY OF THE SENATE

"Mr. Robinson of Arkansas, by unanimous consent, submitted the following resolution (S. Res. 97), which was considered by unanimous consent and agreed to:

"Resolved, That Edwin A. Halsey, of Virginia, be, and he is hereby, elected secretary for the minority of the Senate, effective on and after July 1, 1929." (Journal of the Senate, 137, 1/71, 1929, Page 122.)

The Congressional Record of June 18, 1929 (Legislative day June 17, 1929), Volume 71, Part 3, Page 3058, records the elections of the Secretaries for the Majority and Minority as follows:

"Mr. WATSON. Mr. President, I offer a resolution, and ask for its immediate consideration."

"Mr. LA FOLLETTE. Let it be reported."

"The VICE PRESIDENT. The clerk will read the resolution."

"The Chief Clerk read the resolution (S. Res. 96), as follows:

"Resolved, That Carl A. Loeffler, of Pennsylvania, be, and he is hereby, elected secretary for the majority of the Senate, effective on and after July 1, 1929."

"The Senate, by unanimous consent, proceeded to consider the resolution."

"Mr. WATSON. Mr. President, Mr. Loeffler has held the position of and has hitherto been called the Assistant Sergeant at Arms. The bill that has just been passed changes his title to 'secretary for the majority of the Senate.' Unless this resolution be passed he will go out of office on the 1st of July, because his position is an elective one, and he must be elected by the Senate. Therefore I have offered this resolution, and I understand the Senator from Arkansas (Mr. Robinson) will offer a similar one on behalf of Colonel Halsey."

"Mr. WARREN. I hope the resolution may be agreed to."

"The VICE PRESIDENT. The question is on agreeing to the resolution."

"The resolution was agreed to."

"EDWIN A. HALSEY

"Mr. ROBINSON of Arkansas. Mr. President, I send to the desk a resolution and ask for its immediate consideration."

"The VICE PRESIDENT. The clerk will read the resolution."

"The resolution (S. Res. 97) was read, considered by unanimous consent, and agreed to, as follows:

"Resolved, That Edwin A. Halsey, of Virginia, be, and he is hereby, elected secretary for the minority of the Senate, effective on and after July 1, 1929."

Mr. STENNIS. Mr. President, as a member of the committee, I heartily join in this change, particularly in view of the very fine employees who are serving us in this capacity, to do this work for us."

Mr. MANSFIELD. Mr. President, this emphasizes the fact, once again, that the secretary for the majority is under the majority leader, not the President pro tempore, and that the secretary for the minority is under the minority leader, not the President pro tempore."

I yield back the remainder of my time."

Mr. BENNETT. I yield back the remainder of my time."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah."

The amendment was agreed to."

Mr. STENNIS. Mr. President, so far as I know, these are the last amendments. These are what we ordinarily call technical amendments, to correct various words and figures in the resolution, largely to make it conform to the amendments that have been adopted."

I ask unanimous consent that the reading of the amendments be dispensed with, and that the amendments be printed at this point in the RECORD."

The PRESIDING OFFICER. Without objection, the reading of the amendments will be dispensed with; and, without objection, they will be printed in the RECORD."

The amendments are as follows:

On page 4, line 21, strike the period at the end of the sentence, insert a comma, and add the following language: "except as otherwise provided herein;"

On page 5, line 8, strike everything after "office," through line 13;

On page 5, line 14, strike the word "thirty" and insert in lieu thereof "sixty";

On page 7, line 5, delete the period following the word "year" and insert in lieu thereof a semicolon, followed by the word "and";

On page 7, line 6, delete the words "each gift" and insert in lieu thereof "all gifts in the aggregate amount or value of \$50 or more from any single source";

On page 7, line 7, insert a period after the word "year" and strike the language on lines 7 following the word "year" through line 8;

On page 7, line 18, following the word "hearing", insert "in a closed session.";

On page 8, line 19, following the word "reports" insert the words "shall be";

On page 8, line 19, strike the language following the word "filed," through the comma following the word "rule" on line 21, and insert in lieu thereof "for any period."

Mr. STENNIS. Mr. President, I ask unanimous consent that the amendments be considered en bloc, because they refer to several places in the resolution."

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

Mr. STENNIS. I believe I should mention one change, Mr. President. We struck out "30" and inserted "60" with reference to the time for one of the new rules to go into effect."

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Will the Senator please suspend?

The Senate will be in order. Attachés will take seats or leave the Chamber."

Mr. STENNIS. Mr. President, the other item of substance is one which provides for employees to be subject to the provision in the resolution concerning gifts and the reporting thereof—gifts of over \$50 in value."

Mr. President, I move the adoption of the amendments, and yield back the remainder of my time."

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. STENNIS. I yield back the remainder of my time."

The PRESIDING OFFICER. The question is on agreeing to the amendments. The amendments were agreed to."

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the resolution."

The yeas and nays were ordered."

Mr. CLARK. Mr. President, how much time is there remaining on the resolution?

Mr. MANSFIELD. Four hours."

The PRESIDING OFFICER. There are 4 hours on the bill."

Mr. CLARK. Mr. President, I ask whoever is in control of time to yield me 2 minutes."

Mr. STENNIS. I yield 2 minutes to the Senator from Pennsylvania."

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The Senator from Pennsylvania is recognized."

Mr. CLARK. Mr. President, I shall vote for the resolution because I think it makes a perceptible but not significant improvement in the present standards of ethics which are formally without any code in effect with respect to most Members of the Senate."

I wish to commend the Senator from Mississippi for the hard work he has

done; and I commend his colleagues for their hard work."

I think we are approaching, by small steps somewhere near where we should be, which is complete disclosure of financial affairs of all Members of the Senate, employees, and officers."

Having made a little bit of progress, I am not one who is going to stand up and vote against something because I do not think it is complete. Yesterday we made a mistake when we voted by a vote of 44 to 40 not to have the complete disclosure that the country expects of us."

However, because this proposed code of ethics makes some small improvement in the present standards, I shall support the resolution."

I yield back the remainder of my time. SEVERAL SENATORS. Vote. Vote."

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

Mr. STENNIS. I yield."

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. STENNIS. I yield 1 minute to the Senator from Kansas."

The PRESIDING OFFICER. The Senator from Kansas is recognized for 1 minute."

Mr. PEARSON. Mr. President, the junior Senator from Illinois [Mr. PERCY] is necessarily absent because of a death in his family. He supports the resolution."

I ask unanimous consent to have printed in the RECORD a statement by the junior Senator from Illinois [Mr. PERCY]."

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

STATEMENT BY SENATOR PERCY

I wish to indicate my support of the resolution. In so doing, I commend the committee for its thoughtful approach to and development of a solution to a problem that is of paramount importance to this body."

There are several reasons why I feel it is important that the Senate adopt the pending resolution. In a very broad sense, the need for clarification of the matters touched upon by the Resolution reflects the necessity for the Senate—like all institutions of our government and our society—to grow and fit itself to changing modern times and conditions. In a very immediate sense, there is a need to take a basic step to reinforce and reassure the public confidence in the Senate, to which the peoples of a free society are entitled in those they have selected to represent them. And I would further suggest, Mr. President, that there is a value to be realized by all Senators in having a set of basic guidelines set down and publicly debated which—when adopted—will allow greater freedom from misunderstanding than is possible in the absence of clearly announced rules and standards."

In its broadest perspective, the process of development of a society is the process of defining and refining relationships between citizens, groups and institutions. As citizens become more numerous, groups more diverse, and institutions more pervasive and more remote from the individuals they were designed to serve, the need arises for more formal—and more visible—standards by which rights and relationships may be defined."

In the early days of the Republic, politics was an informal process. A Congressman or Senator knew the great majority of his constituents personally. The institution of government was, by the constitution that created it, an institution of limited powers and concerns. But in the present age of mass communications and transportation media, the federal government—whether we like it

or not—has grown into a pervasive institution nearly overpowering in its manifold impact on each individual citizen. It is ironic that as government has grown nearer its citizens in its effects upon them, it has grown more distant and inaccessible in the citizen's ability to know and register his views upon it. It should be no surprise that the distance and detachment of the government from the public should require articulated, visible standards where once general understanding, gentleman's agreements or personal knowledge suffice. As our progress as a nation has required refinement and formalization of other relationships, I would respectfully suggest that we should not be reticent to supply a measure of refinement and formalization to the office of Senator that is contemplated by this resolution.

As to the proposed rules themselves, I think there can be no disagreement as to their general utility. In delineating the agreed uses of contributed funds, and providing the requirement and the means for public disclosure of the amounts of contributions, the area of the most volatile financial problems are recognized. In providing for the Comptroller General to receive and retain the income tax returns of individual Senators, Officers and Staff a very constructive balance is struck between effective disclosure and inhibiting of wrongdoing, on the one hand, and the maintenance of a minimum degree of privacy for individual Senators and staff members, on the other.

There is still room for choice by individual Senators as to whether or not they will go farther in disclosing their financial affairs than is required by the rules. We are concerned, in making a rule for the Senate, in finding a workable means—a minimum standard that will promote assurance and confidence, leaving room for individual responses—beyond the minimum—where individual circumstances so warrant or require. I regard the adoption of this resolution a responsible step in this direction.

I commend the Committee for their dedicated labors, and for their sensitive and extremely able handling of this legislation on the floor of the Senate. I hope the resolution will be agreed to.

Mr. DODD. Mr. President, will the Senator yield to me for 2 minutes?

Mr. STENNIS. I yield 2 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 minutes.

Mr. DODD. Mr. President, I wish to join Senators who are approving the resolution. I certainly approve of it, and I commend the committee for its work.

I regret that my amendment was so overwhelmingly rejected. I think Senators will regret it. But I guess that happens around here all the time.

I particularly call attention to the work of the distinguished Senator from Kentucky who I think is one of the great Senators of this body. He did a tremendous amount of work in introducing this resolution as a member of the committee. He is a man of great character, judgment, and fairness. I say that about all of the other Members, as well.

I hope this improves the situation. I believe we could have done better; perhaps later we will. I think we have made an excellent beginning.

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

Mr. STENNIS. I yield 1 minute to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I rise to express my regret that due to another meeting I was not able to be in the

Chamber at the time the Cannon amendment was discussed yesterday. I had participated in the earlier debates on the subject. I congratulate the committee on accepting his amendment which moves us in the direction of a Government-wide comprehensive program for establishing codes of public ethics for like-situated public officials, whether in the judicial branch, the executive branch, or the legislative branch. I think the committee in developing this legislation deserves to be commended for taking a definite and important step in the right direction. I shall vote for the final product even though it is not as comprehensive as I had hoped it would be and even though it contains the Yarborough amendment which I opposed.

Mr. President, I ask unanimous consent to have printed in the RECORD a long letter I wrote to the distinguished chairman of the committee, the Senator from Mississippi [Mr. STENNIS] on the subject of comprehensive coverage.

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

U.S. SENATE,
Washington, D.C., July 1, 1967.

Senator JOHN STENNIS,
Senate Office Building,
Washington, D.C.

DEAR JOHN: In your capacity as Chairman of our Select Senate Committee on Standards and Conduct, I thought you might like to see the enclosed item if it has not previously come to your attention. This would seem to me to indicate that if campaign activities are to be included in any proposed code of ethics recommended by your group, perhaps the subject of union contributions should be included.

I recall your having stated at one time, John, that both you and the Committee would welcome suggestions from any of the Senators as to how best you can serve the purpose of the Senate in connection with your responsibilities in dealing with the many ramifications of ethical behavior on the part of Senators and other public officials. While passing along the enclosure, consequently, I shall take this opportunity to add a few thoughts of my own which I have discussed with a number of our colleagues and which I believe are worthy of the consideration of your group.

(1) There has been some discussion among Senators as to whether it would be best to approach this problem piecemeal or to propose a rounded-out code of behavior and ethics in one package. For what it is worth, it is my firm conviction that it is much better to do a systematic, complete, and defensible job and to take time enough to present the proposal in one piece rather than to try to buy morality on the installment plan.

(2) To that end, I believe that you should have some preliminary consultations with your counterparts who are confronted with the same challenges and the same problems on the House side of the Capitol. I am afraid we would all suffer from public ridicule if we came up in the end with one code of ethics for Senators and a different code of ethics for Members of the House. I think each branch would suffer by odious comparisons with the other which inevitably would be made by those who like to hold the entire Congress up to public scorn. Additionally, I do not see how we, ourselves, could defend a formula which provided one set of standards for the Senate and a different set of standards for the House when dealing with the problems of Congressional good behavior, morality, and ethics. I think it is well worth whatever additional time and effort would be required to come up with a code which is

sound enough and defensible enough so that it can be adopted jointly by both Houses of the Congress.

(3) During the past several years, John, I have given a lot of thought to the question of public ethics and have discussed it in a number of speeches around the country where questions have been solicited and various viewpoints sought. As a consequence, I have come to the conclusion that what your Committee should really propose is an appropriate code of proper behavior and ethics to be made operative across the board wherever there are public officials having policy-making and decision-making powers and responsibilities. Personally, I reject, and I believe I know you well enough to know that you also reject, the concept that it is only the legislative members of government who are likely to succumb to temptation, who are susceptible to wrong-doing, or who presumably require a published code of ethics in order that they can know right from wrong. I, personally, want no part in publicly downgrading the Legislative Branch of Government any further than it has been reduced in stature during the past two decades. Consequently, I would favor making applicable whatever recommendations for good behavior or codes of ethics are evolved by our Congressional Committees so that they apply across the board to public officials having comparable responsibilities and authorities, whether in the Legislative, the Executive, or the Judicial Branch of Government. In short, I feel recommendations for standards of conduct on the part of public officials should include Senators, Members of the House, appointees of the Executive department of a certain salary grade and having policy-making decision power, and Federal Judges whose modern decisions deal with so many areas of social and economic problems that whatever it is that causes a public official to succumb to temptation in the Legislative Branch of Government can with equal probability cause a Federal Judge to fall from grace or a policy-making member of the Executive Branch to succumb to temptation.

For example, John, I think it can be easily be demonstrated that the likelihood of some nefarious influence being exerted upon a public official in order to secure personal advantage, private benefits, unjustifiable profits, or special privilege is much greater in the area of the Executive and the Judiciary than it is in the Legislative Branch of Government. In Congress, after all, an outside influence has to be great enough and comprehensive enough to seduce a comparatively large number of Congressmen or Senators if it is to be effective, since very seldom in this legislative business does a single Senator or a single Congressman have influence enough to determine the action of his body or the course of history, even should he succumb so completely to temptation or corruption that he is virtually "in the pocket" of his seducer. On the other hand, decisions by Executive boards and commissions and by our Courts frequently decided by a five-to-four margin where "owning a Judge" or "owning a Commissioner" could prove much more profitable to some corrupter of the public good or some seducer seeking private gain than would be true in the "owning of a Congressman" or the "owning of a Senator."

Decisions involving tens of millions and sometimes hundreds of millions of dollars are frequently made by our boards and commissions by the margin of a single vote. A recent occasion is the second awarding of a merger permit involving the American Broadcasting Corporation. I have no feeling whatsoever and no knowledge as to whether this decision was good or bad or whether or not it is in the public interest. However, I do know that in each case it was a three-to-two decision and that it was a decision involving many millions of dollars of profit and benefit to one corporate interest or another in this country, depending upon which

way the issue was decided. I do not wish to imply that there was any "skulduggery" whatsoever in this decision, but I simply allude to it to emphasize the importance of including members of boards and commissions, as well as Federal Judges and other policy and decision makers in the Executive Branch in any code of ethics which is considered necessary for the protection of the public against nefarious performances by public officials holding and exercising public trust.

In this connection, John, I close where I began this discussion. I just do not believe and, in fact, emphatically deny that members of the Legislative Branch of Government, either in the House or in the Senate, are less ethical in their performance or more susceptible to corruption or more likely to engage in improper practices than are people with equally heavy decision-making authorities and policy-making powers in both the Executive and Judicial Branches of Government.

I believe this not only because I feel Members of Congress on the whole "average up very well indeed" with the caliber of individuals appointed to Executive positions of great power or to the Federal Judiciary at the National and District levels but because Members of Congress operate in the proverbial "goldfish bowl" compared with other decision- and policy-making officials. Furthermore, each of us in every campaign comes under a type of public scrutiny and critical analysis of our record and behavior which is entirely lacking as a check on the activities of Federal Judges and of policy and decision makers in the Executive Departments, Commissions, and Agencies. Therefore, if standards of conduct and surveillance are necessary for the elected officials of the Senate and the House who regularly have their behavior and records inspected and approved or rejected by the public as they are examined in campaigns, they are necessarily more badly needed for public officials receiving their responsibilities through appointment and never afterward subjecting their records to public examination or approval.

Unless we are going to assume—which I definitely am not—that people appointed to Executive positions of authority or as Federal Judges are congenitally "saints" and that people elected to the House or the Senate are congenitally "sinners," I submit that by every rule of logic and reason whatever "rules of the game" are acceptable and adopted for the members of our legislative bodies should be simultaneously and similarly adopted for decision makers and policy makers in the Executive and Judicial Branches of our tripartite system of government. To do less than this, it seems to me, would be for us to convict the Congress as a whole in the view of the public to a status which I simply do not believe is justified in the light of history or was intended by our constitutional founders.

Since we in Congress legislate for the entire governmental establishment, we have the responsibility of including everybody in the same pattern of performance or openly acknowledging and proclaiming that we in the Legislative Branch, alone, are so sadly lacking in the conviction that a public office is a public trust that we must provide for ourselves—to the exclusion of others—whatever safeguards are involved in the establishment of a special code of ethics for our National Legislators. Neither the Executive nor the Judiciary have the power to legislate ethical codes for themselves, so I seriously commend to you the proposition that in whatever action we take, we include members of like responsibility and authority in the same pattern of conduct and performance, regardless of which of the three Branches of Government happens to be their point of service.

I shall appreciate receiving your reactions to these observations.

With best wishes and kindest personal regards, I am

Cordially yours,

KARL E. MUNDT,
U.S. Senator.

[From the St. Louis Globe-Democrat, June 23, 1967]

STEAMFITTERS

In 1964 President Johnson, in a move which he can scarcely contemplate with pride, commuted the sentence for extortion of Lawrence L. Callanan, boss of the smelly Steamfitter Local No. 562. This enabled Callanan to resume his active domination of union affairs.

It is now revealed in The Globe-Democrat that this same union contributed the staggering sum of \$52,000, so far as is presently known, to Mr. Johnson's presidential campaign that year.

The steamfitters also contributed \$10,000 to the campaign of Robert F. Kennedy for the . . . Senate. Any application for commutation or pardon must have the approval of the Attorney General.

The LBJ-Bobby-Callanan case cries aloud for explanation. . . .

It is a frightening thing for there to be suspicions that favors can be bought, yet these suspicions . . . will continue to exist until the Congress . . . passes a law which places union contributions . . . under the same prohibitions which relate to corporations and individuals.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield for 1 minute?

Mr. STENNIS. I yield 1 minute to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 1 minute.

Mr. WILLIAMS of New Jersey. Mr. President, I have an amendment at the desk and perhaps this discussion will make it unnecessary for me to offer it.

The disclosure provisions for members of our staff and the committee staffs, I have discovered, would put a very heavy financial burden on the staff members in order to be absolutely confident that they had fully complied. I have been counseled by a leading law firm in Washington that this confidence can only be arrived at after legal counsel, accountants, and appraisers have been consulted on the financial and property situation of the staff member.

This is really one of the most prominent law firms. Its senior partner has advised me that in the most simple case the fee would probably come to in excess of \$250.

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

Mr. STENNIS. I yield 1 additional minute to the Senator from New Jersey.

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

Mr. WILLIAMS of New Jersey. Mr. President, if a staff member had a more complicated situation the fees for accountants, lawyers, and appraisers might run well beyond that figure.

The amendment I have at the desk would provide for reimbursement. This could be a real reduction in pay for our staff members. We are fortunate, indeed, to have good staff members and I think all Senators will agree.

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

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

Mr. STENNIS. I yield 1 minute to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 1 minute.

Mr. WILLIAMS of New Jersey. Mr. President, we are thankful we can hold our staff members as long as we can. This will be an additional discouragement. The amendment I would have offered would have provided for the actual bills for these professional services to be paid out of the contingency fund of the Senate.

I have discussed this matter with the distinguished Senator from Mississippi, who has done such an excellent job here. I believe that down the road we have some kind of accommodation for this difficult problem.

Mr. STENNIS. Mr. President, I yield myself 1 minute.

Mr. President, the Senator mentioned this matter to me a few minutes ago. I thank the Senator for not pressing his amendment at this time. I told him we would have to have considerable facts in this matter, and that we would go into it with him and try to arrive at some solution if the committee recommended it; perhaps some proviso on one of the appropriation bills.

I thank the Senator for accepting that as a temporary answer on his amendment.

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

Mr. STENNIS. I yield to the Senator from Oregon for 3 minutes.

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

Mr. MORSE. Mr. President, I introduced my first full disclosure bill in 1946. I have introduced it yearly ever since.

I regret that this resolution falls far short of being a full disclosure resolution. The American people are entitled to have full disclosure of all the sources of income of any Member of Congress and also of the top members of the executive branch of Government. It is regrettable that we have not done so in this resolution.

Mr. President, the resolution has other weaknesses. We have not eliminated all aspects of the "slush" fund out of this bill. I think that is a great mistake.

The PRESIDING OFFICER. The Senator will suspend until there is order in the Chamber. The Senate will be in order.

The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, much can be said for voting against the resolution. On the other hand, we cannot deny the fact that there is some good in it and I hope that the adoption of the resolution will not cause us to cease efforts to really adopt a true ethics bill in the Senate, which I do not consider this resolution to be.

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

Mr. MORSE. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

Mr. STENNIS. Mr. President, I yield 1 additional minute to the Senator from Oregon.

The PRESIDING OFFICER. The Sen-

ator from Oregon is recognized for 1 additional minute.

Mr. MORSE. Mr. President, I shall vote for the resolution but I am going to continue to introduce not only the full disclosure bill I have introduced this year, but I shall now add to it. I am sure we can correct the great mistake we are making today in agreeing to this resolution.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. Do Senators yield back their remaining time?

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

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

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Hawaii [Mr. INOUE], the Senator from Missouri [Mr. LONG], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Washington [Mr. JACKSON], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Alabama [Mr. SPARKMAN], the Senator from Georgia [Mr. TALMADGE], the Senator from Maryland [Mr. TYDINGS], the Senator from Ohio [Mr. YOUNG], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Nevada [Mr. CANNON], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUE], the Senator from Washington [Mr. JACKSON], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. TALMADGE], the Senator from Maryland [Mr.

TYDINGS], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Massachusetts [Mr. BROOKE], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from Oregon [Mr. HATFIELD], the Senators from Nebraska [Mr. HRUSKA and Mr. CURTIS], the Senator from California [Mr. KUCHEL], and the Senator from Illinois [Mr. PERCY] are necessarily absent.

If present and voting, the Senator from Massachusetts [Mr. BROOKE], the Senators from Nebraska [Mr. HRUSKA and Mr. CURTIS], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. FANNIN], the Senator from Oregon [Mr. HATFIELD], the Senator from California [Mr. KUCHEL], and the Senator from Illinois [Mr. PERCY] would each vote "yea."

The result was announced—yeas 67, nays 1, as follows:

[No. 75 Leg.]

YEAS—67

Allott	Hansen	Morton
Anderson	Harris	Mundt
Baker	Hart	Murphy
Bartlett	Hartke	Nelson
Bennett	Hayden	Pearson
Bible	Hickenlooper	Pell
Boggs	Hill	Prouty
Burdick	Javits	Proxmire
Byrd, Va.	Jordan, N.C.	Randolph
Byrd, W. Va.	Jordan, Idaho	Ribicoff
Carlson	Kennedy, Mass.	Scott
Case	Long, La.	Smathers
Clark	Magnuson	Smith
Cooper	Mansfield	Spong
Cotton	McClellan	Stennis
Dirksen	McGee	Thurmond
Dodd	McGovern	Tower
Eastland	Metcalf	Williams, N.J.
Fong	Miller	Williams, Del.
Fulbright	Mondale	Yarborough
Gore	Monroney	Young, N. Dak.
Griffin	Montoya	
Gruening	Morse	

NAYS—1

Alken

NOT VOTING—32

Bayh	Holland	Moss
Brewster	Hollings	Muskie
Brooke	Hruska	Pastore
Cannon	Inouye	Percy
Church	Jackson	Russell
Curtis	Kennedy, N.Y.	Sparkman
Dominick	Kuchel	Symington
Ellender	Lausche	Talmadge
Ervin	Long, Mo.	Tydings
Fannin	McCarthy	Young, Ohio
Hatfield	McIntyre	

So the resolution (S. Res. 266), as amended, was agreed to, as follows:

S. RES. 266

Resolved, It is declared to be the policy of the Senate that—

(a) The ideal concept of public office, expressed by the words, "A public office is a public trust", signifies that the officer has been entrusted with public power by the people; that the officer holds this power in trust to be used only for their benefit and never for the benefit of himself or of a few; and that the officer must never conduct his own affairs so as to infringe on the public interest. All official conduct of Members of the Senate should be guided by this paramount concept of public office.

(b) These rules, as the written expression of certain standards of conduct, complement the body of unwritten but generally accepted standards that continue to apply to the Senate.

SEC. 2. The Standing Rules of the Senate are amended by adding at the end thereof the following new rules:

"RULE XLI

"OUTSIDE BUSINESS, OR PROFESSIONAL ACTIVITY OR EMPLOYMENT BY OFFICERS OR EMPLOYEES

"1. No officer or employee whose salary is paid by the Senate may engage in any business, or professional activity or employment for compensation unless—

"(a) the activity or employment is not inconsistent nor in conflict with the conscientious performance of his official duties; and

"(b) he has reported in writing when this rule takes effect or when his office or employment starts and on the 15th day of May in each year thereafter the nature of any personal service activity or employment to his supervisor. The supervisor shall then, in the discharge of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.

"2. For the purpose of this rule—

"(a) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

"(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

"(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

"(d) the President pro tem is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, and the employees of the Office of the Legislative Counsel;

"(e) the Secretary of the Senate is the supervisor of the employees of his office;

"(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

"(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

"(h) the Majority Leader is the supervisor of the Secretary for the Majority. The Secretary for the Majority is the supervisor of the employees of his office; and

"(i) the Minority Leader is the supervisor of the Secretary for the Minority. The Secretary for the Minority is the supervisor of the employees of his office.

"3. This rule shall take effect ninety days after adoption.

"RULE XLII

"CONTRIBUTIONS

"1. A Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nominations or election, or on whose behalf a declaration, or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, may accept a contribution from—

"(a) a fundraising event organized and held primarily in his behalf, provided—

"(1) he has expressly given his approval of the fundraising event to the sponsors before any funds were raised; and

"(2) he receives a complete and accurate accounting of the source, amounts, and disposition of the funds raised; or

"(b) an individual or an organization, provided the Senator makes a complete and accurate accounting of the source, amount, and disposition of the funds received; or

"(c) his political party when such contributions were from a fund-raising event sponsored by his party, without giving his ex-

press approval for such fund-raising event when such fund-raising event is for the purpose of providing contributions for candidates of his party and such contributions are reported by the Senator or candidate for Senator as provided in paragraph (b).

"2. The Senator may use the contribution only to influence his nomination for election, or his election, and shall not use, directly or indirectly, any part of any contribution for any other purpose, except as otherwise provided herein.

"3. Nothing in this rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's home State; for printing and other expenses in connection with the mailing of speeches, newsletters and reports to a Senator's constituents; for expenses of radio, television and news media methods of reporting to a Senator's constituents; for telephone, telegraph, postage and stationery expenses in excess of allowance; and for newspaper subscriptions from his home State.

"4. All gifts in the aggregate amount or value of \$50 or more received by a Senator from any single source during a year, except a gift from his spouse, child, or parent, and except a contribution under sections 1 and 2, shall be reported under rule XLIV.

"5. This rule shall take effect ninety days after adoption.

"RULE XLIII

"POLITICAL FUND ACTIVITY BY OFFICERS AND EMPLOYEES

"1. No officer or employee whose salary is paid by the Senate may receive, solicit, be the custodian of, or distribute any funds in connection with any campaign for the nomination for election, or the election of any individual to be a Member of the Senate or to any other Federal office. This prohibition does not apply to any assistant to a Senator who has been designated by that Senator to perform any of the functions described in the first sentence of this paragraph and who is compensated at a rate in excess of \$10,000 per annum if such designation has been made in writing and filed with the Secretary of the Senate. The Secretary of the Senate shall make the designation available for public inspection.

"2. This rule shall take effect sixty days after adoption.

"RULE XLIV

"DISCLOSURE OF FINANCIAL INTERESTS

"1. Each Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, and each officer or employee of the Senate who is compensated at a rate in excess of \$15,000 a year, shall file with the Comptroller General of the United States, in a sealed envelope marked 'Confidential Personal Financial Disclosure of _____'

(Name)

before the 15th day of May in each year, the following reports of his personal financial interests:

"(a) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code;

"(b) the amount or value and source of each fee or compensation of \$1,000 or more received by him during the preceding year from a client; and

"(c) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who

received compensation during the preceding year and the amount of such compensation;

"(d) the identity of each interest in real or personal property having a value of \$10,000 or more which he owned at any time during the preceding year;

"(e) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of \$10,000 or more, and the identity if known of each interest of the trust or other fiduciary relation in real or personal property in which the Senator, officer, or employee held a beneficial interest having a value of \$10,000 or more, at any time during the preceding year. If he cannot obtain the identity of the fiduciary interests, the Senator, officer, or employee shall request the fiduciary to report that information to the Comptroller General in the same manner that reports are filed under this rule;

"(f) the identity of each liability of \$5,000 or more owed by him, or by him and his spouse jointly, at any time during the preceding year; and

"(g) the source and value of all gifts in the aggregate amount or value of \$50 or more from any single source received by him during the preceding year.

"2. Except as otherwise provided by this section, all papers filed under section 1 of this rule shall be kept by the Comptroller General for not less than seven years, and while so kept shall remain sealed. Upon receipt of a resolution of the Select Committee on Standards and Conduct, adopted by a recorded majority vote of the full committee, requesting the transmission to the committee of any of the reports filed by any individual under section 1 of this rule, the Comptroller General shall transmit to the committee the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the committee, such envelope may be opened and the contents thereof may be examined only by members of the committee in executive session. If, upon such examination, the committee determines that further consideration by the committee is warranted and is within the jurisdiction of the committee, it may make the contents of any such envelope available for any use by any member of the committee, or any member of the staff of the committee, which is required for the discharge of his official duties. The committee may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Comptroller General shall report to the Select Committee on Standards and Conduct not later than the 1st day of June in each year the names of Senators, officers and employees who have filed a report. Any paper which has been filed with the Comptroller General for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of service of a Member of the Senate, an officer or employee, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such death or termination of service.

"(3) Each Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Sen-

ator, and each officer or employee of the Senate who is compensated at a rate in excess of \$15,000 a year, shall file with the Secretary of the Senate, before the 15th day of May in each year, the following reports of his personal financial interests:

"(a) the accounting required by rule XLII for all contributions received by him during the preceding year, except that contributions in the aggregate amount or value of less than \$50 received from any single source during the reporting period may be totaled without further itemization; and

"(b) the amount or value and source of each honorarium of \$300 or more received by him during the preceding year.

"4. All papers filed under section 3 of this rule shall be kept by the Secretary of the Senate for not less than three years and shall be made available promptly for public inspection and copying.

"5. This rule shall take effect on July 1, 1968. No reports shall be filed for any period before office or employment was held with the Senate, or during a period of office or employment with the Senate of less than ninety days in a year; except that the Senator, or officer or employee of the Senate, may file a copy of the return of taxes for the year 1968, or a report of substantially equivalent information for only the effective part of the year 1968."

SEC. 3. It is the sense of the Senate that appropriate action be taken with respect to the requirements imposed by this resolution upon Members and officers and employees of the Senate for the purpose of imposing uniform requirements upon all Members and officers and employees of the House of Representatives, all officers and employees of the executive branch of the Government, including members of the Armed Forces, and all officers and employees of the judicial branch of the Government.

AUTHORITY FOR SECRETARY OF THE SENATE TO MAKE TECHNICAL CHANGES IN RESOLUTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be instructed to make certain technical changes in the engrossment of Senate Resolution 266, which was just agreed to.

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

Mr. MANSFIELD. Mr. President, the passage of this resolution represents an outstanding event in the annals of the U.S. Senate. The select committee responsible for formulating proposed standards for senatorial conduct has performed a magnificent service not only to this body, but to the Nation. By adopting this uniform code of ethics, the Senate has defined clearly and unequivocally the public trust that is the office of U.S. Senator; it has agreed that the affairs of one who holds that office are, to a large extent, public affairs, and it has set forth the standards required of those who seek and obtain that office. Such an achievement was the responsibility of every Member, though particular recommendation must go to the Senator from Mississippi [Mr. STENNIS] and his committee for the exemplary manner in which they brought these proposals to this Chamber for consideration. I need hardly refer to the hard work and great diligence applied by Senator STENNIS. His strong advocacy and articulate explanation assured the wide acceptance of these proposals. As much as any Member of this body he, in his own conduct, has epitomized a standard to which all of us over the years could, and have aspired. I can think of no Senator better

suited to perform such a task or better able to assure the great acceptance received by such a measure.

As the vice chairman of the select committee, the senior Senator from Utah [Mr. BENNETT] performed a similarly outstanding role. Like Senator STENNIS, Senator BENNETT brought to the consideration of these proposals his clarity of thought, his extremely wise judgment, and his articulate advocacy. And the remaining members of the committee deserve equally high commendation for their strong efforts. The Senator from Oklahoma [Mr. MONROE], the Senator from Kentucky [Mr. COOPER], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Kansas [Mr. PEARSON] played similarly vital and indispensable roles in providing a code of ethics that could be endorsed so overwhelmingly.

Our thanks also go to the Senators who offered their own strong and sincere views on this measure, supporting them with proposed modifications and urging them with clear and convincing arguments. The Senator from Pennsylvania [Mr. CLARK] is particularly to be commended for his efforts as is the Senator from Nevada [Mr. CANNON]. The able and distinguished minority leader [Mr. DIRKSEN] also provided amendments and joined to assure swift and efficient action.

Other Senators also contributed immensely. The senior Senator from New York [Mr. JAVITS] and the Senators from Texas [Mr. YARBOROUGH] and Connecticut [Mr. DODD] certainly aided the Senate's disposition of the measure as did the Senators from Iowa [Mr. MILLER] and Rhode Island [Mr. PELL].

This achievement today is truly magnificent. All Members of the Senate may be proud.

MILITARY RETIRED PAY

Mr. TOWER. Mr. President, I want also at this time to make note of a recommendation made by the U.S. Veterans Advisory Commission in its report made public this month.

Mr. President, I ask unanimous consent that excerpts from the Commission report, wherein equalization of military retired pay is recommended, be printed at this point in the RECORD.

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

RECOMMENDATION NO. 74

The Commission recommends equalization of military retired pay.

Background to recommendation

Retired members of the uniformed services have suffered a loss in their earned compensation due to the action of Congress in 1958 of suspending, and later abandoning, the direct relationship between retired pay and current active duty rates. As a result, military retirees of the same rank, who have served exactly the same length of time, enduring equivalent hardships and dangers, now draw eight different rates of pay. The difference is not related to rank or length of service but solely to date of retirement.

The Commission believes that elimination of this growing inequity would do much to reestablish the good faith of the Government in carrying out its moral obligations. This action would also create confidence among

current active duty servicemen that their earned rights would not also be swept away after completion of their service.

Therefore, the Commission recommends that a request be made to the Secretary of Defense to initiate and lend his support to a legislative proposal for basing the computation of military retirement pay on current active duty pay rates.

EXCISE TAX RATES

Mr. MANSFIELD. Mr. President, if the distinguished Senator from West Virginia [Mr. BYRD], who has been waiting patiently all day, will allow me, I would like to lay before the Senate some new business.

Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 995, H.R. 15414, I do this so that the bill will become the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 15414) to continue the existing excise tax rates on communication services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

Mr. MANSFIELD. Mr. President, for the information of the Senate, there will be no discussion of the extension of the excise tax measure this evening.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock Monday next.

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

EXCISE TAX RATES

The Senate resumed the consideration of the bill (H.R. 15414) to continue the existing excise tax rates on communications services and on automobiles, and to apply more generally the provisions relating to payments of estimated tax by corporations.

Mr. MANSFIELD. Mr. President, it is my understanding that on Monday the day will be devoted to explanations of the bill itself, not only as reported to the Senate by the Finance Committee, but also on the basis of a combination substitute which I believe will be offered by the distinguished senior Senator from Delaware [Mr. WILLIAMS] this evening, so it can become a part of the RECORD and Members of the Senate will be able to study this particular proposal, which I hope will be a bipartisan one, over the weekend.

I hope Senators will not take me too literally when I say there will be no votes on Monday, but there will be an educational session which will do us a lot of good and perhaps increase our IQ's in the field of taxes and finance.

Mr. MORSE. Mr. President, will the Senator yield for an inquiry?

Mr. MANSFIELD. Yes.

Mr. MORSE. Will the majority leader tell me whether or not the excise tax bill that is going to be considered on Monday includes a proposed amendment from the Committee on Finance that seeks to correct what I am satisfied would be a gross injustice. The amendment would set aside what is reported as a contemplated order by the Treasury Department in connection with investments in many States in industrial plants, whereby the bonds have heretofore had a tax benefit.

I have made it as clear to the Treasury Department as the English language will make clear to a bureaucrat that the imposition of the contemplated restriction on those industrial bonds would do a great injustice to my State and would do a great injustice to other States which have plans underway. It is a program that has been in operation in some 41 States. This is the first time the benefit would come to my State.

I hope the Treasury Department will take a long look at this matter. I have never been in better health or in better voice, and I do not intend to let the Treasury Department do this kind of economic injustice to my State.

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

Mr. MORSE. I yield.

Mr. MANSFIELD. I understand the answer is in the affirmative.

Mr. MORSE. I thank the Senator from Montana. It should be of great relief to many States.

AMENDMENT NO. 662

Mr. WILLIAMS of Delaware. Mr. President, I send to the desk an amendment in the nature of a substitute for the pending bill, and ask that it be made the pending business. I am submitting it on behalf of myself and the Senator from Florida [Mr. SMATHERS].

The PRESIDING OFFICER. Under the parliamentary situation, does the Senator really request that it be received, printed, and lie on the table?

Mr. WILLIAMS of Delaware. Would it be in order to offer the amendment as a substitute?

I understand it would not be in order until after the committee amendments had been disposed of.

The PRESIDING OFFICER. It would not be in order until after action on the committee amendments.

Mr. WILLIAMS of Delaware. I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. SMATHERS. Mr. President, will the Senator state that the Senator from Florida is a cosponsor of the amendment?

Mr. WILLIAMS of Delaware. The Senator from Florida [Mr. SMATHERS] and myself.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, I dislike to ask the Senator from West Virginia to yield to me, because he always shows

me courtesy, but will the Senator yield to me for a brief statement in connection with the introduction of a bill?

Mr. BYRD of West Virginia. I yield.

S. 3219—INTRODUCTION OF BILL RELATING TO EQUITY FOR SMALL BUSINESSES DISPLACED BY HIGHWAY CONSTRUCTION

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill to provide relocation payments to small business concerns displaced by Federal-aid highway projects, and for other purposes.

Some of the thorniest thickets in American law and public administration are to be found under the heading, "Eminent Domain." Advancing civilization requires that private land be condemned for public uses and public purposes. Justice requires that the owners of land thus taken, often against the wishes of the owners, receive fair compensation. Commonsense would indicate that "fair compensation" should be synonymous with "full compensation." To fail to reimburse an owner or occupant of land for all the expenses that he incurs as a result of a forced relocation would appear to shift to private pocket-books some of the cost of public improvements. The uninitiated might suppose that this could not occur in a society that thinks of itself as just. But it does. Indeed, in our society, in which the exercise of eminent domain is commonplace, gaps—often very wide gaps—exist between the costs incurred by a displaced family or business, as a direct result of forced relocation, and the compensation received. The most that can be said for our civilization, by way of extenuation, is that recognition is growing, gradually, that this commonplace practice of shifting part of the costs of public improvements to private landowners is unfair. Both the States and the Federal Government have been nibbling away at the problem over a considerable number of years by numerous piecemeal statutory improvements. The bill that I introduce today is another such nibble.

Under present law, a business firm that is displaced by a federally aided highway construction project is entitled to reimbursement of moving expenses up to \$3,000. If a business's expenses are more than \$3,000, that is just too bad. The business is expected and required, under present law, to bear that cost itself. It is, in effect, forced to subsidize the highway to that extent.

A similar situation once obtained with respect to businesses displaced by urban renewal and public housing projects. Congress eventually removed the statutory ceiling on the amount of moving costs that could be reimbursed as a part of the project cost. However, an administrative ceiling of \$25,000 was subsequently imposed by the Department of Housing and Urban Development, and that ceiling still stands. Nevertheless, the gap between the \$3,000 statutory ceiling that applies to reimbursement of the moving costs of highway-displaced businesses and the \$25,000 administrative ceiling that applies to the moving costs of urban renewal-displaced businesses is

one of the more manifest of the absurd inequities that still exist in our real property condemnation law and policy.

Incidentally, neither class of displaced businesses can obtain any reimbursement whatever for loss of business goodwill and lost income resulting from the forced move.

The purpose of the bill that I introduce today, most simply stated, is to do the same thing for highway-displaced businesses that the Congress has previously done for urban-renewal-displaced businesses: to provide for full reimbursement of actual moving costs, with no statutory ceiling whatever. This benefit is limited to small businesses, as defined by the Small Business Act. The reason for so limiting the improvement in treatment of displaced businesses is based, to be candid, on political pragmatism rather than abstract justice. In abstract justice, there is no reason whatever why the size of the business should have anything to do with whether it receives full reimbursement for its forced-moving costs. But we all know that justice must sometimes come step by step, to most hard-pressed classes, one class at a time, and we all know that small businesses are one of the most appealing and deserving of such classes. Therefore, my bill is limited to small businesses; but I should be one of the first to applaud if the legislative committee to which the bill is referred were to decide to make it applicable to all businesses.

My bill also goes a step further and provides for reimbursement to highway-displaced small businesses of some of the losses they experience in the area of goodwill and income during a shutdown period resulting from the move. It establishes a loss-of-business allowance equal to the difference between the average annual net earnings for the 3 years preceding the move and the year following the move.

While the immediate impetus for this bill comes from an ad hoc organization of businesses in my State now facing displacement by the construction of Interstate Highway 205, an organization called Freeway Ousted Businesses, the problem in its broader aspects has been a source of study and concern by the Senate Small Business Committee, on which I am proud to serve, for many years.

Mr. President, I send my bill to the desk, for appropriate reference, and I ask unanimous consent that there be printed in the RECORD at this point the text of my bill and, immediately following the bill, two further documents. The first is a letter to me, dated February 20, 1968, from Mr. Roy Anderson, the president of Freeway Ousted Businesses. The letter sets forth that organization's views on the nature of the legislative relief required, if economic justice is to be obtained by its members. The second document I ask to insert is a memorandum prepared for me by the associate general counsel of the Senate Small Business Committee. It sets forth the references to this great problem area, the impact of eminent domain on small business, that have occurred over a period of several years in the annual reports of the committee. This should be of some assistance, I believe, to the legislative committee in

its consideration of my bill. I commend to that committee and its professional staff the view that has been expressed, repeatedly and forcefully by a unanimous Small Business Committee, that the Congress has before it a large unfinished job: to amend our Federal laws to provide that the public, not private businesses, bear the cost of public improvements.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, in accordance with the request of the Senator from Oregon, the bill and the several documents to which the Senator has referred will be printed in the RECORD.

The bill (S. 3219) to provide relocation payments to small business concerns displaced by Federal-aid highway projects, and for other purposes, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 3219

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Relocation Assistance Act".

SEC. 2. (a) Subsections (a) and (b) of section 133 of title 23, United States Code, are amended to read as follows:

"(a) As used in this section—

"(1) the term 'eligible person' means any individual, family, business concern (including the operation of a farm and nonprofit organization) to be displaced by construction of a project; and

"(2) the term 'small business concern' means an entity defined by section 3 of the Small Business Act (15 U.S.C. 632) and within criteria established by the Secretary; and if an entity qualifies as a small business concern under this clause, and a branch or part of such concern is to be dislocated, such branch or part shall be considered as a small business concern.

"(b) The Secretary, prior to his approval of any project under 106 of this title for right-of-way acquisition or actual construction, shall require the State highway department—

"(1) to give satisfactory assurance that relocation advisory assistance shall be provided for the relocation of families displaced by acquisition or clearance of rights-of-way for any Federal-aid highway; and

"(2) to give small business concerns at least six months in which to move after notification to such concerns that their businesses will be displaced due to the acquisition of real property required for a Federal-aid highway project."

(b) Section 133 of title 23, United States Code, is amended by striking out subsection (e) and inserting in lieu thereof the following subsections:

"(e) (1) In lieu of the relocation payments authorized by subsections (c) and (d) of this section, the Secretary shall approve, as a part of the cost of construction of a project on any of the Federal-aid highway systems, such relocation payments as may be made by a State highway department, or a local public agency acting as an agent for the State highway department for this purpose, to a small business concern for all reasonable and necessary expenses and losses caused by its displacement from real property acquired for such project, including—

"(A) moving expenses, as long as such displaced concern does not move outside the State in which it was located prior to such displacement; and

"(B) a loss-of-business allowance equal to the difference between the average annual

net earnings for the three years preceding the year in which such concern moves or discontinues operation and the annual net earnings, if any, for the year following the year in which such concern moves or discontinues operation.

"(2) The Secretary shall not require a State to pay relocation payments under this subsection where not authorized by State law.

"(f) This section shall apply only with respect to projects approved under section 106 of this title after October 23, 1962, except that the amendments made to this section by section 2 of the Small Business Relocation Assistance Act shall apply to projects submitted to the Secretary of Transportation for approval under section 106 of this title and which the Secretary has not approved prior to the date of enactment of such Act."

The documents, presented by Mr. MORSE, are as follows:

*FREEWAY OUSTED BUSINESSES,
Portland, Oreg., January 20, 1968.*

HON. WAYNE MORSE,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: Since the time you so kindly and helpfully met with us in regard to the displacement of our businesses by I-205 we have met several times to make suggestions regarding such legislation. Representative Howard Willits has been assisting us as you know. We hope you also will enter a bill to help us.

Our thinking is as follows: Since each businessman is being forced to move by the general public to meet the rapid transportation needs of the community it would seem that every effort should be made to compensate him, not only for his gross inconvenience but as equitably as possible, for his business losses. Similar displacements by urban renewal report a business discontinuance up to 33%. This is patently unfair. Most of these are small businessmen and should not be required to shoulder these losses by themselves. They are being sacrificed on the altar of progress, for the benefit of transportation. For the most part they are without much capital, borrowing power or other financial protection. They believe in free enterprise but this is much too big for them. Many of them will go bankrupt or simply quit if this wrong is not righted. Moving expenses alone don't even begin to solve the problem. In most cases it is but a token.

Some of the ideas developed in our recent meetings which we would like to see incorporated in your bill are as follows: There should be compensation for losses due to loss of clientele caused by being forced to leave an established place of business, the cost of printing of different stationery, changing addresses on brochures or other advertising media, changes of telephone and advertising, the business being actually closed down temporarily during the moving and reinstallation period, time and expense of locating a new business site, changes in zone requirements (possibly greatly increased parking requirements) sometimes resulting in greatly increased costs, possibly new lighting and plumbing fixtures when the old ones would have been sufficient, probably greatly increased rent, necessity to remodel new location, and increased cost of insurance.

Most businesses would lose much if they could not be in the same general area, on the same street or on the same side of the street.

One loss which may not be directly compensable, but is nonetheless quite real, is that of illness, mental strain, worry, possibly physical and mental breakdown due to uncertainty of the future of the business. At least one of our members is now suffering this experience.

We feel that we should have the opportunity to do the moving ourselves (with pay

of course and after competitive bidding), that there should be sufficient time (at least six months) to relocate after the purchase of the old property, that there be no maximum on the compensation for moving (so long as it is within the state), or the loss of business.

We believe losses by businesses should be compensated for even if the business is a branch. We think the average business of the three years prior to the reception of the official notice to vacate should be used as a basis for determining the losses. Long term, low cost loans should be made available to displaced businesses. These are disaster areas, in every sense of the word, to these small businesses and they should be treated as such. Such loans would help greatly.

It is not our hope or intention that we will actually gain from this dislocation. We do strongly feel, however, that none of us should be bankrupted or suffer great loss as now clearly appears to be in the picture.

We feel that some formulae can be developed by competent accountants to fit each case so that businesses all over the United States displaced by the ever increasing number of freeways will receive justice at the hands of their fellow citizens.

We will appreciate your invaluable aid in helping us.

Sincerely,

ROY ANDERSON,
President, Freeway Ousted Businesses.

MEMORANDUM: U.S. SENATE, SELECT COMMITTEE ON SMALL BUSINESS, MARCH 12, 1968

To: The Honorable Wayne Morse, Chairman Subcommittee on Retailing, Distribution, and Marketing Practices.

From: Raymond D. Watts, Associate General Counsel.

Subject: "Impact of Eminent Domain on Small Business."

The subject of "the impact of eminent domain on small business" has been discussed in the following annual reports of the Senate Small Business Committee:

Tenth Annual Report, S. Rept. 1044, 86th Cong., 2d sess., pp. 51-52 (1960).

Eleventh Annual Report, S. Rept. 51, 87th Cong., 1st sess., pp. 41-42 (1961).

Twelfth Annual Report, S. Rept. 1491, 87th Cong., 2d sess., pp. 46-47 (1962).

Thirteenth Annual Report, S. Rept. 104, 88th Cong., 1st sess., pp. 8-9 (1963).

Fourteenth Annual Report, S. Rept. 1180, 88th Cong., 2d sess., pp. 20-21 (1964).

Fifteenth Annual Report, S. Rept. 635, 89th Cong., 1st sess., pp. 61-62 (1965).

Sixteenth Annual Report, S. Rept. 1349, 89th Cong., 2d sess., pp. 38, 41 (1966).

The excerpts cited from the several annual reports discuss numerous statutory enactments and amendments, as well as program administration under existing law, relating to treatment of displaced small business concerns.

Mr. MORSE. I thank the Senator from West Virginia for yielding.

Mr. BYRD of West Virginia. The Senator from Oregon is welcome.

DEDICATION OF SIOUX EMPIRE COLLEGE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the address of the distinguished Senator from Iowa [Mr. MILLER] on the occasion of the dedication of Sioux Empire College on February 17, 1968, be printed in the RECORD.

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

ADDRESS BY U.S. SENATOR JACK MILLER,
REPUBLICAN OF IOWA

You and I are witnessing changes today which would have virtually staggered the imagination a few years ago.

Nowhere is this more true than in the field of higher education. There are three major reasons:

First is the increasing number of younger people. The Commerce Department's Census Bureau this week released the results of its survey of United States population growth and change since the 1960 census. Nearly 30 percent of our population of 200 million at the end of 1967 was under the age of 15, and 47 percent was under 25!

According to the Office of Education, there are nearly 4,900,000 full-time students enrolled at 2,382 colleges and universities during the present academic year—an increase of 30 percent over last year.

Second, is the increasing emphasis on the role of the federal government in sharing the burden of meeting the educational requirements of our mushrooming college-age population. Commencing with the Higher Education Act of 1963 and other bills which accompanied it, and running through the Higher Education Act of 1965 and the "G.I. Bill of Rights", both private and public institutions of higher learning and their students are benefiting substantially from federal programs designed to help meet the needs of society for more and better educated people.

Current fiscal year federal expenditures in various higher education programs, including loans and grants for construction of housing and facilities, student loans, fellowships, scholarships and research will amount to nearly \$4.4 billion.

Third, is the popularization of the idea of universal higher education. There is a lack of agreement over the meaning of this concept. To some, it conjures up thoughts of compulsory higher education. To others, it stands for voluntary higher education for anyone—regardless of diligence or aptitude. To most, I suppose, it means higher education available to all who can benefit from it and who wish to make the effort. As the education writer for the New York Times put it on March 20, 1966, "There exists between the . . . definitions a huge gap." Whatever the definition, it is obvious that there is strong public opinion that education beyond high school is a necessity for most of our young people. Frank H. Bowles, Director of the Ford Foundation's Education Program and former President of the College Entrance Examination Board, put it this way: "I do not think anyone can challenge seriously a prediction of school for everyone from age 3 to age 20 as a general pattern by 1980."

Educators and public officials who observe these changes, and who note that one-third of the total college and university enrollment is concentrated in 30 or so of the 2,382 colleges and universities, are concerned about the place of the private college in the future of higher education in this country. Quite obviously, the Congress shares this concern and believes there is a place—that a balance is needed, and that is why the higher education bills of recent years have included assistance to private colleges and their students, granted that certain restrictions were legislated to satisfy the church-state problem.

There is general agreement that we need both private and public institutions of higher learning. This agreement is not the result of recognizing that, in the present state of affairs, it would be impossible for the public institutions to do the job. If public opinion so dictated, it would only be a matter of years when private institutions would be overcome with economic realities and forced to go "public". However, public opinion is not so inclined, and for the very good reason that our American society benefits from the balance that has been provided. Freedom of choice of education is part of our heritage, although somewhat curtailed by economic pressures; and the responsibility of the Congress, the state legis-

latures, the foundations, alumni associations, and other sources of funds is to relieve these economic pressures so that freedom of choice will be a reality for a large share of our student population.

Having had the privilege of attending both private and public institutions of higher learning, I can vouch for the fact that each has something to offer which may not be found in the other. To some students, the pluses afforded by the private colleges are decisive. To others, the pluses available at the public institutions are compelling. It would indeed be a tragedy if no choice were presented.

Although there has been much done at the federal level, no one believes that we have yet done much more than begin to feel our national way to what should be done. Scholarships will be provided to children of poor families. Loans will help them, too, and also the children of lower and low-middle income groups. The forgiveness features of these loans will, for the time being, benefit only those who enter the teaching profession; but it is likely that other professions (medical) will be encouraged by broadening the forgiveness features as relative priorities become more pronounced. There is still no answer (from the federal government) to the increasing pressure on middle income groups, although many of us believe that a tax credit approach is a step in the right direction. Demands of the war in Vietnam will clearly slow-down developments and appropriations in this evolving program of federal activity. But sooner or later, there will be a demand from public opinion (and Congress will respond) for a better, more realistic, and more integrated national program of federal aid to higher education.

Underlying these future developments will be, I think, a continuation of the policy to avoid federal controls over the curricula and operations of our institutions of higher learning. When one realizes that about one-fourth of the overall cost of higher education is provided by the federal government, it would seem that when our defense commitments permit, a larger share can be borne without danger of federal controls.

As the principle of universal education has its impact on our campuses, the role of the college and university will take on even greater importance than it does today. We have, indeed, come a long, long way from the lack of public acceptance of institutions of higher learning and their faculties into the mainstream of our society. For too long, these institutions and their faculties were regarded with suspicion and skepticism—as places and people far removed from reality. Possibly this image was generated by some of the skepticism and aloofness which prevailed on some of the campuses. In any event, the atomic age has brought with it an increasing acceptance by the general public of the true status in our society of the seats of learning, and of those who teach and write. As the general public has become better educated, we might also expect to find a wider acceptance of the dynamic role of the colleges and universities in our society. And so, as Dr. Grayson Kirk of Columbia University noted at a 1965 commencement exercise, the university and college have become "one of society's most cherished institutions." For the first time in history, he added, the institution of higher learning "finds itself at the very center of society." And he went on to point out that it is the agency whereby virtually all of our leaders are trained—or at least profoundly influenced in their attitudes.

With this new status has come some growing pains. The college is filled with young people whose natural idealism is as yet untamed by the patience and tolerance of maturity. They are at a time in their lives

when a normal reaction against authority can fairly easily be misdirected into violent antagonism toward existing political and economic institutions, law and order, as was the case at Berkeley, for instance. Nor is their view that the college should be somehow dedicated to social reform, more than to education, entirely theirs. Every campus has its faculty members who, by temperament and conviction, are critics and reformers. They too are restless for change. And too often their own views have not been tempered by practical experience. Needless to say, this poses problems for Presidents, and Deans—and for public officials, too.

There are some strange things taking place today in the name of "academic freedom". All of us, I am sure, believe that the college or university should be a forum for diverse ideas and opinions, for freedom of discussion—so that truth, however elusive it may be—can be found. But the right to academic freedom bears a correlative responsibility to the public, if not to the other members of the faculty and student body, to take advantage of that freedom with prudence and respect for the views of others. Doctor Kirk had this to say about it:

"Academic freedom for a professor means that his career may not be jeopardized by the expression of his views to his students or to the public. But however much a professor may assert his rights as a citizen to speak out on any topic, he ought to think twice before he makes a ringing public declaration on a controversial subject, particularly if it is far removed from his own field of scholarly competence. He should hesitate before doing so simply because no matter how loud or sincere his disclaimers, he can never entirely shed his scholar's gown. It may well be that when he seeks to take off his academic gown he will have beneath it only the Emperor's clothes, but he cannot escape a certain popular presumption of intellectual authority—and he has the responsibility not to abuse it. A scholar has an implied professional commitment to approach all issues more in the spirit of a judge than in that of an advocate. He has an obligation, in Sir Walter Moberly's words, to be 'doubly watchful and critical of the unconscious operation on his mind of his own pet prejudices and sympathies . . . an obligation more easily acknowledged than observed.' When a scholar fails to keep this admonition in mind, in the long run he puts in danger the public acceptance of the essential integrity of the university."

My guess is that Doctor Kirk had in mind, particularly, the attempt by some scholars in recent years to seek to extend their expertise in the field of science or literature into the field of international law or into the field of national politics. This is not to say that one who is an expert in physics may not also, through long experience, become an expert in international relations. But there are very few who have had the opportunity for such experience. When they undertake to assume a position of authority in some field that is not their own, this does not add to either their prestige or to that of the college or university with whose name they are associated.

As a former faculty member myself, I have cultivated a great respect for our institutions of higher learning and the dedicated citizens who operate them and teach in them. I believe that as the years go by they will exert even more influence on public opinion. And public opinion will determine the destiny of our society.

Sloux Empire College will, I am sure, along with her faculty, staff and student body, well fill the role of a center for learning, the search for truth, and a sound and good influence on all the people of this area. This is why I am especially pleased to be here today for your dedication. My heartiest congratulations.

THE INSURRECTION AT HOWARD UNIVERSITY

Mr. BYRD of West Virginia. Mr. President, I am shocked and dismayed by the situation that has developed at Howard University, here in the Nation's Capital. I believe that citizens throughout this country who believe in democratic processes, who cherish an orderly society and who, with the tax dollars they pay, support this Nation's institutions of higher learning will be outraged by the fact that it has become necessary temporarily to close this institution because of a student uprising that can only be described as anarchy.

This situation is especially disturbing, Mr. President, because Howard University receives its entire support from the Federal Government. Its only additional revenue comes from the tuition and fees paid by the students.

Mr. President, are we going to allow our colleges and universities to be destroyed from within? Is every irresponsible student who thinks he has some grievance going to be allowed to defy authority with impunity?

This insurrection at Howard University—an institution with a long and distinguished record of service—is a disgraceful climax to a long series of disorders that should never have been tolerated, and any knuckling under by the administration to the student demonstrators now can do nothing but encourage similar lawlessness there and elsewhere in our colleges and universities.

The administration of the school can be commended for thus far refusing to give in to the demands of the protesters that the disciplinary charges against those who disrupted the Charter Day ceremonies, on March 1, be dropped. Perhaps it may have been necessary to close the school temporarily to protect it from the revolutionaries on the campus who seek not an education but a continuous confrontation with all established authority. But it would be tragic for this closing to continue for any length of time, for a minority has brought it about.

Mr. President, just as society itself has the right—the duty first of all above everything else—to protect itself and to use every lawful means at its command to survive, so has an institution of learning the same right to survive and to enforce the regulations upon which its survival depends.

Without discipline there can be no education and no survival. When students are allowed to successfully defy authority, as they have done at Howard, then the very foundations upon which the school must rest will be eaten away, and it will inevitably collapse.

Mr. President, if the administration at Howard University is unable to cope with its revolutionary youngsters, then perhaps the Congress, which I find supplies all of the school's operating expenses except those that come from tuition and students' fees, should take a look at the situation.

The Federal Government, of course, does not set the policy nor direct the administration at Howard—but if the Federal Government provides the funds

with which the school operates, then it should be concerned about whether or not law and order is maintained on the campus and in the buildings, so that the operating money provided by the taxpayers of this Nation may properly be expended for education, and not for the support or the toleration of anarchistic activities.

I suggest, Mr. President, that the Department of Health, Education, and Welfare, which requests and allocates these Federal funds to Howard University as a "special institution," has an interest and a responsibility as to how these funds are used.

As reported in this morning's Washington Post, certain law students representing the Student Bar Association of Howard University have filed a suit in the U.S. District Court for the District of Columbia seeking the immediate reopening of the university. However, I believe that it is incumbent upon the trustees of the university and the Acting Secretary of Health, Education, and Welfare, in his capacity as the highest ranking officer in the executive branch who is vested with the supervisory authority over this university, to exercise immediately all legal remedies available to them to reopen the university so that the rights of the great majority of the student body and the integrity of the university itself will be fully protected.

I also believe that the Appropriations Committee of the Senate, of which I am a member, should inquire carefully into the appropriation request now pending before the committee and, in carrying out its oversight function, look into the situation which is disrupting the orderly operations of the university. It is no less a breach of law and order for students to lay siege to and occupy college administrative buildings than it would be for the citizens of Washington to lay siege to and occupy the District of Columbia's seat of government.

Mr. President, what has happened at Howard University is intolerable. A weak-kneed response to it will deal a body blow to higher education all across this land, for there is more involved here than any spontaneous, grassroots, normal, youthful campus chafing at restraints. Instead, this is ugly, inspired and potentially dangerous for colleges everywhere if it is left to go unchallenged. The stark truth, Mr. President, is that this university's campus, here in the Nation's Capital, has apparently become infiltrated, infested, and contaminated by the apostles of black power extremism, radicalism, rebellion, and revolution.

The radical leaders who have seized control of the school are now demanding that the president, Dr. James M. Nabrit, Jr., resign. They demand that a "black democratic university" be created, which will offer a "black-oriented" curriculum.

The well-organized group that has taken over the administration building is in full control of the building, the university's telephone switchboard and other communications facilities. These students say they will not relinquish their position until their demands are met, which include, in addition to those I have already enumerated, a demand that the administration agree not to take

disciplinary action against the rebellious students, and that it not seek a court order to have the invaders removed.

Mr. President, this is revolution in the classical style. Revolutionaries always seek to seize and occupy a focal point of power, from which they dictate their demands.

The original demand, of course, was that the charges against 39 of the university's students who disrupted the school's Charter Day exercises the 1st of March, be dropped, and these students be exonerated—a demand which, if granted, would seem to me in itself to destroy the authority and discipline upon which the school must rest.

I believe it is well for us to look back for just a moment, Mr. President, to the original disorder from which the present vastly greater disorder stems.

On Friday, March 1, the university's Charter Day ceremonies were broken up and halted by a band of some 60 students who marched to the front of Cramton Auditorium and occupied the stage while President Nabrit was speaking.

These students, Mr. President, presented their own "new charter" for Howard University.

President Nabrit was compelled, because of the presence of the students surrounding him on the stage, to suspend the proceedings, and it was from this disturbance that the charges which ostensibly triggered the present seizure of the administration building arose.

Two weeks before the March 1 demonstration, an earlier demonstration also occurred, in which student demands for the resignation of Dr. Nabrit, Vice President Stanton Wormley, and liberal arts Dean Frank W. Snowden were presented.

The proposed new charter, which has been drawn up by the dissident group of students, would create the Sterling Brown University, renaming the school for a former English professor at the university. This proposed charter would give the students the sole control over student activities.

Mr. President, Howard University has graduated thousands of Negroes in the past who have served their country and their race with distinction. It can continue to do so, but not under the conditions which a mere handful of radicals have now created. Discipline and law and order must be restored for the sake of the overwhelming majority of students who have had no part in the present disruptive activities. The reports I have had, Mr. President, indicate that less than a fourth of the student body of 8,000 is involved in the rebellion.

Surely, Mr. President, the rights of the majority in this situation are as important as any imagined "rights" of the minority. The students who wish to attend their classes and get an education surely have more right on their side than the invaders who have grabbed the administration building have on theirs.

I applaud the statement of the president of the university's board of trustees, Mr. Lorimer D. Milton, who said that the school will be reopened, and that when it is it will be "for people who want to go to college, not sit in the administration building." I would only say that he could have made it stronger.

I am convinced, Mr. President, that

many of the young men and women who may have joined in the demonstration that has brought the school's closing are as yet not completely poisoned by those who would destroy them, as well as the university. I would appeal to their parents and to their friends, and to all who may have any influence with these young people, to make a strong effort to convince them of the enormity of the offense which they are committing and of the severe consequences that may follow the mistake they are making.

Unless order is restored—and I am sure it will be—and unless the revolutionary leaders are banned, Howard University's closing could become permanent—and I am not suggesting it—to the eternal loss of all who have thoughtlessly aided and abetted this coup.

Mr. President, I ask unanimous consent to have printed in the RECORD articles I have collected from the Washington Post and the Washington Evening Star, dealing with this situation.

Also, I ask unanimous consent to have printed in the RECORD a table of salaries and expenses which have been provided by Congress through the appropriations process over the past 10-year period; a table of appropriations made by Congress over the past 10 years for the purpose of construction at Howard University; and a schedule of comprehensive tuition fees at Howard University. I think that any reader of the RECORD will find that the tuition fees are very liberal and low in comparison with those at many other colleges and universities throughout the country. They are low by virtue of the fact that the taxpayers pick up most of the tab for the cost of operating the institution.

I also ask unanimous consent to have printed in the RECORD tables showing the amount of payments collected from the students for the fiscal years from 1967 through 1969.

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

[From the Washington Post, Mar. 22, 1968]

HOWARD SIT-INS ASK RESIGNATION OF NABRIT

(By Carl Bernstein and Ivan C. Brandon)

Leaders of Howard University's student protest yesterday listed new demands—including the resignation of President James M. Nabrit Jr.—as their price for relinquishing control of the school's Administration Building.

The protesting students, whose numbers have swelled since they seized the building in a sit-in that began late Tuesday, vowed to remain in the four-story structure until the administration agrees "to the creation of a black democratic university" without Nabrit at the helm.

Their demands, enumerated at a press conference called to announce that the Howard administration had agreed to meet with student representatives, included:

The "immediate resignation" of Nabrit who, the students said, "has characteristically been out of town during the greatest crisis of the University's history."

The dropping of charges by the administration against 39 students involved in the disruption of Charter Day ceremonies on the campus March 1.

"Faculty control over academic affairs and student control over student affairs."

The establishment of a "black-oriented

curriculum" and creation of "black awareness institute."

The creation of a new judiciary system on the campus, including a disciplinary code to be enforced primarily by students.

The reopening by the weekend of the school, which was closed "indefinitely" by the administration on Wednesday.

No disciplinary action against students involved in the present administration.

The students' demands previously had centered around dropping charges against the Charter Day demonstrators. The new demands were announced minutes before a 4 p.m. meeting between the administration and six leaders of the protest.

A. Alexander Morley, the university's director of public information, said that four Howard administration officials had agreed—through a faculty intermediary—to hear the students' demands.

After the meeting, held for about five hours on the fourth floor of the Medical School building two blocks from the sit-in scene, Morley said the students presented their case and the administration officials took their demands under advisement.

Morley said the officials would meet again today to discuss student demands and would issue a statement after the meeting.

Harry Quintana, one of the five students at the meeting, said administration officials promised to issue a written statement saying that any student found innocent of charges stemming from the Charter Day disturbance would not be dismissed from the University.

Quintana said officials also promised they would not seek a court injunction to remove students from the Administration Building.

He reported that five administration officials, including Dr. G. Frederick Stanton, University secretary; Carl Anderson, associate dean of students, and Col. James H. Robinson, administrative assistant to the academic vice president, attended the meeting.

The lengthy meeting took place amid growing indications of criticism of the Administration by undergraduates, students in Howard's graduate schools and faculty members.

In separate meetings, the faculty of the Howard Law School and the student body of the University Medical College passed resolutions condemning the administration for shutting down the campus.

"The action of the administration to close the schools of the University is precipitous and an impediment to our education," the medical students said in a statement.

"Although we may not approve of the methods chosen by the undergraduate students (who are leading the protest), we sympathize with their grievances. We, too, believe the administration is unresponsive to student needs, pays insufficient attention to requirements of due process and is not attuned to contemporary community problems."

The Law School faculty, in a statement signed by ten professors, called the administration's decision to shut down the campus "illegal" and announced that they would defy the order and continue to hold classes.

Meanwhile, more than 200 law students met to vote their "complete agreement" with demonstrators and seek court action ordering the administration to reopen the University.

In the name of the Student Bar Association, law students filed suit in U.S. District Court seeking an injunction that would order the University reopened immediately.

Failing that, the law students asked that the Federal Government, which supplies 56 per cent of the University's funds, be enjoined from giving Howard money and that the school be put in a trusteeship.

Students said their objective in seeking an end to Federal funds is rooted in the belief that the University's financial dependence on the Government is a factor in "the administration's repressive policies."

The demand to reopen the University was joined by an ad hoc committee of 50 faculty members, who called for "the start of meaningful negotiations between students and the administration to resolve the crisis."

The committee, which also urged that charges in the Charter Day incident be dropped and that a new judiciary system be established at Howard, announced that its members will conduct "New University" classes in the seized Administration Building until Howard reopens.

Inside the Administration Building, more than 1000 students seemed more intent than ever on maintaining their hold on the building until their demands are met or until they are arrested.

Working in committees, they ground out mimeographed statements, maintained the University switchboard and their own public-address communications system, bought food, arranged sleeping quarters and provided musical entertainment.

Outside the building, another 1000 students lent their support to those inside with speechmaking, errand-running and singing.

In the dormitories, students said they have no intention of leaving their quarters, by Friday, as ordered by the administration. In one girls' dormitory, residents had formed a "defense committee" to insure that "nobody puts us out or locks us in," in the words of one coed.

Walking around the campus yesterday, reporters were unable to find any visible student sentiment against the demonstrators, except for an occasional statement of disagreement with the protesters' methods—but not their goals. However, only 2500 to 3000 of the university's 8600 students were estimated to be on the campus.

Meanwhile, in Atlanta, the president of Howard's board of trustees condemned the protest as the work of "anarchists who have taken over the campus."

The board president, Lorimer D. Milton, said it is his understanding that Howard will reopen "for people who want to receive a college education, not for students who want to sit in at the Administration Building." Milton, a banker, said his statement "speaks for itself" and refused to elaborate. He said he has been in contact with University officials.

[From the Washington (D.C.) Evening Star, Mar. 21, 1968]

HOWARD'S REVOLUTION

The senseless, tragic developments at Howard University are an inevitable consequence of the anarchy which has gripped that campus. There are no winners in the closing of the school. Only the losers are identifiable, and they are the 8,200 students of this once-proud university.

No doubt it does not seem so to those extremist student leaders who loudly proclaimed a desire to shut down the university so that it could be revived later under some new posture of their choosing. The ultimate fallacy of their position, however, is that no such thing will occur. If there is merit in demands for change of any sort in the direction of Howard, the way to effect the change is by working through the established structure of the university, not by tearing that structure apart.

And so what has been gained? Further evidence of the breach between an element of the student body and the Howard administration? Perhaps, but toward what constructive goal? And on what account?

Certainly the incident cited as responsible for the revolt and seizure of the university—a disciplinary hearing set for students who disrupted the March 1 Charter Day ceremonies—is an absurd excuse. The Charter Day disturbance was a disgraceful spectacle which required disciplinary action. Indeed, we regret—and perhaps the school administration also regrets—that a firm measure of

discipline was not imposed immediately after the outbreak of the trouble.

The question now is how to restore an atmosphere which will allow operations to resume in some semblance of normalcy, and no one knows how that challenge will be met.

One thing, however, is sure: The university cannot and should not reopen until, in the administration's words, "order is restored." This has properly been reaffirmed by the school's board chairman, who says that Howard will reopen only "for students who want to go to college and not for students who want to sit in the administration building."

There is no other way a university can function. A spirit of student freedom, questioning and dissent can exist—but only in a context of administrative order and discipline. The point at which authority can be tossed aside and policy can be dictated by a minority of students is the point at which the whole environment for learning collapses.

The great majority of Howard students surely cannot subscribe to the anarchistic seige tactics which have led to the school's closing. If they do, it is hard to imagine where the future of Howard lies.

[From the Washington Evening Star, Mar. 21, 1968]

MORE JOIN IN TAKEOVER AT HOWARD

(By Paul Delaney and Ernest Holsendolph)

Hundreds of Howard University students maintained their takeover of the campus administration building today in a cheerful but defiant mood over the action of university trustees yesterday closing the school indefinitely.

The ranks of students camping in the building grew from about 700 on the first night of the protest demonstration, which began Tuesday, to about 1,200 last night.

The predominantly Negro, Howard demonstrators were joined by about 50 white students, mostly from American and George Washington Universities, as well as by students from American's Black Student Union, protest leaders said.

Howard's law students last night voted to support the demonstration, demanding among other things the exoneration of a group of students charged with disrupting a university Charter Day program March 1.

MEDICAL SCHOOL TO VOTE

The Medical School was scheduled to vote its stand today. Several white-coated medical students were observed among the demonstrators yesterday. After suspending classes at noon yesterday, officials announced at 3 p.m. that the entire university would be closed two hours later, and that unless the disruption was discontinued, the dormitories must be cleared by Friday.

University officials, including President James M. Nabrit, Jr., remained unavailable all day yesterday, but last night the chairman of the board of trustees Lorimer D. Milton, issued a stern warning to the student demonstrators. He said he does not know when the university will reopen and added:

"But when it does reopen, it will reopen for students who want to go to college and not for students who want to sit in the administration building."

Speaking by phone from Atlanta, Milton said the university is consulting lawyers "to find out what legal action can be taken." He would not speculate on whether the university would seek a U.S. District Court injunction against the students so that federal law officers, rather than city police, could enforce it.

Inside the administration building, operating with the same efficiency they have shown since their demonstration began, student leaders directed an occupation of all the building floors with teams of marshals, a cadre that controlled the university's switchboard and work crews who kept the floor clean.

A well-organized food detail was dispensing

coffee, doughnuts, fruit, bacon and eggs, with the aid of hot plates brought into the lobby.

Students, many showing signs of weariness from nights on hard floors, went in and out from time to time to freshen up in their dormitory rooms.

Though the students made it clear that their immediate interest was to block any planned disciplinary action against 30 students accused of disrupting a Charter Day program on campus March 1, they also told reporters they seek a student judiciary to handle discipline problems and more courses in "black history" and culture.

Ewart Brown, the student body president; Anthony Gittens, leaders of Ujaama, a militant campus movement, and Alfred Baddington-Johnson, senior class president, called on Nabrit to reply to a month-old demand by some militants that his "incompetent" administration resign.

They also demanded reinstatement of black power advocate Nathan Hare and several other Howard professors, who they claimed had been fired because of militant activity.

The students said they would "reconsider" their stand on these questions, however, if the Charter Day protestors were exonerated.

University officials said in their statement yesterday:

"The university will exert every effort to reopen the university at the earliest possible time and will continue to explore and consider all means of resolving the problem of the students' protest and unrest."

"Notice of this action (the closing of the university) is being forwarded to parents and guardians."

The statement was issued by the university public relations director, who refused to identify the authors except to say they were a "group of administrators."

Although Howard is a private institution headed by an independent board of trustees, about two-thirds to three-quarters of its annual operating budget has for years been provided by the federal government, according to a spokesman for the Department of Health, Education and Welfare.

He noted however, that the government's participation in policy-making at Howard was limited to finances.

Some Law School faculty members, who declined to be identified, said last night it is "ridiculous" to shut down the entire university because of a demonstration involving mainly undergraduates.

"This disruption can only be stopped one of two ways," one teacher said, "either by direct use of force or by a meeting of the minds between students and the administration."

"The first choice is unthinkable and the latter will require more effective leadership than we have seen."

[From the Washington Post, Mar. 21, 1968]
STUDENT PROTEST CLOSES HOWARD—SIT-INS STAY IN CAMPUS BUILDING AS OFFICIALS SUSPEND CLASSES

(By Paul W. Valentine and Ivan C. Brandon)

Officials closed down Howard University indefinitely yesterday as hundreds of students took over the Administration Building—nerve center of the campus—in a kind of joyous coup.

The "siege and unauthorized occupation" of the building has caused the "forcible cessation" of University functions, said a terse administration statement issued to newsmen.

All students are required to vacate dormitories by Friday, the statement said, and the campus will stay closed "until order is restored."

A University spokesman said about midnight that the administration "is seeking appropriate legal action to restore its operations." There are still no plans to evict dissident students forcibly from University buildings, he said.

"The dorms will not close," countered Howard Student Assembly president Ewart Brown when told of the administration statement. "There will be students in the dorms Saturday morning."

Late last night students began taking mattresses out of the dormitories and placing them in the halls of the Administration Building.

The mass sit-in at the brick, four-story Administration Building began late Tuesday, sparked by administration refusal in the face of student demands to drop disciplinary charges against two dozen students involved in disrupting Charter Day ceremonies on the campus March 1.

It was the latest expression of protest against faculty-dominated disciplinary procedures and a more general underlying dissatisfaction with what they feel is an "Uncle Tom" attitude among administrators at the predominantly Negro University.

Hearings on the charges against the Charter Day demonstrators were postponed last night by University officials pending reopening of the school. The hearings were to have begun Saturday.

Howard, with 8200 students, is a private, nonprofit institution which gets 56 per cent of its operating expenses from the Federal Government.

Yesterday's crowd ebbed and flowed about the Administration Building, growing to as many as 1000 at times.

Student leaders said about 50 white students, most of them from American University and George Washington University, had joined the protest group in the Administration Building by last night. A few faculty members had also joined the protest, they said.

An almost festive mood prevailed. The morale of hundreds of students sitting in the building's hallways was high.

Most building employees, except postal workers, were barred from entry. The building contains the school bank, all administrative offices, the treasurer's office, the records office and telephone switchboard.

Up to late yesterday, locked rooms were left alone, but all other rooms were filled with students. The switchboard was taken over by students who refused to put most calls through.

"I'm sorry, I can't connect you," came a polite female voice. "This is a student protest and the University is closed."

The protesters also took over a faculty parking lot next to the Administration Building, but by late yesterday had not occupied other parts of the campus.

CLASSES SUSPENDED

At noon, Assistant Liberal Arts Dean Charles Hurst suspended classes for the rest of the day. The administration statement closing down the entire campus came a little later.

Campus security guards locked most buildings at noon. Hundreds of students, apparently only vaguely aware of the protest activity, attempted to go to scheduled classes in the afternoon and found the doors to all buildings locked.

Hundreds of other students, some highly partisan others just curious, stood in front of the Administration Building, watching.

A student in bright African garb urged them through a bullhorn to join the protest and enter the building.

Inside, the hallways were filling with blankets, pillows and food containers, as the protesters prepared to stay for the night.

They consumed hot dogs, potato chips, milk and orange juice obtained from the two campus cafeterias in addition to food they purchased on their own. Students also brought in knives, forks and plates from the cafeterias.

Students periodically swept the corridors and attempted to keep the place clean. A phonograph resounded with the recorded

voices of playwright LeRoi Jones and assassinated Black Muslim leader Malcolm X.

ADMINISTRATORS MEET

During the day, administration leaders met secretly in the University's Medical School. They did not communicate with student representatives and refused to talk with newsmen. Howard President James M. Nabrit Jr. was understood to be in Puerto Rico.

"Whenever there's a crisis here," snapped Student Assembly President Brown, "Nabrit's always in Geneva or the United Nations."

An expected showdown between the students and administration at 1 p.m. never materialized. Student leaders said they had demanded that the administration drop disciplinary charges against two dozen students by that time.

They said they expected campus or city police to attempt to oust them then, but the students intended to hold the building "by any means necessary."

Campus police were rarely in evidence yesterday. City police were ordered to stay away from the campus, but 40 men in the Civil Disturbance Unit were on standby alert with equipment including tear gas ready for use.

The day shift of regular police officers was also held for 20 minutes past its normal 4 p.m. quitting time and then released.

Assistant U.S. Attorney Joel D. Blackwell met with administration leaders at the Medical School but would not discuss the meeting.

His boss, U.S. Attorney David G. Bress, said the administration had requested a consultation with someone in his office on the legal aspects of the student-administration dispute. It was understood they also discussed possible charges, including disorderly conduct and unlawful entry, against the protesters.

Marion Barry, head of Pride, Inc., dropped by last night for a period of observation. He made no speeches and had no comments on the situation for newsmen.

Meanwhile, financial support for the sit-in dribbled in throughout the day—most of it in small amounts until the arrival of a check for \$100 from Donald S. Jones of Philadelphia, who described himself as a former psychologist at the University of California at Berkeley who could sympathize first-hand with the protesters.

Students are specifically protesting charges against two dozen students involved in the disruption of Charter Day ceremonies on the campus March 1. The accused students were to face disciplinary hearings this Saturday before a "judiciary" panel of both faculty and fellow students.

Assembly President Brown said, however, that the panel is dominated by faculty and the student members are "picked" by the administration. "It's a kangaroo court," he said, "dominated by the faculty who will let the ax fall on students' necks."

If the administration agrees to drop charges against the students, he said, the protesters will "consider" withdrawing from the Administration Building. In the meanwhile, he said, they are prepared to stay there indefinitely.

The Organization of African and Afro-American Students at AU and the Black Students Union at GW also issued a joint statement of support and said they were ready to "respond to any request" for help by Howard students.

[From the Washington Post, Mar. 2, 1968]

HOWARD STUDENTS DISRUPT CEREMONY

(By Carl W. Sims)

About 60 students interrupted the Charter Day exercises at Howard University yesterday morning and read a proposed charter establishing a new university to "meet the needs of America's and the world's oppressed peoples."

SALARIES AND EXPENSES

Fiscal year	Estimate to Bureau of Budget	Budget estimate to Congress	House allowance	Senate allowance	Appropriation
1959	\$4,496,637	\$4,396,600	\$4,396,600	\$4,396,600	\$4,350,300
1960	4,850,000	4,617,000	4,617,000	4,617,000	4,617,000
1961	5,517,400	5,490,000	5,490,000	5,490,000	5,490,000
1962	7,012,000	7,007,000	7,007,000	7,007,000	7,007,000
1963	8,199,000	7,935,000	7,935,000	7,935,000	7,935,000
1964	8,934,300	8,819,000	8,819,000	8,819,000	8,819,000
1965	9,890,000	9,843,000	9,843,000	9,843,000	9,843,000
1966	11,416,000	11,198,000	11,198,000	11,198,000	11,198,000
1967	13,534,000	13,534,000	13,534,000	13,534,000	13,534,000
1968	16,069,000	15,300,000	15,300,000	15,300,000	15,300,000
1968 proposed supplemental	234,000	234,000			
1969	18,632,000	18,330,000			
Total					88,093,300

CONSTRUCTION

Fiscal year	Estimate to Bureau of Budget	Budget estimate to Congress	House allowance	Senate allowance	Appropriation
1958	\$412,000	\$412,000	\$412,000	\$412,000	\$412,000
1959	334,000	171,000	123,000	123,000	123,000
1960	6,280,300	21,000	21,000	21,000	21,000
1961	4,877,000	1,658,000	1,658,000	1,658,000	1,658,000
1962	4,761,000	4,958,000	4,958,000	4,958,000	4,908,000
1963	5,757,000	5,617,000	5,617,000	5,617,000	5,617,000
1964	6,444,000	6,245,000	6,245,000	6,245,000	6,245,000
1965	1,811,000	1,810,000	1,810,000	1,810,000	1,810,000
1966	2,920,000	2,920,000	2,920,000	2,920,000	2,920,000
1967	3,342,000	3,342,000	3,342,000	3,342,000	3,342,000
1968	23,134,000	23,111,000	3,926,000	3,926,000	3,926,000
1969	24,529,000	2,209,000			
Total					30,982,000

HOWARD UNIVERSITY—SCHEDULE OF COMPREHENSIVE TUITION FEES¹

	Fees for 2 semesters		Fees for 2 semesters
School or college:		School or college—Continued	
Graduate school	\$400	Medicine	700
Social work	400	Dentistry	550
Liberal arts	400	Dental hygiene	400
Engineering and architecture	400	Fine arts:	
Pharmacy	400	Music	450
Law	380	Art and drama	
Religion	380		

¹ Comprehensive tuition includes fees previously charged for tuition, athletics, health service, library, laboratory, and graduation.

HOWARD UNIVERSITY—STUDENT PAYMENTS

	1966 actual	1967 actual	1968 estimate	1969 estimate
Number of full-time students	7,672	8,201	8,439	8,801
Average amount collected per student	\$810	\$1,090	\$1,105	\$1,105
Total amount collected from students	\$6,214,320	\$8,939,090	\$9,325,095	\$9,725,105

SCHEDULE OF FEES

Tuition	\$400
Student activity fee	100
Room and board	950
Total ¹	1,450

¹ Average student payment is approximately 3/4 of \$1,450 because of scholarship aid and because not all students live on campus.

	1966 actual	1967 actual	1968 estimate	1969 estimate
Operating budget:				
Appropriation	\$11,198,000	\$13,534,000	\$15,534,000	\$18,330,000
Receipts and reimbursements from:				
Federal funds	686,900	813,000	1,380,000	93,000
Non-Federal sources	11,264,000	12,180,000	13,978,000	14,127,000
Total	23,148,000	26,527,000	30,892,000	32,550,000

University President James M. Nabrit Jr. and some guests were on the stage of Cramton Auditorium on the Howard campus when the students rose from their seats in the audience about 11:15 a.m.

While some students passed out leaflets outlining the proposed charter, others walked to the front of the hall where they sat on the edge of the stage. After Nabrit made two of the four scheduled awards to alumni, the students climbed onto the stage and surrounded him.

Nabrit conferred with them for a minute or two and then announced that the assembly was over. After singing the Alma Mater most of the audience of about 1200 left the auditorium while 200 students stayed to hear student leaders Anthony Gittens and Michael Harris read the proposed charter.

The remaining two awards were made at the Charter Day banquet without incident last night in the Sheraton-Park Hotel.

Two weeks ago in another demonstration on the campus a petition was delivered to

the school administration making certain demands of the school and calling for the resignation of Nabrit, Vice President Stanton Wormley and Liberal Arts Dean Frank M. Snowden. The University was given until yesterday to respond to the demands.

The proposed charter would create the Sterling Brown University, named for former English professor at the school. It also outlines the powers and structure of the board of trustees, would give power to determine academic policy to the faculty and would give students sole control over student activities.

By the time the charter was read, the lights and public address system in the auditorium had been turned off.

There was no contact between demonstrators and guards or officials on the stage.

Adrienne Mann, editor of the student newspaper, The Hilltop, said the students "had been given to understand that Nabrit would respond to their list of demands at the ceremony. Instead he had Dean Gandy (Samuel L. Gandy, of the School of Religion) speak about 'Constructive Revolution' and not allowing a minority of students to speak for the majority."

Richard G. Hatcher, mayor of Gray, Ind., was supposed to speak at the ceremony marking the 101st anniversary of the school's founding, but Nabrit announced at the beginning that Hatcher was forced to cancel the engagement because of pressing business.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT TO MONDAY

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock meridian Monday next.

The motion was agreed to; and (at 6 o'clock and 8 minutes p.m.) the Senate adjourned until Monday, March 25, 1968, at 12 o'clock meridian.

WITHDRAWALS

Executive nominations withdrawn from the Senate March 22, 1968:

POSTMASTERS

The nomination sent to the Senate on February 2, 1968, of Mark C. Liddell to be postmaster at Southern Pines, in the State of North Carolina.

The nomination sent to the Senate on February 20, 1968, of George R. Connor to be postmaster at Zell, in the State of South Dakota.

CONFIRMATION

Executive nomination confirmed by the Senate March 22, 1968:

APPALACHIAN REGIONAL COMMISSION

Meriwether Lewis Clark Tyler, of New York, to be alternate Federal Cochairman of the Appalachian Regional Commission.

EXTENSIONS OF REMARKS

The Cross Florida Barge Canal Should Be Fully Funded for Defense Reasons

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. BENNETT. Mr. Speaker, the Joint Chiefs of Staff through the years have put their stamp of approval on the Cross Florida Barge Canal as a valuable defense asset of this country and I am sincerely hopeful that this project can continue to receive adequate funds for its prompt completion. It is the sort of project which only starts drawing benefits for the people when it is completed, and this is another reason why it should go forward promptly.

I take this opportunity to include here in two recent editorials of interest on this subject:

[From the Ocala (Fla.) Star-Banner, Mar. 1, 1968]

DEFENSE VALUE OF STATE BARGE CANAL IS GREAT

It should be remembered that the Cross-State Florida Barge Canal was authorized by Congress in 1942 as a defense measure. The introductory phrase in the act reads as follows:

"That, in order to promote the national defense and to promptly facilitate and protect the transport of materials and supplies needed to the military establishment, there is hereby authorized the construction under the direction of the secretary of war and the supervision of the chief of engineers a high-level lock barge canal from the St. Johns River across Florida to the Gulf of Mexico."

The compelling reason for authorization of construction of the canal at that time was German submarines began sinking U.S. merchant ships south of Florida during World War II.

Action of Congress came too late, however, to save 118 ships using sea lanes in the Florida area which were valued at \$178,050,000 and their cargoes at \$6,630,000 (at 1942 dollar values), not to mention the loss of lives of hundreds of crew members who were killed.

This is brought to mind by a recent statement of L. C. Ringhaver, chairman of the Canal Authority of Florida who was obviously distressed that President Johnson is asking for only \$4.6 million for barge canal construction in fiscal 1969.

Ringhaver called it a "wanton disregard for the national, regional, and local values of the project. This minimal amount would preclude any major new construction contract awards for the next year and one-half."

Ringhaver also said "we are concerned at the indifference to the national defense aspects and to enhanced regional capabilities for transporting strategic materials, especially amidst this time of crisis."

There can be no question but that the defense value of the canal is greater than was visualized at the time Congress passed the authorization act. At the time the authorization act was approved, proponents of the waterway stressed the value of the canal in moving petroleum products from the Southern oil fields to the Eastern Seaboard.

But there has been added a new element to the defense value of the canal—the movement of missiles from the space flight center

of Huntsville, Ala. to the Cape Kennedy launching site. These Saturn boosters, upwards of 80 feet in length and over 20 feet in diameter, are too large for shipment by rail, highway, or air.

Movement of the first booster to 'the Cape' took place in 1961. There have been many subsequent movements of the giant engines from the Redstone Arsenal docks at Huntsville. The Huntsville-Canaveral route is about 2,000 miles long, through the Gulf of Mexico and around the lower tip of Florida and requires some 18 to 25 days of travel.

The barges, constructed especially to move the giant boosters are some 180-feet long and 38-feet wide. They have a weight displacement of upwards of 450 tons and a seven foot "freeboard."

In time of war it would be impossible to move these barges carrying giant missiles from the Redstone Arsenal, through the open gulf and around the Florida peninsula, because enemy submarines—and the Soviet Union has upwards of 300 subs, some nuclear powered—would be lurking there to sink them.

Large and larger missiles will be constructed and it will be necessary to transport them to 'the Cape' by barge. Thus, it can be seen the defense value of the Florida canal would overshadow any economic benefits that would accrue from its construction.

While everyone has been pointing to the economic benefits that will accrue from construction of the canal, isn't it time for everyone to think in terms of the defense value of this waterway rather than just the economic benefits that are visualized?

[From the Jacksonville (Fla.) Journal, Feb. 5, 1968]

BARGE CANAL FUNDS SHOULDN'T BE CUT

Drastic reduction in federal funds for continuation of the Cross-Florida Barge Canal in President Johnson's new budget may prove to be far more pound-foolish, penny-wise than any of his other fiscal cutbacks.

By reducing federal appropriations in fiscal 1969 from \$22 million to \$4.6 million, the administration will be delaying the completion date for the waterway by many years.

L. C. Ringhaver, chairman of the State Canal Authority, has pointed out that such a delay indicates a concerning indifference to the national defense program, including regional capabilities for transporting strategic materials.

While the canal is important to Florida's future overall economy, the main concern today must increasingly be for the defense of the country and the part such a waterway could play in saving both ships and lives.

During World War II the German submarine attack on ships just off our coast caused loss of goods which today would be valued in excess of \$964,000,000, according to the canal authority.

This part of the country knows how near the enemy can be. They recall all too well the proximity of the Cuban missiles in 1962. There is no guarantee that threat will not be repeated.

Quite aside even from defense measures—and it might be worth noting that the cross-Florida barge canal project was first authorized as far back as 1942 as a National Defense measure—there is the simple factor of how much the government has already invested.

Since the time President Johnson first broke ground for the canal four years ago some \$30 million has been appropriated. When completed, the 187-mile long canal will provide the final link to connect 29 states with more than 260,000 miles of inland waterways.

It seems not only wise, but necessary that the administration reconsider its reduction in funds for the Cross-Florida Barge Canal. Rather than appropriating for the sake of a state or a section of the country, it is really investing in a project which bolsters the welfare of the nation.

The Wisconsin Regional Space Center

HON. GAYLORD NELSON

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. NELSON. Mr. President, Milwaukee, Wis., is again keeping pace with the needs of our space age. A new type of educational facility has moved off the drawing boards and is coming closer to becoming a reality.

The Wisconsin Regional Space Center, connected with the Milwaukee Public Museum, will be a research center as well as a place where the layman can acquire information about the developments and our accomplishments in the space age. The facilities of the new space center will be both imaginative architecturally and esthetically pleasing. The center will take the form of a floating ellipsoidal dome. Escalators will take the visitor up the spherical projection chamber, which is to be the focal point of the center. In this chamber, the viewer will have the sensation of being surrounded by the oceans, mountains, clouds, or the starry background of space.

Under the able architectural guidance of Donald L. Grieb & Associates, unique features such as a space transit simulator, panoramic radial projector, biological-environmental, and demonstration-participation areas will be constructed. In addition, laboratories will be available for use by members of the staff and talented high school and college students for research in biology, chemistry, physics, astronomy, and mathematics.

Milwaukee as well as the whole State of Wisconsin is looking forward to the space center's completion.

An interesting article about the Wisconsin Regional Space Center by Barbara E. Kocjan is worthy of your attention. Therefore, I ask unanimous consent to print the article at this point in my remarks.

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

THE WISCONSIN REGIONAL SPACE CENTER

(By Barbara E. Kocjan)

(NOTE.—Miss Kocjan a former student aide in the Museum's Reference Library, was associated with every aspect of the planning of the Space Center's development; as a stenographic coordinator of the projects prepared for the Space Center in action.)

With the advent of the Space Age, when the first Russian Sputnik was hurled into orbit on October 4, 1957, world-wide economic, scientific and educational planning have been revolutionized. Because satellites

and space flights have affected the lives of all Americans, not only scientists and students, but also the average man, it is necessary that the general public understand current space-related activities. A new type of educational facility is needed—a space age science education and research center which would instruct the public, motivate the student and carry on sophisticated scientific research. The Wisconsin Regional Space Center will be such a facility. Connected both professionally and architecturally with the Milwaukee Public Museum, the Space Center will complement the Museum, the latter looking back at man's ecological history on earth up to the present, the former exploring his future in space. At the Space Center, traditional subjects such as biology, chemistry, mathematics and astronomy will be given modern interpretation as they are combined with history, classical mythology and humanities in order to present a richer and more complete picture of man's environment than traditional planetariums could possibly do. These exciting new approaches will involve oceanography, geology, and the study of the moon and planets, explored from a "new vantage point—Space." That is, instead of looking at space only from the viewpoint of the earth, the facilities of the Center will allow the universe to be seen from any point in our solar system as far out as Saturn. Therefore, the observer can see the earth and its time related position in space as an astronaut would view it. The entire concept of the new space vantage point thus gives a radically different perspective to the study of the earth and its surroundings.

To properly use the Space Center at its fullest potential, the visitor should have a background of the traditional concepts which can be gained first from visits to the more earth-oriented planetariums located throughout the seven-state region. Workshop programs have already been held with planetarium directors in the region, so that they can work together with the Center. Although the Wisconsin Regional Space Center will be flexible enough to give the visitor this background, the main purpose of the Center is to give special and intensive instruction that could not be obtained elsewhere. Education would thus be an important part of the Center. An initial curriculum program for elementary and secondary schools through the university and professional level has already been planned in addition to public events in the form of workshops.

In 1966, it appeared as though the Federal Government (through the Office of Education) might pay the extra cost of construction, equipment, program development and operating expense up to the completion of the project. This hope was not realized because of numerous policy changes and national budgetary cut-backs made necessary by military commitments and civil disturbances. However, a planning grant for \$74,000 was given to the Milwaukee Board of School Directors during 1967 for use in planning the educational program. When the Center is in operation, other federally funded assistance may be available to explore new teaching programs.

Robert A. Thompson, the Director of the new Space Center, has a background ideally suited to its purposes. He received a degree in electrical engineering from Case Institute of Technology in 1958. On graduation, he became involved in the design and operation of the SOHO Satellite Tracking Station (which was then in its original stages) and served as its director for the last two years of its existence. He served as director of the Warrensville (Ohio) Planetarium and Space Science Program. He was also employed by the Cleveland Board of Education during this time in the fields mathematics and physical sciences. He served as chairman of the Cleveland Public School's Secondary Mathematics Curriculum Committee and, during the 1965-66 school year, as the plan-

ning phase director of the Cleveland Supplemental Education Center Science Division.

Mr. Thompson is the author of numerous scientific and educational publications and is a member of many professional societies. He immediately took charge of the Space Center including both its scientific and public relations aspects. Mr. Thompson was assisted by interpretive specialist M. Theodore Branchik who, by presenting new material to over 10,000 students, provided the major experimental link between Milwaukee School planetariums and the Space Center. Neal D. Eigenfeld supervised curriculum development which would tie in the existing curriculum of the school system to future Space Center concepts.

Architectural design of the Wisconsin Regional Space Center is in the hands of Donald L. Grieb and Associates. The Center will take the form of a floating ellipsoidal dome. The main entrance on Seventh Street will lead to a lobby where information can be obtained and sales items will be located. Escalators will take the visitor up to the Spherical Projection Chamber, which is the focal point of the Center. The domed chamber will be round, soundproof, and have a dome approximately 70 feet in diameter which will extend down to and below the floor. The viewer will thus be placed in the center of the presentation and will have the sensation of being surrounded by the oceans, mountains, clouds or the starry background of space. This area will seat about 500 people. Unique features of the chamber are:

The Space Transit Simulator: Traditional planetariums allow the receiver to see the universe only as we see it from any point on the earth. The Space Transit Simulator would make it possible to assume travel through the Universe, and thus view it from any point in the solar system which is visible from Earth—from the moon, Jupiter, Mars, as far out as Saturn. Since the Space Transit Simulator can simulate a space flight between the earth and the moon or any of the visible planets in space, hook-up with the National Aeronautics and Space Administration monitoring facilities is being explored for the 1970 Apollo moon flight, so that the participant can, by means of projected closed circuit television relay, experience the same sights and sensations of pitching and rolling as the astronauts, in addition to following the stimulated "flight" in the chamber.

Demonstration Platform: The domed chamber will also contain a demonstration platform which will make lectures clearer and add information to them. The lecturer will be able to perform experiments while being watched by a closed-circuit color television camera, so that everyone in the chamber can "look over the shoulder" of the experimenter through the eye of the television camera which projects its view onto the dome. Tapes of the experiment could be stored for future use.

Panoramic Radial Projector: The projection of film taken from sea bottom vessels, earth-based cameras and airborne units can produce special effects. To cite only one example, the chamber could be transformed into a ship which is lost at sea. The participants would try to find their location by means of clues: visual aids in addition to the star background projected on the dome, sound equipment to reproduce the sounds of the sea, and air jets to simulate wind of proper odor, temperature and direction of air and water currents. The participant would be given hints as to what these clues mean. For example, the sighting of a certain species of birds, certain stars, the measurement of the temperature and color of the water and proper identification of an odor would all indicate a certain location, but the participant must identify the clues correctly, put them all together and use his reason to determine the correct location.

In delivering a lecture, the speaker would

be able to walk freely through the chamber, using a microphone. A lecturer would use many materials, including multiple slide projection and three-dimensional wide angle movie projection. Remote television would relay demonstrations from other parts of the building when it would be too dangerous or awkward to bring them to the chamber's platform. Television would also be used to video-tape actual astronomical happenings. It also would be possible to find how much of the material the students have understood by means of a button unit, similar to the push button telephone, to be located at each seat. The student would push it when requested to indicate comprehension of the material presented. This would have the advantage of obtaining a truthful response, as only the individual would know his own answer. Electronic tabulation would give the lecturer an idea of the degree of understanding of his material, so that he could immediately expand points which were not clear and improve future lectures where necessary.

Possibly the most exciting and original area in the Space Center will be the Demonstration-Participation units, which are under the engineering supervision of Fred C. Cousino. The Demonstration-Participation Units will involve the visitor in an active educational experience using all five senses. The participant will use the information which he has acquired from the Units to make decisions. Although the casual observer will not benefit as much as the visitor who actually used the unique Space Center facilities, he should be able to learn as much as he would from any top quality display.

Demonstration-Participation units (called "Dem-Par" Units by the staff) will be divided into three main areas. Space—The New Vantage Point section will give the visitor a different perspective on the earth and surrounding planets and new insights into oceanography, navigation, and geology and meteorology, incorporating technology developed in response to space-age needs of our society. An example of such a unit would be a device in which conditions within a space ship were simulated. In another unit, participants would try to rendezvous and dock their ship with another, maneuvering the "spacecraft" by means of controls which would produce motion going up, down, sideways or around an axis, technically called pitch, yaw and roll.

Other Demonstration-Participation ideas would incorporate an originally designed, scaled solar system, giving size, distance and motion in proper perspective; experiencing of weight and strength as they would be on other planets; sensing materials comparing the surfaces of different planets and monitoring of Milwaukee's air, water and their pollution, as well as live monitoring of satellite orbital photography.

The Biological-Environmental section would be a second major area. It will deal with the problems which man faces when he leaves terra firma to explore the oceans and outer space, besides medically monitoring the human body and its diseases here on earth. Since the human body has such a small range of adaption, man must take his environmental shell with him wherever he goes. When he ventures to live on the moon, he must contend with the hostile environment; the extreme temperatures, radiation hazards and lack of atmosphere, food and water. A Demonstration-Participation unit will show the present technological adaptations to this strange environment, such as harnessing solar energy to power devices which produce water, oxygen, nitrogen and food. The visitor to the unit would be able to see the environmental chamber in operation, walk in a lunar garden, feel temperature changes, and experience the (compressed) two weeks of alternating sunlight and darkness which comprise a lunar day.

A third Demonstration-Participation area will explore the topics of matter, and energy,

including the electromagnetic spectrum. Classification, use and conversion of energy, production and detection of light involving the nature and perception of color, x-rays, gamma rays, ultra-violet, infra-red radio and microwaves, will all be included. A unit illustrating the ten common forms of energy and showing how each can be converted into one or more of the other forms is conceived. "Visitors will be checked out on their operation of the Dem-Par Units, similar to pilots of aircraft," said Thompson. "This gives visitors a sense of accomplishment and allows them to instruct others they bring to the Center in turn."

In addition to the Demonstration-Participation areas, laboratories will be available for use by both members of the staff and talented high school and college students for research in biology, chemistry, physics, astronomy and mathematics. A library and multi-purpose assembly area are also planned. The assembly room could be used for short term traveling exhibits, group meetings, eating facilities and short term workshops. The room will have movable partitions and storage in the wall area similar to proposed lunar living areas. Because education is such an important function of the Space Center, several workshops are being planned under the direction of Bolling B. Smith. These workshops will reinforce and supplement classroom learning. Among workshops for elementary and secondary students would be one especially designed for children from disadvantaged areas. They would participate in field trips and laboratory activities which would hopefully increase both their scientific interest and pride in themselves. Workshops for Milwaukee area students would explore geology, biology, hydrology, physics, mathematics, astronomy and related humanitarian subjects in more detail. Some workshops would study topics such as lens grinding, telescope making and electronic apparatus assembly and rocket design. The staff would not only guide, but also challenge the students. The unique facilities of the Center would be a valuable supplement to classroom study of these subjects. Workshops would also assist in retraining teachers in the newer concepts of the space age. The teachers would receive in-service credit for attending these workshops. Students would be given certificates of accomplishment, since certain workshops would be prerequisites to others that are more advanced.

At present, the workshops are being brought into the school classroom. When the Center is operational, classes will be able to come either for a single visit (with optional follow-up visits) or for the after school workshops. Elementary and secondary level workshops would be held after school hours and on Saturdays, and teacher workshops would take place after the school day. Sundays would be available for special projects, field trips or research.

Because the Space Center will serve such a large region, an effort was made to develop an "outpost" or extension in the form of a Science Camp for especially talented students. Since the Center did not desire to go into the camping business, it was necessary to locate it in an already existing camp structure. The desired atmosphere was one of creativity and freedom which could be channeled into disciplined study and research effort. The program would need to attract talented students throughout the region and would be open to all, regardless of social and economic background. Eligibility would probably be determined by the Scholastic Aptitude Testing Program in science, an interview or both. The student would work on a project with guidance provided by specially selected instructors. Hopefully the ratio of instructors to students would be one to six. The Hull House Association of Chicago has received this idea enthusiastically. The Association operates the Bowen Country Club Hull House Camp in East Troy, Wisconsin. This camping facility

emphasizes creative art, music, drama and writing. Four hundred acres of wooded areas and a large lake offer an excellent natural laboratory for geological, geographical and biological study, as well as a stimulating setting for astronomy and other scientific research. Athletics and an opportunity to meet others talented in different disciplines would also be part of the program. The Hull House Board of Trustees and the University of Wisconsin-Milwaukee have committed themselves to cooperation with the Space Center on this project. It is hoped that a program of this type could soon be made available on weekends throughout the year, as well as during the summer, for adults as well as young people.

All these concepts—the Domed Chamber, the unique Demonstration-Participation areas, the workshops and science camp—offer exciting possibilities. In the words of Dr. William M. Lamers, Assistant Superintendent of the Milwaukee Board of School Directors and President of the Milwaukee Public Museum Board of Trustees: "The Wisconsin Regional Space Center promises to be unique, not only for the fact that it is the first facility of its kind in the world to bring together space age discoveries, but also to interpret the space age to the general public and to the student and scientists as well. The project, its physical make-up, staff and curriculum will provide the whole Middle West with a highly effective teaching laboratory that can readily be tied into the on going programs of tens of thousands of ele-

mentary and secondary schools and hundreds of colleges and universities. It would attract worldwide attention to the city, state and nation."

Thirty-second District Poll

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. HOSMER. Mr. Speaker, recently I took a public opinion poll in California's 32d Congressional District. For the information of my constituents I am sending them the results in the following form:

THIRTY-SECOND DISTRICT POLL RESULTS BY CITIES

Congressman Craig Hosmer today released detailed results for six cities in his poll of California's new 32nd District. Almost 20,000 citizens represented by the Congressman balloted on twelve major national issues.

Use of an IBM card ballot permitted a computer to analyze voting in the various communities included in the District.

Hosmer said it is the most comprehensive public opinion survey ever taken in the area and that it will aid him considerably in representing his constituent's wishes.

[In percent]

	All	Rossmoor	Seal Beach	Leisure World	Huntington Beach	Surfside, Sunset Beach	Bellflower
1. Do you approve of the President's conduct of the Vietnam War?							
Yes.....	25	25	26	24	23	16	24
No.....	62	65	63	60	65	77	69
Undecided.....	13	10	11	16	12	7	7
2. In North Vietnam, do you favor—							
(a) Intensified U.S. air attacks.....	72	70	62	69	75	43	83
(b) A bombing halt.....	10	11	19	6	9	36	3
(c) Maintaining air attacks at the present level.....	11	11	12	14	10	8	9
Undecided.....	7	8	7	11	6	13	5
3. Should the United States continue to trade with nations that are aiding North Vietnam?							
Yes.....	12	15	20	9	12	39	7
No.....	80	78	72	82	82	49	83
Undecided.....	8	7	8	9	6	12	10
4. Do you believe the American people are receiving sufficient information from the Government on vital foreign and domestic issues to allow them to vote intelligently?							
Yes.....	16	17	18	17	15	12	21
No.....	74	74	72	73	75	85	76
Undecided.....	10	9	10	10	10	3	3
5. Do you support the administration's proposed increase in taxes?							
Yes.....	24	28	27	32	21	23	33
No.....	65	64	65	51	71	62	64
Undecided.....	11	8	8	17	8	15	3
6. Do you believe that Federal spending on domestic programs should be reduced?							
Yes.....	62	70	63	64	63	51	59
No.....	30	24	30	24	30	46	36
Undecided.....	8	6	7	12	7	3	5
7. Should industries which install equipment to reduce air and water pollution be granted tax credits by the Federal Government to offset part of the expense involved?							
Yes.....	51	53	51	55	51	64	53
No.....	38	38	40	31	40	29	35
Undecided.....	11	9	9	14	9	7	12
8. Do you favor returning a percentage of the tax money collected by the Federal Government to State and local governments to be used as they see fit?							
Yes.....	53	54	52	65	53	43	60
No.....	35	36	37	20	36	41	28
Undecided.....	12	10	11	15	11	16	12
9. Should the United States encourage trade with Communist nations?							
Yes.....	18	23	30	16	17	44	15
No.....	72	68	57	74	74	43	78
Undecided.....	10	9	13	10	9	13	7
10. Do you favor the poverty program?							
Yes.....	29	23	35	31	27	44	30
No.....	56	62	53	51	58	43	60
Undecided.....	15	15	12	18	15	13	10
11. Should the United States spend about \$50,000,000,000 for antimissile defense against possible Soviet attack?							
Yes.....	48	47	42	42	55	28	50
No.....	29	30	36	32	27	54	33
Undecided.....	23	23	22	26	18	18	17

(In percent)

	All	Rossmoor	Seal Beach	Leisure World	Huntington Beach	Surfside, Sunset Beach	Bellflower
12. In dealing with civil disorders, do you favor—							
(a) Stricter handling of rioters and "demonstrators" by police and the courts...	76	76	67	80	78	53	75
(b) More programs for improvement of slum areas?	13	12	22	7	12	32	15
Undecided	11	12	11	13	10	15	10

Inasmuch as the district was recently realigned and I have had requests for information about myself, I am including with the poll results a reproduction of the following biographical sketch which once appeared in the Arizona Republic newspaper:

HOSMER: ATOMIC-AGE CONGRESSMAN
(By Ben Cole)

WASHINGTON.—Rep. Craig Hosmer, R-Calif., can be characterized the nation's first atomic-age congressman, for the atom brought the studious lawyer from Long Beach to his seat in the House.

Hosmer was a lieutenant commander in the Navy, waiting in the Philippines for the start of the invasion of the Japanese homeland when the first bomb exploded at Hiroshima.

The implication was immediately apparent to Hosmer. This was the power that would shape the future, and he wanted to have a hand in dealing with it.

Back home, he took a job at Los Alamos as a government lawyer. The experience was disappointing, but it made Hosmer decide to go to Washington.

Long Beach isn't necessarily the best place for Republicans to launch new political careers. Hosmer took a whipping in 1950, but came back in the Eisenhower year of 1952 and won.

As he does with everything he undertakes, the 48-year-old Hosmer has closely studied his constituency. He has continued winning re-election with growing majorities, though Long Beach is generally considered to favor the Democrats about 60-40.

Hosmer had to wait until a vacancy occurred on the Atomic Energy Commission. He was assigned to the interior committee, where he also retains membership.

As it turned out, atomic energy and the power-and-water problems of the interior committee dovetail perfectly; and the future will draw them ever closer together.

Hosmer's district in the midst of a megapolitis is far removed from the agricultural problems preoccupying lawmakers from other water-shy areas.

"There's only one farmer in my district, a man with a 10-foot window box," Hosmer says with a twinkle in his eye.

So he regards the Central Arizona Project legislation, upon which he one day will be called to pass, as "just another extension of the battle of the river . . ."

Such projects won't cure shortages, it will just bring more of them, he fears.

And behind the whole issue of reclamation-type projects, Hosmer sees the ever-present matter of electrical energy.

"Whatever is behind it," Hosmer wrote recently in a minority report on a Bonneville Power Administration bill, "under a succession of interior secretaries, the Bureau of Reclamation has moved deeper into the generation, transmission, and marketing of electric power . . ."

Hosmer fears there may be a determined effort of careerists within the Interior Department to extend the federal control over electric energy ever and ever further.

Secretary Stewart L. Udall, who Hosmer finds is "busy running around the country," could do the nation a service by "flushing out and laying on the table the true nature of the federal power program," the congressman declares.

While Hosmer is dedicated to opposing Fabian socialism, he is cognizant that private, local public, and federal resources are going to be needed to fill the nation's power needs in years to come.

And tied to these is the question of water for the thirsty Southwest. Hosmer is constantly aware that his teeming district would be empty desert, save for the water brought to it.

He believes, as do most men working with the problem day after day, that harnessing the atom to desalt the sea is the eventual answer.

But much must be done. An economical plant, Hosmer estimates, would cost \$500 million, too big an undertaking without federal help.

Once, Hosmer asked an atomic scientist at Oak Ridge, Tenn., about the problem of refuse from desalinization plants. The man had never considered what would be done with it. The incident disturbed Hosmer because it symbolized the tendency of persons working with great problems to leave things unfinished.

Hosmer's desire for "knowledge" on legislative problems is almost obsessive. His conclusion in his minority report on the Bonneville power bill epitomized this: "Defeat . . . is urged because more must be known to consider it wisely," he wrote. "This will place the appropriate committees of Congress on notice to do the investigation work they have neglected."

Tall, handsomely dark complexioned and, at times severely serious, Hosmer is one of the most respected young members of Congress. In private conversation, he is warm and candid.

A native of the Los Angeles area, Hosmer is the son of a mechanic whose curiosity made him a successful inventor.

Chester C. Hosmer worked in the oil fields for Standard Oil Co. He devised a replaceable cutting edge for power shovel scoops that is universally used today.

"I'll bet most of the construction work in Arizona today was done with his invention," Hosmer says with satisfaction.

Young Hosmer got his bachelor's degree at the University of California in Berkeley, then went to the University of Michigan for a year of law school. He returned home to receive his law degree at the University of Southern California, where he was editor of the law review. He then got in a year at the United States Naval Academy before World War II sent him to sea.

Hosmer married the former Marian Caroline Swanson in 1946. They have two children.

The congressman does his own legislative research, preparing his notes on a yellow legal-size pad, then typing the first draft himself. He's a good typist, too. Uses the touch system.

Scholarships Through Collective Bargaining

HON. RALPH YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES
Friday, March 22, 1968

Mr. YARBOROUGH. Mr. President, in the February 26, 1968, edition of the

Chemical and Engineering News there was a very interesting and informative article concerning my bill, S. 2704, which would allow joint employer-union trust funds to be used to provide scholarships and child-care centers for children of employees.

Mr. President, I ask unanimous consent that this article, under the title "Scholarship May Be Topic for Bargaining," be inserted in the RECORD.

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

GOVERNMENT: SCHOLARSHIPS MAY BE TOPIC FOR BARGAINING

(Bill that would permit collective bargaining over scholarship funds for workers' children wins support from labor, administration)

A bill to make joint trust funds to provide college scholarships for workers' children a legal subject for collective bargaining drew strong support from the Administration and labor at hearings before the Senate Labor Subcommittee. But what management thinks of the proposal is a mystery.

A member of the committee staff told C&EN that management groups—the U.S. Chamber of Commerce and the National Association of Manufacturers—declined an invitation to testify at the hearings. They plan to submit written statements later for the record. And C&EN learns that as of now, neither the Manufacturing Chemists Association nor its member companies plans to comment on the proposal. However, the committee will hold the record open until March 4 for filing statements.

The proposal before the committee is S. 2704. It was introduced by Sen. Ralph Yarborough (D-Tex.), chairman of the committee, and is sponsored by 10 other Senators, both Democratic and Republican. It would broaden the scope of the Labor-Management Relations Act of 1947 (Taft-Hartley Act) to include joint employer-union trust funds to provide scholarships for workers and their children and similar trusts to provide day care centers for preschool and school-age children of employees.

Says Sen. Yarborough, "This bill is a significant step toward universal educational opportunity. Grants from these jointly administered programs would be made as a matter of right, thereby helping all those qualified to receive additional education, not only the bright or exceptional student."

If Congress approves the bill, it could well be one of the major items on the bargaining tables as labor contracts come up for negotiation around the nation. Jacob S. Potofsky, president of the Amalgamated Clothing Workers of America, gave the committee a clue as to which way the wind may be blowing. "We would like to expand our nationwide welfare program by adding a scholarship fund, paid for by employer contributions," he said. "We will soon be negotiating for a new contract, and although our demands are not yet publicized, I can tell you that a scholarship program under a jointly administered fund may well be among them."

Members of his union feel, Mr. Potofsky said, that one of the great needs is for scholarship help to make it possible for their children to go to college. Certainly, from an economic point of view it is useful, he added, for technological progress in recent years makes advanced education and training more necessary.

Committee members asked Mr. Potofsky whether he had any reaction from management to the proposals in S. 2704. He had had no clues as to how management might react but he told the committee he expected no antagonism because the industry had always been socially minded. "However," he pointed out, "I can't see any management people

standing in line to contribute money to our scholarship fund."

The AFL-CIO and its more than 6 million members solidly support the bill, Leonard Lesser, general counsel for the organization's industrial union department, told the committee. He stressed that the bill does not force anybody to do anything. It just removes a legal bar to establishing a joint fund for these purposes.

The Department of Labor completely supports S. 2704, Charles Donahue, Solicitor of Labor, said. And, as an added plus in these times of severe budget restrictions, he added, "I would like to emphasize that this proposal neither authorizes nor contemplates federal expenditures. It merely seeks authority under federal law for labor and management to use their own private funds for these purposes."

The need for legislation stems from the fact that section 302 of the act—signed into law more than 20 years ago—flatly prohibits employer contributions to trust funds except in very limited situations. These specific situations are spelled out explicitly in the law; by implication, anything not named was prohibited by Congress.

"I believe that there are today many different kinds of funds—prohibited by section 302—with valid and legitimate purposes, beneficial not only to labor and management but to the public," he said. "I am not aware of any valid reason why contributions to these funds should not be permitted."

Mr. Donahue pointed out that industry makes many grants and scholarship awards. Unions do the same. "S. 2704 will enable them to act in concert in carrying on their programs," he said.

Acreage Limitation

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. COHELAN. Mr. Speaker, one of the persistent problems of agriculture and resource policy is the matter of acreage limitations.

One of the most able and expert people immediately concerned with this matter is Prof. Paul S. Taylor of the University of California at Berkeley.

Professor Taylor has recently written a letter in which he critically analyzes and opposes the recommendations the California Governor's Task Force on the Acreage Limitation Problem.

I think my colleagues will find this letter to be highly enlightening, and I commend it as well to the readers of this RECORD by inserting it in the CONGRESSIONAL RECORD at this point:

CALIFORNIA STATE BOARD
OF AGRICULTURE,

Sacramento, Calif., March 5, 1968.

DEAR MR. GRANT: I urge the Board of Agriculture to reject the finding and recommendations of the Governor's Task Force on the Acreage Limitation Problem, and request that this letter representing my individual views be read at the March 7, 1968 meeting of the Board and be made a part of the minutes.

In composing the membership of the Task Force, the Governor apparently chose to emphasize experience in opposition to the acreage limitation law, rather than to seek a balance among citizens representing broad public interests. The result is a report marked by skillful special pleading for a narrow interest of large landowners. This gulf between special and general interest shows clearly from a comparison between the

United States Supreme Court's description of the 160-acre law and the views expressed by the Task Force.

The purpose of the 160-acre law, as stated by the Supreme Court, is to assure: "That benefits may be distributed in accordance with the greatest good to the greatest number of individuals. The limitation insures that this enormous expenditure will not go in disproportionate share to a few individuals with large land holdings. Moreover, it prevents the use of the federal reclamation service for speculative purposes." *Ivanhoe v. McCracken*, 357 U.S. at 297 (1958).

Governor Reagan's Task Force frankly disagrees with these purposes. "A majority of the members," says the Report on page 22, "... believe these provisions are wrong in principle and should be repealed." Between these opposing views I prefer, and I hope the Board of Agriculture prefers, the principle of the greatest good to the greatest number, which requires exercise of control over monopoly and speculation by the few.

A second objection to the Task Force Report is the unreliability of alleged facts cited in support of its conclusions and recommendations. A couple of examples will serve to illustrate this undependability on the part of the Task Force's analysis and presentation.

On pages 13 and 14 the Report states that—"Because of its latter-day impact upon private land holdings, some supporters of acreage limitation have sought to justify it as a 'land reform' measure. Certainly that was no part of the purpose of the original limitation provision of the 1902 Act, for that statute was aimed primarily at the developing and settling of the public lands. . . . 'Land reform' as such was never a Congressional purpose or objective in enacting the acreage limitation provisions of Reclamation Law. It is only an afterthought on the part of those who seek some justification for perpetuating these anachronistic provisions." One has only to read the language of the 1902 acreage limitation law to know that the above statement is the precise opposite of the truth. It states: "No right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one landowner . . ." 32 Stat. 389.

The 160-acre law to which the Task Force objects applies to private lands receiving project water, and to privately-owned lands only.

One wonders how the Task Force could have overlooked not only the language of the law itself, but also passages from the debates in 1902 that stand out clearly from the pages of the Congressional Record and fairly hit one in the face as specific land reform declarations. For example, Congressman Frank W. Mondell, of Wyoming, in charge of the reclamation bill, said:

"It is a step in advance of any legislation we have ever had in guarding against the possibility of speculative landholdings and in providing for small farms and homes on the public land, while it will also compel the division into small holdings of any large areas . . . in private ownership which may be irrigated under its provisions." 35 Cong. Rec. 6677.

Admittedly the Task Force opposes the acreage limitation because one of its major purposes is land reform, but this does not excuse the failure on its part to read law and history correctly, and advise the readers of its Report dependably of the facts.

Another example appears on page 6 of the Report. The Task Force says: "Interest-free financing is the only true subsidy which is recognizable as a purported justification for the acreage limitation provisions of Reclamation Law."

This claim is crucial to the Task Force recommendation that large landowners be permitted to buy their way out from the policy of the law cheaply, by eliminating subsidies; the "Engle Formula" is cited to suggest that large landowners need only double

the price they pay for water, from \$3.50 per acre-foot to \$7.00 per acre-foot, to compensate for the public subsidies they receive (Page 13).

But this is untrue. The Task Force fails to advise its readers that the Bureau of Reclamation, referring apparently to the same water rates, said that "If subsidies and special benefits under reclamation law were eliminated," the price of water would be, not doubled to \$7.00, but quadrupled to \$14.00 per acre-foot. And even this quadrupled figure fails to include other important public subsidies such as "flood control." (Hearings before Subcommittee of the U.S. Senate Committee on Public Lands, 80th Congress, first session, on S. 912, page 869).

Furthermore—and this appears difficult to understand in the light of the present—the Task Force fails to advise its readers that promotion of political stability in our nation was among the proclaimed purposes of reclamation at its inception, and that weakening acreage limitation undermines its stabilizing influence. For example, the "Father of Reclamation," George H. Maxwell, used surprisingly modern language to warn the National Irrigation Congress meeting in Phoenix in 1896, that—

"If we have reached a condition in less than half a century, when in case of riot and disorder, the national government must be called upon to suppress riot and disturbances in Chicago, to keep the peace and preserve property, how is it to be done in years to come, when these great cities have grown to such a size that no other power can control them, and when the very elements of disorder which control those cities will likewise control, too, the nation and elect the men who administer the Federal Government? Now, where is the remedy for this?"

Maxwell's answer was to assure widespread ownership of property, notably in land and water, as Congress shortly provided for by enacting the 160-acre provisions of reclamation law.

Congressman Oscar Underwood, later Speaker of the House, gave the 1902 Congress counsel similar to Maxwell's. Enactment of reclamation law, he said, would give the farm boys—

"A place where they can go and build homes without being driven into the already overcrowded cities to seek employment . . . If this policy is not undertaken now, this great western desert will ultimately be acquired by individuals and great corporations . . . I believe the passage of this bill is in the interest of the man who earns his bread by his daily toil . . . It gives him a place where he can go and be free and independent; it gives him an opportunity to be an owner of the soil and to build a home. These are the class of men we must rely on for the safety of the Nation . . . It is justice to them that this legislation be enacted into law." June 12, 1902, S. Doc. 446, p. 376.

Clearly Governor Reagan's Task Force favors the acquisition of the western desert "by individuals and great corporations," which Underwood feared. One can understand this preference among members of the Task Force experienced in serving the interests of large landowners professionally. But is there any good reason why, in face of current urban unemployment and rural poverty, and riots and disorders during the "long hot summers" of the 1960's, the public should choose to favor land and water monopoly by "individuals and great corporations" in preference to provisions through the 160-acre limitation of greater opportunity for the many?

The Task Force does not tell its readers that in September 1967, barely four months preceding issuance of its own Report, the President's Task Force on Rural Poverty charged that without western reclamation "the South could have stronger agricultural and rural economies, with fewer poverty stricken people." Nor that the Rural Poverty

Report demanded, in the interest of reducing Rural Poverty "That the Department of the Interior enforce the 160-acre limitation." (The People Left Behind, pages 138, 139.) How much warning of political instability and injustice do we need before we take heed?

The Governor's Task Force is at great pains to argue, in the name of efficiency, that the use of costly machinery in farm operation requires that landownerships be larger than 160 acres. Of course this need not be so at all. The Report fails to advise its readers that nothing in the 160-acre law restricts use of costly machinery on whatever scale may be necessary to confer its financial advantages; also that well-known ways of employing machinery on a large scale without requiring large landownerships have been customary in America, and in California agriculture for a century.

One could continue indefinitely picking holes in the Task Force Report, but it is time to summarize in words that give perspective.

The Task Force draws inspiration from the late Clair Engle for its recommendation of the "Engle Formula" as a device to enable large landowners to circumvent acreage limitation. The true role of the "Engle Formula" has never been characterized better than by its author. In 1955 Clair Engle, then Congressman, said to the Congress:

"I grant you, you start kicking the 160-acre limitation and it is like inspecting the rear end of a mule: You want to do it from a safe distance because you might get kicked through the side of the barn. But it can be done with circumspection, and I hope we can exercise circumspection." (Hearings before Subcommittee on Irrigation and reclamation of House Committee on Interior and Insular Affairs, on H.R. 104, 384, and 3817, 84th Cong., 1st sess., 70).

The Board of Agriculture has a clear choice, whether to represent the public interest in its decision, bearing in mind the requirements of justice and political stability, or whether to favor those special interests that seek to circumvent a good law founded on the greatest good to the greatest number of individuals.

Respectfully yours,

PAUL S. TAYLOR,
President.

By way of identification: I served a four-year term as member of the California State Board of Agriculture from 1940 to 1944, served as consultant on reclamation within the Department of the Interior between 1943 and 1952, and have published a series of articles on acreage limitation in law and other professional journals. One of these, "Excess land law: Execution of a Public Policy," 64 Yale Law Journal 477, was cited by the U.S. Supreme Court in *Ivanhoe v. McCracken*.

Salute to Consolidated Papers, Inc.

HON. GAYLORD NELSON

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. NELSON. Mr. President, we in Wisconsin are proud of our industrial achievements. We rank our State as No. 1 in the Nation in the paper industry.

Consolidated Papers, Inc., of Wisconsin Rapids, long a leader in the industry, continued its active program of expansion and product development throughout 1967.

As a major supplier of the national magazine industry, it achieved a significant accomplishment in developing a

lighter weight paper for magazines. This breakthrough results in a substantial savings of money to Consolidated's customers. Such innovative activity continues to keep this great paper producer in a highly respected position.

While emphasizing science and technology, Consolidated did not forget that the backbone of the company was its employees. Programs for employee advancement were maintained. Wages increased as did the work force; and industrial accidents were kept well below the national average.

Consolidated Papers, Inc. should therefore be saluted. I have read the 1967 annual report and was duly impressed, and I would willingly supply complete copies to any Senator who would care to contact me.

Robert Thomas Maddigan

HON. JOHN C. CULVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. CULVER. Mr. Speaker, I address the House of Representatives to pay tribute to a man who, in my judgment, is the finest representation of the strength of America—the late Robert Thomas Maddigan, of Oelwein, Iowa.

We read every day about men and women who are well-known public figures, but the pages of this CONGRESSIONAL RECORD might much more appropriately be devoted to men like Bob Maddigan, whose tireless and unselfish community service really make our democratic system work.

The father of 12 children, Bob could have easily rejected such involvement, and with much more justification than most of us.

But as a businessman, as a leader in church and civic groups, as an active political organizer, Bob Maddigan was the kind of man who realized that if action is to be taken, and progress is to be made, it depends upon him.

As one of his friends so appropriately said:

I think his greatest contribution was the interest he created in other people, who maybe didn't want to get "involved," but when they observed his operation and interest, they decided perhaps that they could get involved, too.

Each of us can learn from men like Bob Maddigan the true meaning of American citizenship, and the responsibilities and obligations it entails—concerned involvement and active commitment to making our society a better place to live.

This is the lesson he passed to his children, and his life is reflected in theirs.

The oldest of the 12, Pat, served 4 years in the U.S. Navy, and then tragically was killed in an automobile accident last year.

Mike and Tom are university students. Maureen teaches special education in the Marion, Iowa, schools, and Colleen is employed at Collins Radio Co. in Cedar Rapids.

The other children—Tim, Terry, Kevin,

Kathleen, Eileen, Mary, and Kelly are still at home in Oelwein.

Bob's active participation in politics—at the precinct, county, and State level—earned him the affectionate and respected title of "Mr. Democrat" in Fayette County.

When I ran for Congress, he was one of the first to offer his support and assistance, and from that time he was one of my most valuable advisers.

But of even greater value and importance to me has been the close personal friendship of Bob and his wife, Delores. I am personally indebted to both of them, and I share the deep loss of their hundreds of friends at his untimely death this past January.

If we were privileged to have more Bob Maddigans in this country, we would be much closer to the true meaning of Americanism and the fullest realization of our ideals.

Senior Pilot

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. MONRONEY. Mr. President, I ask unanimous consent that a letter and magazine article I received from Mr. C. H. Guernsey, Sr., chairman of the board of C. H. Guernsey & Co., consulting engineers in Oklahoma City, Okla., be printed in the RECORD.

Mr. Guernsey, who is a rated instrument pilot at 75, makes an eloquent plea for separate and equal airport facilities for commercial and general aviation, because of the safety factors involved. And his safety record speaks for itself. He became a pilot at 75, has logged 1,400 hours of pilot time and has not had his first close call yet. To quote Mr. Guernsey, "You don't have them if you use good judgment."

Mr. Guernsey has high praise for the Federal Aviation Administration traffic controllers who add an important measure of safety. "They literally take you by the hand," he says.

It is just such aviation-minded businessmen, who fly themselves, who are working together with the Congress to help solve air transportation problems. The suggestions and experience of men like Mr. Guernsey, along with those of various Federal agencies, are helping to formulate an airport/airways program for this great country which will meet the challenges of the future as well as the needs of the present.

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

C. H. GUERNSEY & Co.,
Oklahoma City, March 14, 1968.

Subject: National airport system.
Mr. MIKE MONRONEY,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR MONRONEY: In my humble opinion, the solution to the problem of airline traffic Vs. general aviation traffic terminal facilities in the principal cities, is a dual

airport system much like that of our own home town, Oklahoma City.

If Wiley Post Airport in Oklahoma City had a weather radar and IIF facilities then the two airports mentioned for Oklahoma City would be a model plan for all principal cities to follow. With two separate airports for the two separate classifications of sky users, there should then be no particular conflicts except perhaps in the need for air-taxis and small feeder lines to accommodate passengers necessarily using the larger terminals. In this respect in perhaps some of the major airports an altogether separate runway may be provided for feeder line use.

It is our opinion which no doubt is shared by you also, that the rapidly increasing utility of general aviation justifies the avoidance of locating general aviation airports away out in the "Boondocks" somewhere. As we all know, there are only about 2,000 large airliner aircraft operating in the United States compared to something like 100,000 executive and private business aircraft going everywhere all the time. Because of the great difference in the number of people air traveling in the larger aircraft it is imperative that there be greater separation in the location of terminal facilities where convergence for landing and take-offs creates such increased responsibilities on air traffic controllers and pilots alike.

Senator, it is understandable that many non-aeronautical minded passengers accustomed to airline travel only, may sometimes feel that all small planes should be grounded for keeps. However, those of us who use both modes of air travel, feel that the aforementioned attitude is somewhat analogous to that of a bus passenger demanding that all automobiles should be run off the road.

Because aviation traffic is becoming so congested of early mornings and during an hour before sundown, I have adopted the policy of having fluorescent blaze-orange paint on the nose, wingtips and control surfaces of the plane I fly with the intention of using strobe lights top and bottom for daytime use, all for the purpose of seeing and being seen with greater certainty in aircraft collision avoidance. The requirement to use mature judgment with respect to weather is one thing, but to avoid mid-air collision during these days of increased air traffic congestion, is quite another.

Senator Monroney, we surely appreciate, as does everyone in Oklahoma City especially, all your efforts in behalf of aviation.

Most respectfully,

C. H. GUERNSEY, Sr.

[From Oklahoma's Orbit, Feb. 11, 1968]

SENIOR PILOT

(By Ed Montgomery)

There's nothing very exciting about flying, says C. H. Guernsey Sr., who became a pilot at the age of 57 and is still flying at 75. Not if you fly right.

He's logged 1,400 hours of pilot time and and hasn't had his first close call yet.

"You don't have them," he says, "if you use good judgment. I've never been scared in the air at all. I have had many close calls in automobiles.

"After all, weather permitting, it's much safer to be up above all obstructions, especially above the rat race here on the ground."

Guernsey, chairman of the board of C. H. Guernsey and Co., consulting engineers, became a pilot for strictly business reasons. His primary purpose was to be prepared to judge pilots to be employed by the firm.

The company, headquartered at 2701 N. Oklahoma in Oklahoma City, has used its own planes since 1949. It now owns two craft which it uses to fly personnel to jobs in nine states.

"It is a necessity with us," Guernsey explains, "because of the high-salaried professional staff members who need to be in the

right place without so much idle time involved."

Guernsey normally flies the company's 182 Cessna only when a trip needs to be made and Ernest Ray, the chief pilot, is already on a flight with the turbo-charged twin-engine Cessna Sky Knight.

Guernsey qualified for his single-engine pilot's license in 1950. He earned a commercial license in 1958 and the coveted instrument rating in 1961.

After he had soloed, Guernsey relied for his advanced instruction on Ray, who has an air transport rating and more than 20,000 flying hours.

The average citizen who doesn't get off the ground much is inclined to think all smaller planes are dangerous, that only airline crew members have the professional skill you can rely on to get you there and back safely. Guernsey doesn't agree with that.

"Pilots of executive and corporate aircraft are equally rated in qualification and experience with airline captains," he said.

What's more, he adds, a pilot can set an executive plane down where the captain of an airline jet wouldn't even consider attempting a landing.

He does believe, though, that the average flier in the private-pilot rating needs more supervision than he gets.

"Airline captains are subjected to check rides at least every six months," he said. "A private pilot may not have any supervision for his entire lifetime when he's the one who needs it most."

The pilot who doesn't fly all the time, he believes, is inclined to develop little habits which develop into the kind of faults which can lead to tragedy.

Most crashes trace to pilot error, not mechanical troubles, he points out.

"Most small plane tragedies result from the pilot not using good judgment in respect to the weather," he says.

Leaving and approaching busy air terminals requires special alertness, the 75-year-old pilot concedes, but he adds that Federal Aviation Administration traffic controllers add an important safety factor. Surveillance radar traffic guidance can be a big help to those who learn to use all its benefits, he says.

"They just literally take you by the hand," he said.

Guernsey is a native of Kansas who became an Oklahoman when he was a year old. His father made the run into the Cherokee Strip in 1893.

His firm, which will see its 40th anniversary in October, has had its headquarters in Oklahoma City since 1942. C. H. Guernsey Jr. is now its president.

Its operations cover a wide range of activities including civil engineering projects involving water supply and sewage treatment plants, electric power, microwave and buried cable communications, conversion of rural telephone systems to dial systems and electronics educational systems.

The chairman of the board says he'll continue to act as backup pilot, in addition to his other activities, as long as he keeps passing his FAA physicals. He hasn't had any trouble yet.

The "Pueblo": How Long, Mr. President?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. SCHERLE. Mr. Speaker, this is the 60th day the U.S.S. *Pueblo* and her crew have been in North Korean hands.

Charleston, W. Va., Job Corps Girls Honored for Volunteer Work

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. RANDOLPH. Mr. President, a verse from the Bible, John 14:18, "I will not leave you comfortless: I will come to you," is exemplary of the commendable volunteer service being performed by girls at the Charleston, W. Va., Job Corps Center.

During 2½ months of this year, 39 girls from the center have donated more than 1,200 hours of their off-duty time to the worthwhile service of helping others.

Mr. President, we often read all bad news and seldom do good acts make news. A friend of mine once stated that "You have not lived a good day, even though you have worked for your living, unless you have done something for someone who will never be able to repay you." This, to me, is what the young women in Charleston are doing to contribute to "a good day."

Miss Jerry Kessel, of the Charleston Daily Mail, wrote an interesting and informative story on the service of these girls in the March 19 issue of that newspaper. I ask to have her article inserted in the RECORD at this point.

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

THIRTY-NINE JOB CORPS GIRLS TO BE HONORED FOR MANY HOURS OF VOLUNTEER WORK

(By Jerry Kessel)

For Charleston Job Corps enrollees Betty Gunner and Shirley Potts the Volunteer Services Corps provides a way to help others. "We feel we're doing something to help someone who needs us," the girls said, "and we go as often as we can."

Miss Gunner and Miss Potts have the most volunteer hours of the 39 girls in the program. Since January, Miss Gunner has given of her time at the House of Mercy Nursing Home. It has amounted to 218 hours.

A co-volunteer at the nursing home, Miss Potts has 241 hours of service.

At the nursing home, they feed patients, run errands for them, read to them, comb their hair, give manicures and are generally ready and willing to do any useful task.

Other Job Corps girls are spending their free time at the Union Mission Children's Home, the West Virginia Heart Assn., the Cancer Society and the Kennedy Center.

In two and one-half months the girls have donated more than 1,200 of their leisure hours to the five groups.

They will be honored Thursday at an awards assembly at 1:30 p.m. at the Job Corps. Trophies will be awarded to the girls who have more than 100 hours as volunteers and those with 25, 50 and 75 hours will receive I. D. bracelets.

At the children's home, the girls help out on Saturdays. Through the week they're on call at the heart and cancer associations where they stuff envelopes and perform other clerical work. Play schools on Saturdays are set up at Kennedy Center and field trips on Sundays are planned when the weather gets warmer.

Job Corps officials believe the "strictly volunteer" project "has proven very successful."

The top two volunteers agree. "We're doing this because we want to," the girls said.

Massachusetts Veterans Support Our Fighting Men in Vietnam

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. TEAGUE of Texas. Mr. Speaker, I continue to receive letters from all over the United States backing this Government's policy in Vietnam. It is a wonderful experience to see these people rally to the cause of freedom with their patriotic pledges of support.

Typical of these letters are a number I have received from the State of Massachusetts.

Arthur J. Atwood, Sr., of Sturbridge, Mass., writes:

The Disabled American veterans chapters and State Department went on record last month to support the President of the United States 100 percent. As the President, we feel that he should know what is right or we wouldn't be over there at all.

Henry I. DiCicco of Hopedale, Mass., writes:

I call for all Americans everywhere to rededicate themselves to the cause of peace throughout the world. This day (November 11) will have special significance as well as the entire year when considered against the wave of irresponsible and disgraceful demonstrations that have shocked our national life during the past several months. It has been without a doubt the best young men who today are carrying the burden of fighting the battles of war. I say to these demonstrators that they are abusing the freedoms we fought for.

Robert Armstrong of the DAV Chapter in Leominster, Mass., writes:

This chapter, numbering over 200 members, has voted to back the President and our national leaders in their stand in Vietnam.

From Joseph Calvanese in Holyoke, Mass., comes this message:

We feel that the President has been doing the best job he knows how. His only problem is not enough people are backing him. We know that our boys in Viet-Nam are fighting to stop the aggression of the Communist world. If we took our men out of Viet-Nam, or anywhere else where the Communists are trying to control people, we may as well all become party-members. This is a necessary war, and some day we will thank our lucky stars that we had such men as Mr. Johnson who refused to kneel to the Communists.

Joseph R. Harold of Boston sent this letter:

The Massachusetts Department DAV reaffirmed the resolutions which were passed at our recent State Convention and our recent National Convention unanimously supporting your policies on Viet-Nam. An organization such as our knows what war is like and we dislike it, but, war was necessary to give us our freedom as a nation, to preserve our Union and to make us the world power that we are today. Yes, war is terrible, but, fighting for what we think is right has made us a great nation.

From the adjutant of the Northbridge, Mass., Veterans Council comes this letter:

We have voted unanimously in support of the President and the war in Viet-Nam. We believe that if Viet-Nam falls to the Com-

munists that all of the other little nations will also fall. The front lines in Viet-Nam are the front lines of freedom. . . . Democracy will live as long as we have men like the ones that protect us in Viet-Nam. We back the President and the boys who are our sons now in Viet-Nam.

Open Housing—A Sensitive Appraisal

HON. PHILIP A. HART

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. HART. Mr. President, some time ago, during the debate on the civil rights bill, I remarked that I would be a poor spokesman for open housing, that the best spokesman would be a Negro father who had worked hard, saved diligently to buy a house in a better neighborhood and subsequently had to explain to his children why he was turned away.

The remark found its way into the Wall Street Journal and a former constituent, now a professor at the University of Akron, noted it and wrote me about it.

His note says some kind things about the speech but I could not help see, as I read on, that his letter was far more eloquent than anything I had said.

It is a thoughtful, sensitive letter about race problems that I thought my colleagues might enjoy. I ask unanimous consent that it be printed at this point in my remarks.

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

THE UNIVERSITY OF AKRON,
Akron, Ohio, February 27, 1968.

HON. PHILIP HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: Please accept my awed, profound appreciation for your statement on open housing, an excerpt of which appeared in today's Wall Street Journal. You have phrased precisely, precisely, precisely the attitude and breadth of vision which I would wish for all Americans.

If I may share a personal experience. Sometime in the fall of 1962, a bright, warm afternoon, I left my office in downtown Newark, tired from a Saturday stint on a sticky doctoral dissertation, out of sorts with the world, brooding over the foolish move from East Lansing to an ill-paid job in a city which President Mason Gross was to characterize ultimately as "easily the most nauseating sight in the United States of America," all for the selfish, dubious psychic income of a faculty spot at Rutgers. Now, the 54 bus from Washington Park wanders through some pretty awful country; I was headed toward an apartment in a building which contained more people than the Michigan town (Reading) in which I grew up, in a complex which, in five buildings, contained more people than the big town (Hillsdale) we used to visit. All the signs were right for a boorishly unpleasant time when I got home.

Halfway up the hill, the bus stopped. A handsome Negro man—young, neatly dressed—boarded, holding the hand of his little boy. The two visited at a great rate, and it was obvious that he loved his son very much. The boy was a perfect case of four year old adoration. They left, afterwards, hand in hand. The chance encounter, I think, pleased all of us who saw it. And then, for

the first time in my life, I began to think . . .

"My son is a darned good-looking kid, smart, pleasant. He'll be the best whatever he wants to be, and we can help him to be—the best coach, the best doctor, the best lawyer, the best senator, maybe—even the best professor. If he wants it, the sky's the limit!"

"That man, who obviously loves his son as much as I love mine, must think and hope and pray for the same things—good things—for his boy. And in Newark, New Jersey, chances are that a boy that bright can become—the best garbage man, the best street sweeper, the best roof tarrer, the best bar swamper, the best numbers hustler, the best pimp, the best ward heeler . . ."

That bus trip Senator Hart, was my road to Damascus. I learned there the difference in the promise inherent in blond hair, fair skin and blue eyes, as opposed to black curls, tan skin and black eyes. I have not stopped since—through the New Jersey Office of Economic Opportunity, through my church, and through whatever means I can to preach poorly what you have expressed so eloquently. A cynic would say that I border the psychotic, that I overcompensate for social ills which I had no part in creating. That may be so, but if it is, I willingly accept the stigma. It is my firm belief that my concern for all poor humanity—white, black, domestic, foreign—makes me a better man, and hence, a better husband and father.

At the same time, I am becoming increasingly frustrated at the evident drift of American society. I am enough of a historian to suspect that we are moving toward mass brutality, and that last year's "long, hot summer" may well become this year's "machine-gun summer." It appears that a host of Harts and Fulbrights and Kennedys and Kefauvers could not reverse the trend until we, as a nation, have done things which will cause us to be deeply ashamed.

For my part, sir, I intend to circulate the Journal clipping everywhere I might have the slightest influence, but that is a feeble beginning. What can we do, Senator Hart, to lend our best efforts to aid you?

Sincerely,

STEPHEN S. CASTLE,
Professor, Acting Chairman—Marketing.

Yours for Minimized Obfuscation, H. G.

Rickover

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1968

Mr. HOSMER. Mr. Speaker, I am delighted to report that the legendary "Fuzzphrase Computer" has achieved the ultimate success.

As my colleagues will doubtlessly not recall, in December of 1966, I released to the public the Pentagon's mysterious "Fuzzphrase Computer," through a systemized incremental deployment of which the Pentagon whiz kids were able to crank out totally meaningless phrases designed to confuse and cover up almost anything.

It is now apparent that the beloved Atomic Energy Commission has adopted this concept of balanced organizational flexibility and expanded the computer beyond my wildest dreams.

Through optimal third-generation programing of this device, the AEC has achieved the impossible dream: it bam-

boozled Adm. H. G. Rickover, by the admission of the admiral himself.

With that responsive transitional contingency, I call attention to the following article from *Nucleonics Week*, an atomic energy newsletter published by McGraw-Hill Inc.:

YOURS FOR MINIMIZED OBFUSCATION, H. G. RICKOVER

(NOTE.—Whether he is lecturing the U.S. Congress, American educators or the giants of industry, Hyman G. Rickover can be counted upon to be pungent and to the point. A fine example of the Rickover style is the following internal memo, to an assistant to the AEC general manager for program analysis. Copies of the memo have found their way into several AEC offices.)

This will acknowledge receipt of your memorandum and attachment dated Jan. 26, 1968, requesting my review and comments on your Guide for the Preparation of Special Analytical Studies. I have spent much time reading this document; unfortunately, I cannot understand it. It's statements on how to conduct Special Analytical Studies sound extremely impressive—these statements include many large and unusual words in complex syntax and obviously are the work of an intellectual. However, many such statements are beyond my comprehension; for example:

"The concept of a parallel internal list of topics in addition to those which are specifically identified for near-term submission to the BOB recognizes an Agency need or interest for initiation of study activity in areas in which it is not clear prior to completion that discussion with BOB will be warranted, or which may represent possible early phase of more formal studies later or which may require an extended period for completion."

As you know, my training is in engineering and not in analysis and is thus deficient to enable me to understand your Guide. I asked several of my leading engineers and scientists to help me, but they also found your Guide beyond their comprehension. My conclusion is that we in Naval Reactors are not sufficiently sophisticated to understand it; in order to ascertain if your Guide has any practical use, it would first have to be rewritten in simple English, that is in language we "plumbers" in Naval Reactors could understand.

On Aug. 23, 1967, before the Senate Subcommittee on National Security & International Operations of the Committee on Government Operations, Mr. Schultze, director of the Bureau of the Budget, stated that "the whole procedure (for analytical studies) is set up to generate counter-analysis by other advocates" (or adversaries). To do this, he said, "Admittedly, an agency is dependent primarily upon its own analytical staff." Because your Guide is beyond my comprehension, I considered referring it to my "analytical staff" for appropriate analysis and simplification. Unfortunately, my "analytical staff" is presently engaged in preparing several "counteranalyses" to analyses prepared by the Dept. of Defense concerning application of nuclear propulsion to surface naval warships. In addition, someday I would like to have my "analytical staff" available to perform some technical work for the Naval Reactors program—if I am not forced to continue to study and report on these more esoteric matters.

Accordingly, I have deposited your Guide in my special file. When and if you rewrite it in a form I am able to understand and when and if my "analytical staff" finishes his present "analytical counteranalyses", does some of his technical work and has the time to analyze your Guide, I will provide you my comments, if any.

Good Government: A Christian Responsibility

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. THURMOND. Mr. President, it is my pleasure to call to the attention of the Congress a thought-provoking and well-written editorial which appeared in the March 14, 1968, issue of the *Baptist Courier*, a publication of South Carolina Baptists.

This editorial, entitled "Good Government: A Christian Responsibility," challenges every Christian to meet the ultimate test of citizenship in a free country—the casting of an intelligent vote in the approaching presidential election.

In reading this fine editorial, my memory flashed back to the often-quoted saying:

For evil to triumph, it is only necessary that good men do nothing.

Particularly is this true in this time of crisis today.

Mr. President, I ask unanimous consent that this editorial be printed in the *Extensions of Remarks* in the *RECORD* at the conclusion of my comments.

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

GOOD GOVERNMENT: A CHRISTIAN RESPONSIBILITY

In this Presidential election year every Christian citizen should have a special interest in politics. Ministers should encourage political concern and action. Every churchman should be reminded of the importance of the vote in a free society. Every citizen of unusual talent and ability should be reminded of the contribution he can make to mankind through public office. It is a sobering reality that only in nations where God is worshipped does the government give recognition to the worth and dignity of the individual citizen.

The church should not become a lobbying force, never attempting anything comparable to a bloc vote. It is an obligation of the church, however, to make its members aware of their responsibility as individual citizens.

One of the great needs of our country is for good people to become more actively engaged in politics. This is true all the way from the lowest local office to the highest post in the land. The local school board, the sheriff's office, the various positions in town and county government should be sought by people of religious orientation and Christian commitment. Christian conviction should be the hallmark of the officers of state government. Voters have a right to know something of the religious conviction of every seeker of national office.

No arguments please, about politics being a dirty game and therefore something from which nice people should keep a safe distance. If it is dirty and to whatever degree, it is so by default of responsible Christian citizens who have yielded it up to the unscrupulous. The caliber of politics is determined not by the candidates for office but the voters. The quality of government is a reflection of the electorate more than of the office holder.

The separation of church and state theme is invalid at this point also. There is no true

separation, as citizens of the state who choose may also be members of a church, Baptists believe in a free church governed by the membership without state control and supported by voluntary gifts rather than by tax funds. This belief leaves the church member free to participate as a citizen in affairs of government.

Any nation faces tragedy of epic proportions when good men do nothing. Christianity gives meaning to life, and democratic government is based on individual responsibility. Election year is not the only time that Christian citizens should be aroused to the problems and opportunities of government. This is a full time concern in every month of every year. But the interest should be heightened in this year of election. The crisis of war should prompt added concern. Any nation is seeking the right course when it has responsible, intelligent, God-fearing leaders elected by people whose religious life is reflected in their citizenship.

Hapeville High School Band Takes Top Honors

HON. FLETCHER THOMPSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. THOMPSON of Georgia. Mr. Speaker, on New Year's Day, 1968, a most significant event occurred in Pasadena, Calif. On this day and at this place the annual Tournament of Roses parade was held with bands and floats competing for honors with each other. These bands were from all sections of our country and one band was truly outstanding. The Hapeville High School Band, of Hapeville, Ga., in my congressional district, took top honors among all those in competition and brought to their school and State great distinction.

The 165 members performed in a manner unmatched by any of the other bands and are a source of great pride to this Congressman and the people of Georgia.

In honor of the accomplishment of these band members I am placing their names in the *CONGRESSIONAL RECORD* where it shall remain for all time. These individuals and the band they form have earned the respect and admiration of all the people of their school, their State, and their Nation.

I consider it an honor to have the privilege of serving them in our Nation's Congress and being able to grant this small degree of recognition for their accomplishment.

The names of the members who have brought such honor to their school and State are as follows:

Addis, Alan; Allen, Dan; Allen, Jane; Almand, Jackie; Almond, Jimmy; Alston, Danny; Ashley, Danny; Attaway, Bub; Bailey, Rickey; Bailey, Susan; Baker, Buck; Banks, Kay; Barfield, Linda; Barnett, Mike; Barnett, Suzanne; Bell, Janice; Bell, Wayne; Berggren, Frances; Black, Jackie; Blalock, Mary Lynn; Blevins, Jean; Boyd, Tim; Braley, Helen; Braley, Paul; Braley, Ruth Anne; Bramblett, Lynda; Bramlett, Woody; Brannon, Barbara; Brantley, Grace; Briscoe, Terri; Brooks, Janet; Brown, Jan; Bunch, Vickie.

Callahan, Eddie; Camp, Connie; Camp, Michael; Cassells, Bobby; Coggin, Vicky; Couch, Alice; Coursey, Brent.

Dalley, Jerry; Daniel, Wayne; Davenport, Gary; Davenport, Rodney; DeCook, Adair; Dokey, Janet; Dorsey, Polly; Drukenmiller, Roy; Duffey, David.

Eads, Tommy; Ellington, Donna; Ensley, Cheryl; Epperson, Mike; Eubanks, David.

Faulk, Howard; Folds, Larry; Folk, Ellen; Forrest, George; Friday, Mary; Fries, David; Fries, Sara; George, Emily; Gilley, Darlene; Gleaton, Shelia.

Haxton, David; Haxton, Philip; Helton, Debbie; Hicks, Donna; Hicks, Rickey; Hilton, Darryl; Hilton, Linda; Hilton, Tony; Hinesley, Jan; Hood, Charley; Hood, Taylor; Holt, Max; Hutchins, Martha.

Ingram, Diane; Irvine, Pat; Irvine, Theresa; Ivie, Debbie; Jackson, Ben; Jordan, Billy; Keller, Cathy; King, Cheryl; King, Marcia; Knight, Charlie; Knight, Tim; Kyser, Johnny.

Landrum, Bobby; Landrum, Cheryl; Langley, Boyd; Latham, Jeff; Lawson, Craig; Layton, Debbie; Lea, David; Lea, Peggy; Leathers, Mary Ann; Lovern, Diane; Lovern, Patty.

Mann, Dale; Martin, Al; Martin, Joe; Martin, Joan; Martin, Larry; Martin, Terry Ann; Mazur, Doug; McKee, Karol; McPhail, Roy; McRae, Wayland; Melton, Claudia; Milewski, Wanda; Miller, Susan; Mills, Joe Ann; Minnick, Sarah; Morgan, Barry; Morgan, Phillip; Murray, Richard.

Nance, Karen; Nelson, Chip; Newman, Shirley; Odom, David; O'Neill, Richard; Oxford, David.

Padgett, Chris; Padgett, Gary; Parkinson, Bruce; Parker, Herman; Pharr, Carolyn; Phillips, Beth; Pope, Brenda; Powers, David; Rainwater, Andy; Rast, Hank; Rast, Jimmy; Ray, Vickie; Rogers, Warren.

Saxon, Richard; Sills, Linda; Simpson, Jerome; Sligh, Billy; Smith, Greg; Smith, Harriett; Smith, Judy; Snead, Jerry; Southwell, Louise; Spindler, Jenny; Stearns, Baker; Steele, Sandra; Stephen, Lynette; Stone, Tom; Sumners, Chris.

Tatum, Brenda; Terry, Kay; Terry, Mike; Timmerman, Elaine; Tittle, Pat; Upchurch, Debbie; Watkins, Hal; Weldon, Zoe; West, Cathy; Williams, Danny; Williamson, Nancy; Wright, Becky; York, Don; York, John; Young, Bobby.

Caterpillar Tractor Co.

HON. GAYLORD NELSON

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. NELSON. Mr. President, Caterpillar Tractor Co., a major producer of machinery and equipment throughout the world, deserves recognition for their efforts to reduce the U.S. balance-of-payments deficit. In 1967, Caterpillar's sales outside the United States were \$696.4 million. Because of these sales Caterpillar was able to make a \$484 million contribution to our international monetary problem.

Caterpillar machines have gained worldwide acceptance because of the skill generated by this company's management, and the know-how exhibited by its employees. Whether it is the industrial division, new earthmoving products, Townmotor, or research and engineering division, a high degree of excellence is always the objective.

The Caterpillar Annual Report for 1967 and the Caterpillar World, the company's

publication for February-March, are interesting and deserving of inspection. I recommend them highly.

Every Idea Has Its Time—No One Can Withstand an Idea Whose Time Has Come

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 22, 1968

Mr. TENZER. Mr. Speaker, in August 1966 I wrote to the President recommending a seven-point proposal for a peace conference on Vietnam. I am today revising and restating my proposal in the belief that the time has come for a bold and dramatic move to bring the Vietnam war from the battlefield to the conference table.

First, the President—or the head of a neutral nation—should announce to the world that the date has been set, the time fixed and the place appointed for a peace conference on Vietnam; second, simultaneously with the announcement, the United States should agree to suspend the bombing of North Vietnam; third, invitations should be sent to all combatants, including the National Liberation Front. The cochairmen of the Geneva Conference, the members of the International Control Commission and the Secretary General of the United Nations should also be invited to participate; fourth, the first item on the agenda at the peace conference should be an arrangement for a cease-fire. The balance of the agenda shall be open for any and all proposals.

Fifth, the Secretary of State should attend the peace conference and announce that it is the policy of the United States to negotiate a political settlement of the war. The Secretary of State should also state that the United States is ready to join in a gradual withdrawal of all foreign troops from South Vietnam following internationally supervised free elections, open to all parties, including the NLF. The results of the elections should be implemented by international guarantees.

Mr. Speaker, a peace conference such as the one which I have proposed is an extension of the President's San Antonio formula and is not inconsistent with the stated policies and objectives of the United States in Vietnam.

Simultaneously with such a peace conference, the United States—or a neutral nation—should request an immediate convening of the United Nations Security Council. A resolution should be offered at that time calling upon all combatants in Vietnam to join in a cease-fire.

The United Nations, having refused to act up to now, the same request can be made through the SEATO Council. A peace conference such as the one I have proposed could be held within the framework of the Geneva Conference or the SEATO Treaty.

Mr. Speaker, as I stated to the Presi-

dent in my letter of August 1966, if the parties appear at the peace table, the world will have gained much. If Hanoi and the NLF do not appear, then: "Let the eyes of the world behold the empty chairs and let the ears of the world hear the thunder of the silence from those invited—but unrepresented—at the peace table."

View on the War in Vietnam

HON. VANCE HARTKE

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. HARTKE. Mr. President, I ask unanimous consent that there may appear in the RECORD an editorial which appeared in the March 2, 1968, Indianapolis Star under the title, "Unlimit the War and Win."

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

UNLIMIT THE WAR AND WIN

The war in Vietnam can be won in a "reasonably short time" without sending more U.S. fighting men if America imposes a tight air-sea quarantine on Communist North Vietnam.

That is the opinion of Senator Richard B. Russell (D-Ga.) one of the Senate's top military experts. He said:

"If we will quarantine it (North Vietnam), close off the North Vietnamese coast and keep the rail lines to China down, I think the war can be brought to an end in a reasonably short time."

We think so too!

Senator Russell, chairman of the Senate Armed Services Committee, said that the U.S. strategy should be a "less timid" bombing policy in the North and also the air and naval forces to enforce the quarantine.

He also described the alternative: far more troops, an extended period of warfare and huge expenditure as long as the U.S. continues to fight "by the book . . . according to the plans of the North Vietnamese and the Viet Cong."

As for the recent Communist offensive, this made it "very evident that we have underestimated the strength of the North Vietnamese and the Viet Cong and have woefully underestimated their capacity for planning and execution," Russell said.

To this we must add that the U.S. is still refusing to act by a cardinal rule of modern warfare, which is to cut enemy supply lines.

Missiles, artillery, tanks, guns, ammunition, trucks, metals, machinery, oil and gasoline are being shipped into North Vietnam in vast quantity by ship and to a lesser extent by rail from China.

Poland alone, it is estimated by U.S. intelligence, has shipped in between 8,000 and 10,000 trucks. It is estimated that 2,000 have been blown up by the Allies on the Ho Chi Minh Trail and elsewhere. So 6,000 to 8,000 are still hauling men and supplies into the combat zones.

Saturation and strategic bombing of Nazi Germany and its supply areas for more than two years plus the attrition of a two-front war did not impair enemy striking power enough to keep the Nazis from mounting the deadly December, 1944, offensive on the Western front. But it did steadily weaken German productive capacity.

The more than 1.2 million tons of bombs dropped by the U.S. on North Vietnam has not had a similar effect because the war factories supplying the enemy are in Soviet

Russia, Red China and other Communist countries.

Soviet ships are supplying North Vietnam an estimated million tons of material a year. Red China has sent the enemy more than 750,000 small arms. Without these weapons and materials Red Gen. Vo Nguyen Giap's Tet offensive would have been next to impossible.

The Tet offensive, the battle of Hue and the impending Red attack building up at Khe Sanh are the price that the U.S. is paying for letting weapons and war supplies flow steadily into North Vietnam via Hainan and Red China's Yunnan Province.

The Communists are gaining fantastic victories in the psychological war by exploiting the loud, widespread whining of American intellectuals, peaceniks and doves, which are rebroadcast continuously from powerful shortwave stations in North Vietnam as well as Soviet Russia, Red Cuba, East Germany and other Communist countries as "proof" that American will is weakening and that "the American people" do not support the war.

American leftists repeat incessantly the Communist charge that the U.S. is the main cause of war and tension in the world, and is solely to blame, as Communist party leader Leonid I. Brezhnev declared this week for the "criminal, dirty war in Vietnam."

The bosses of international Communism and their fellow travelers are infuriated because Vietnam is a symbol as well as a reality of the most stubborn resistance Red aggression has ever run against.

By seizing the initiative, the United States and its allies can turn the Red gains into a Red defeat.

Southwest Minnesota State College and Lincoln Electric Cooperative

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. MONDALE. Mr. President, since the Rural Electrification Administration, U.S. Department of Agriculture, was created nearly 33 years ago, electric power has been put to abundant use on the farm, in rural homes and rural businesses. On the farm alone more than 400 uses of electricity are known, at least 250 of which increase production and make farming more profitable.

Now comes an all-electric college—the Southwest Minnesota State College—located in a rural area near Marshall, Minn. This new, modern educational institution obtains electric power from the REA-financed Lyon-Lincoln Electric Cooperative of Tyler.

The new college opened its doors for the first time for the 1967 fall semester to 504 students and 43 faculty. Students who previously were unable to attend colleges away from their area now have a modern educational institution available to them. Located near the western border of the State, the college also draws students from South Dakota and Iowa.

The availability of electricity in the rural county of 25,000 residents was a prime factor in locating the school near Marshall. It will also prove beneficial to other power users in the area. To serve this new, big load, Lyon-Lincoln Electric Cooperative had to build new distribution lines. The cooperative's wholesale power

supplier, East River Electric Power Cooperative, of Madison, S. Dak., had to build new transmission facilities, including two new substations. These new facilities will better serve farm, rural non-farm, and small-town electric users, on the co-op lines throughout Lyon and Lincoln counties.

Housing for faculty members has produced a boom in the home building business in Marshall, with most of the new all-electric homes being built in the rural area near the college.

The Lyon-Lincoln Cooperative provided financial assistance to prepare a brochure for the school when the college's existing funds proved short. In addition, the cooperative provided a \$1,600 scholarship fund for four students during the school year.

This education venture exemplifies progress in our rural areas, progress which brings jobs and a new way of life for our smaller communities; progress that would not be possible without the benefits of rural electrification.

This is but one of the many major benefits of rural electrification to the rural people of this Nation. New rural opportunities are helping to slow down the migration of people from rural areas to big cities as a constructive step toward creation of a rural-urban growth balance so necessary to the future development of our Nation.

The Walter L. Bierring Lecture to the Federation of State Medical Boards of the United States

HON. JOHN G. TOWER

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. TOWER. Mr. President, the current president of the American Medical Association is one of the most distinguished residents of Dallas, Tex. Milford O. Rouse, M.D., was named man of the year last year by the Dallas News. Dr. Rouse has had a long and distinguished career as a leader of his fellow physicians. This career was further distinguished last year by his elevation to the position of president of the American Medical Association, where he is continuing to provide the kind of able, dedicated service for which he has long been noted.

Annually, the president of the AMA delivers the Walter L. Bierring lecture before the Federation of State Medical Boards. This year, on February 10, it was Dr. Rouse's privilege to deliver this lecture, named for the 87th president of the AMA. His remarks on this important occasion are worthy of thoughtful consideration by all who are concerned with high quality of medical care in this Nation. He has challenged his colleagues to take action to protect the public and the good name of medicine.

Mr. President, I ask unanimous consent that the Walter L. Bierring lecture, by Dr. Rouse, be printed at this point in the Record.

There being no objection, the lecture

was ordered to be printed in the RECORD, as follows:

THE WALTER L. BIERRING LECTURE

(By Milford O. Rouse, M.D., President, American Medical Association, before Federation of State Medical Boards of the United States, Palmer House, Chicago, February 10, 1968)

One of the great privileges of being president of the American Medical Association is the honor of delivering the annual Walter L. Bierring Lecture before the Federation of State Medical Boards.

On this occasion we all join in paying tribute to a beloved doctor who for many, many years was an officer and leader in the work of this Federation . . . who was the 87th president of the AMA . . . who received the AMA Distinguished Service Award . . . and who over a long period of time contributed so much to so many different areas of medicine.

Today, probably more than ever before, American medicine throughout its ranks needs leadership, dedication and unselfish effort of the kind typified by Dr. Bierring. In this modern, changing world we face a staggering number and variety of challenges—in medical education, health manpower, changing patterns of medical care, new government health programs, the costs and financing of health care services, and in many other areas.

Technological and scientific advances, increased publicity about new and innovative procedures and therapeutic agents, and additional sources for payment for health care have highlighted the shortage of medical manpower to satisfy the resultant demands for medical services. Concomitantly, the present course of inflation and the commitment of the Federal government, and consequently the taxpayer, to continue if not expand the role of government as a provider of health benefits, pose the threat of restrictive legislation designed to control the costs of health services and insure the quality of needed services.

If the medical profession wishes to continue to regulate itself and to be free to demonstrate the sincere, conscientious and convincing efforts of physicians, individually and collectively, to maintain its house in order, we must exert every effort not only to ease the medical school graduate's access into the practice of medicine, but to use all of the disciplinary mechanisms available as effectively and as often as necessary to protect the health and the well-being of the public.

Over the past forty-five years, organized medicine has done its job well in promoting legislation requiring high and relatively uniform standards for medical licensure. The medical schools have during this same period elevated their standards of medical education. Today, the time must surely be at hand, when we physicians can sit down and study our state medical board examination requirements and question the need for routine written examinations as the doorway to licensure.

A few economists criticize medicine for its requirement of state licensure examination as a subterfuge for retaining a monopolist's control over the number of practitioners in the profession. All of us are aware of the history of the state medical examining boards and their reason for being, the great need for them and their carefully written examination questions. However, many evolutionary years have intervened since the boards were the only protectors of the health of the American people.

I believe that the time has come to consider whether the state medical examining boards really need to require recent medical school graduates from Class A schools, to sit for three days writing answers to exam-

ination questions that may offer comparatively few clues to a physician's competence to practice medicine. Why, for example, could not the boards procure an applicant's medical school transcript and assure themselves that the applicant had met all of the necessary requirements and then satisfy themselves, as they now do, that he has the character, the personal integrity and the moral qualifications to serve as a protector of the health and well-being of the people of the state? In the alternative, why could not all of the state boards accept the results of the National Board of Medical Examiners as the basis for granting state licensure to practice medicine?

Along these same lines, facilitating reciprocity requirements can be a suggested area of consideration to ease the freedom of movement of qualified physicians. If a graduate of Class A medical school can be licensed by one state, why should he then not be qualified to practice medicine in any other state? Perhaps other methods for simplifying the access of graduates of medical schools into licensure are available, and any and all of them are deserving of our consideration and study.

At the same time that we are faced with the problem of finding ways to alleviate the medical manpower shortage, we are also faced with the importance of continuing to insure the quality of the services provided to the public. Quality must never be sacrificed for the sake of quantity when the health and lives of American citizens are involved.

All of us are aware that the conduct of the physician is subject to more laws, rules, and regulations than any other profession in this country today. As a citizen, the physician is expected to obey all of the statutes and court decisions that apply to the public at large. As a specialized member of society, the physician is expected to abide by the provisions of the medical practice act governing the practice of medicine in each of the states. As a member of an organized profession, the physician is expected to abide by a self-imposed code set forth in the Principles of Medical Ethics of the American Medical Association. As a hospital staff member, the physician is expected to observe the rules and regulations promulgated by the hospital staff. And, as a member of an old and honored profession, the physician is expected to live up to the public's subjective concept of how a doctor of medicine should look and act.

The concept of medical discipline is not new, dating back to the Code of Hammurabi, compiled about 1750 B.C., and codifying punishments for many of the possible deficiencies and delinquencies of the practitioners of medicine of that time. All of us are familiar with the Oath of Hippocrates which dates back to about the fifth century B.C. and its statement of ideals to be cherished by physicians.

In this country, the lack of uniform educational standards in medicine had a marked influence on the development of ethical standards until well into the twentieth century. As the standards of medical education were gradually improved, the emphasis in the Code of Ethics shifted also, and by early in the 20th century emphasis was on the obligations of the physician to his patients and the public.

With the adoption and revisions of the Code came increasing emphasis on how it could be enforced, and the disciplinary procedures of organized medicine gradually developed. Today, every component and constituent medical society has established procedures to handle complaints from the public and to institute disciplinary action against members.

In the matter of discipline, medical societies, being voluntary membership associations, must seek to accomplish their ideals

through their own efforts that are not contrary to law. The scope of their disciplinary activities is limited to their own membership also.

Hospital medical staffs also serve effectively as disciplinary bodies in many instances. Physicians are judged by their peers, and loss of hospital privileges is a serious enough economic and professional hardship for many physicians, to secure the needed compliance with recommendations as to how an individual may improve his practice to insure high standards of patient care.

Unfortunately, not all physicians belong to medical societies and a great deal of medicine is practiced outside of the hospital setting. This is where the medical practice acts, with their provisions for revocation or suspension of licenses, are of the greatest benefit to the public and the profession. In this area, each of us should encourage a more aggressive and active use of the disciplinary powers vested in the state medical examining boards.

The state boards have an obligation to publicize the fact that they are available to consider abuses, and they should and do provide appropriate procedures and disciplinary remedies. Where statutory authority is lacking to provide adequate procedures, disciplinary remedies, and investigational staffing, proper legislation should be sought aggressively by the state boards with the help of the state medical association.

Many times I hear statements to the effect that the state board of medical examiners cannot institute necessary disciplinary action because it does not have adequate enough legislative appropriations to hire the investigators it needs, or it is hesitant to institute a proceeding against a physician because of the possibility that litigation will result, or it has found that disciplinary action is not needed because the physician in question has promised to leave the state. There are cures available for any problems of this nature.

I suggest that if the state medical associations have been able to serve effectively in encouraging state legislation to raise the standards for medical licensure, they can also serve effectively in making certain that adequate legislative appropriations are granted to the state examining boards. The state medical associations frequently have a consultative role or the right to appoint members to the state medical examining boards. It is incumbent upon these state associations to make certain that the appointed board members are men who are competent to serve in this role and who are interested in making certain that the quality of medical care in that state remains as high as the profession can produce.

The quality of medical care is the reflection of the competence of the practitioners whose licenses are granted by the boards. When a state medical examining board abdicates its role of continuing to insure the competence of the licensed practitioners, it is hastening the day when the Federal government will say that the states have failed, and that the national welfare demands that Federal legislation insure this competence. None of us want to see that happen.

County and state medical associations should not only call to the attention of state medical examining boards any abuses by physicians of which they are aware; they should also cooperate with the state boards in supplying verifying information or witnesses when appropriate.

American medicine at the local, state and national level must maintain an active, aggressive, and continuing interest in medical disciplinary matters so that, by a demonstration of good faith, medicine will be permitted to continue to discipline its own members when necessary. Token medical discipline will not solve the problem.

Historically, medicine has been "self-gov-

erned." The admission of the student into medical school, the examination and admission of the physician into practice, the type, nature and extent of a medical practice are determined according to standards established and administered by physicians.

The public (all citizens forming a state) recognizes it does not have the knowledge or other qualifications to evaluate medical education, medical practice, or medical competence. The public of necessity has been forced to put its trust in physicians to insure that physicians practice competently and ethically.

Medicine's record has been good, by and large. Medicine on the whole has maintained faith with the public. It has insisted that members of the profession maintain competence and observe ethical principles.

Medicine's record, however, cannot merely be good. It must, in this respect, be as near perfect as possible. When one incompetent is exposed, how is the public to know that another incompetent, to whom it will entrust life and health, remains unexposed. The answer is simply that medicine must continually demonstrate by its overt actions that it is disciplining all who need to be disciplined. Only if medicine demonstrates regularly and openly to the public that it is maintaining competence and ethical conduct will medicine be allowed to continue to govern itself.

When newsmen or politicians, patients or cranks, expose incompetent or unethical conduct, the public asks why medicine itself overlooked these deficiencies. The public asks if medicine is keeping faith.

Whether it be in the field of weight control, laboratory medicine, bartering appliances or medicines, or whether it has to do with fees, the charge of incompetent or unethical conduct casts a shadow over all physicians.

The medical profession is in a most enviable position. It must, however, recognize that self-government is a privilege. It can be withdrawn.

We are physicians first and foremost. We are Texans, Kansans, New Yorkers secondarily. We are ophthalmologists, surgeons, family physicians secondarily. We are members, chairmen or officers of committees, societies or boards of medical examiners secondarily.

As physicians, ideally through our medical societies, we should and must work together. If boards of medical examiners have inadequate budgets it is the obligation of all physicians to see that the budgets are made adequate. Nowhere is it truer than in unity there is strength. Boards of medical examiners—physicians—must cooperate with medical societies—physicians—and vice versa.

All physicians, as physicians, must unite, work together to protect the profession and to protect the public.

I have reviewed the recommendations of the Medical Disciplinary Committee. They are as valid today as when they were adopted. Let me repeat three or four of those recommendations—

(f) State boards of medical examiners seriously consider the advisability and necessity of making discipline their primary responsibility.

(g) Each state board of medical examiners make an annual report of its disciplinary activities to the governor of its state, sending copies of such report to the state medical association, to the American Medical Association and to the Federation of State Medical Boards;

(h) State boards of medical examiners be urged to obtain competent legal assistance as they develop disciplinary mechanism, recommendation and procedures, and that they consult with such counsel at all stages of

board proceedings to prevent errors which may result in litigation; and

(1) A mechanism be established to provide an effective method of collecting and distributing, through a central source, information on disciplinary procedures as well as on licensing and disciplinary actions taken by all of the individual state medical boards.

Unless we as physicians weed from our ranks the incompetent and the unethical practitioners, we shall suffer loss of trust and loss of prestige. We must adopt an objective attitude of helping the profession and the public. We must disabuse our minds of the concept that we are attacking, punishing or disciplining an individual as such. We are taking—we must take—action to protect the public and the good name of medicine.

Third-Generation Computer Systems

HON. FRANK J. LAUSCHE

OF OHIO

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. LAUSCHE. Mr. President, it was with particular pride that I noted within the past few weeks the achievement of a company which has its home in the State of Ohio. The National Cash Register Co., in introducing a new family of third-generation computer systems, demonstrated once again what can be accomplished in an atmosphere where vigorous competitive forces are encouraged to function freely.

The tremendous capacity of our private enterprise system is unparalleled in meeting the expanding needs of our own society, as well as in many other areas of the world. Moreover, the contributions of electronic data processing must rank very high among the outstanding accomplishments of private initiative during the past two decades.

Computers have been put to productive use in almost every field of endeavor today. They have multiplied literally millions of times the capacity of scientists, educators, law-enforcement officers, local, State, and National governmental officials, and many others involved in increasing efficiency and expanding research efforts. This is a message which has been told not only through broad segments of the American news media in recent days, but to the rest of the world as well through the broadcasting facilities of the "Voice of America."

NCR's achievement will mean more jobs because it spells expanding production facilities, more business for American companies and serves as a spur to other competing firms in the computer industry.

I commend the National Cash Register for its recent and past accomplishments and ask unanimous consent to have printed in the RECORD three excellent and informative items about NCR's new Century series of computer equipment. I refer to ones from the New York Times of March 6, 1968, the "Voice of America" broadcast of March 8, 1968, and Time magazine of March 15, 1968.

There being no objection, the material

was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 6, 1968]

NATIONAL CASH REGISTER UNVEILS NEW DATA SERIES

(By Gene Smith)

The National Cash Register Company set its sights yesterday on a billion-dollar segment of the international computer market through a new family of data processing systems.

Robert S. Oelman, chairman and chief executive officer, said his company expects to install a minimum of 5,000 of its new Century Series computers throughout the world.

Mr. Oelman, speaking at a press showing of the new line at the new Madison Square Garden, estimated this could take as much as four to five years and would include the sales value of all machines that are sold or rented.

Mr. Oelman described the introduction of the new computers as "by far the most significant step in the company's long-term program to win a sizable share of the huge electronic data processing market."

He added that National Cash Register entered this field in 1959 and more than 700 of its second-generation N.C.R. 315 computer systems valued at more than \$200-million have been installed around the world. This does not include more than 2,500 smaller computers offered by the company in the past several years.

The new Century Series encompasses a full family of fully compatible systems for most potential users and covers all types of business data processing and special scientific applications, Mr. Oelman said.

Two lines will be made available initially, with the Century 100 to be delivered to users next September and the larger Century 200 ready by next February.

A full line of peripheral equipment including disc units, card readers, printers, magnetic tape handlers and a new high capacity card random access memory will also be available.

Spokesmen for National Cash Register indicated one of the chief technical innovations in the line is a new thin-film "rod" memory that they say is the most advanced memory in use in any commercial computer of comparable size.

It uses tiny "whiskers"—more than 4,608 of the tiny magnetic coated rods—that are placed automatically in the memory plane, thus reducing costs almost in half.

Each of the rods is only one-tenth of an inch in length. This basic memory module is used throughout the entire computer family and operates at 800 nanoseconds (800 billionths of a second).

The basic Century 100 has a 16,000-character memory and can be expanded to 32,000. The 200 Series can have a memory capacity of up to 524,000 characters.

The line also boasts two new discs that are said to be ultrafast and with high-capacity data storage for even the lowest-priced units in the computer family. They provide an average access time of 42 milliseconds.

The two removable disc packs are made up of three discs each with 72 read-write heads serving each pack.

It was also noted that only one type of integrated circuit is used throughout the new family of machines. The circuits are mounted on standardized cards with six different cards accounting for 80 per cent of the logic circuitry. There are only 120 different circuit cards in the entire system.

Yesterday's press introduction was to be followed by special showings to accountants, security analysts and others interested in computers.

Customers' meetings will also be held today and tomorrow in the Madison Square Garden Felt Forum with an estimated 50,000 persons expected to see the new line within the next week.

The company conducted 120 simultaneous meetings across the country and in major cities around the world. A "hot-line" telephone linked 27 cities in the United States for yesterday's showings.

[From "Voice of America," Mar. 8, 1968]

COMPUTERS: FASTEST GROWING U.S. INDUSTRY

ANNOUNCER. Computers are today more than machines: they represent an industry. In the United States they are the fastest growing industry. Voice of America science editor Joseph Lubin discusses their impact and significance.

VOICE. This week, the National Cash Register Company—long-time maker of conventional office machines—announced a new line of high-performance, versatile, easy to operate, relatively low-cost computers. In effect, the new series, called "Century," represents a serious challenge to competitors in a field that ten years ago belonged to a few giants like International Business Machines. Since then a score of firms have entered the field, churning it with their constant efforts to incorporate the latest advances.

National Cash Register, with one-hundred-fifty million dollars invested in their new product, hopes to install five thousand Century units in the next several years. The expected proceeds—more than one thousand million dollars—would equal the total annual sales of the firm today. And thereby hangs a tale—of onrushing success and rewards.

Computers, in effect, have taken the tyranny out of numbers, large segments of industry, business, universities and government agencies use these marvelous machines for making out payrolls, storing personnel information, and other routine housekeeping operations. But computers have done even more. They are being used now to help in problem-solving, formulation of policy, for long-range projections, for better factual and statistical bases for management decision making. Their growing versatility and usefulness has created a demand for them that in turn has made the computer industry the fastest growing in the United States. Growth is expected to double in the next three years—from installed equipment worth ten thousand million dollars in 1967 to eighteen thousand million dollars in 1970. And opening up now is an almost unlimited new market for computers that embraces Western Europe, Canada, and Japan.

The reasons for the growth go beyond the computer's usefulness to include explosive growth of computer technology, higher performance and more economical equipment, new advances have doubled and tripled the capacity of machines, with no sign of slackening in sight. Recent advances include very high capacity computer memory units made of ultra-thinning rods, microelectronic circuits with multiple function, and the use of modular parts easily mass-produced.

National Cash Register's new computers feature a large-capacity memory disc that eliminates punch cards and makes it possible for an office clerk to operate as easily as attaching a record to a phonograph turntable. Because of its modular construction, a few modules (cabinets) are practical for a small user and larger user can gain greater computer capacity simply by adding more modules.

The computer as a machine has come a long way technically in less than two decades, with speeds hundreds of times greater and information storing capacity hundreds of thousands of times greater. There are an

estimated thirty-five thousand computers in operation today in the United States. By 1970, it is predicted, this number will reach fifty thousand, not counting Europe, Japan, and Canada.

[From Time, Mar. 15, 1968]

COMPUTERS: DOWN TO THE CORNER STORE

With all the precision of a well-planned military maneuver, the National Cash Register Company of Dayton last week held meetings with 50,000 businessmen in 120 North American cities, along with press conferences in such overseas commercial centers as London, Paris, Frankfurt, Tokyo, Sydney and Hong Kong. In New York City's new Madison Square Garden, where the principal meeting took place, NCR Chairman Robert S. Oelman, 58, explained the reason for what NCR described as a 48-hour saturation program. Beginning in September, announced Oelman, NCR will start delivering a new, third-generation computer system, the Century 100, and later it will be ready to install the Century 200. With these two new systems, NCR expects to spread computer availability all the way down to the corner store.

NATURAL OUTGROWTH

The company, which made its first computer in 1959 as a natural outgrowth of its business in office machines, has so far sold or leased \$100 million worth of smaller series computers, including 55 NCR 590s bought by the Pentagon to travel around South Viet Nam in G.I. trucks keeping track of spare parts. NCR has also marketed \$200 million worth of a second-generation computer known as the NCR 315, including one \$16 million order from Japan's Sumitomo Bank, Ltd., which accounts for NCR's largest order.

Even with such sales, NCR still has only about a 2% share of the U.S. computer market v. the overwhelming 70% held by IBM. To narrow the gap, and to climb a few steps over other computer makers, Oelman has set what he calls a "minimum sales quota" of 5,000 Centurys worth \$1 billion to be sold or rented during the next five years (initial orders last week: 208). One way NCR hopes to meet the quota is through improved technology. The company's laboratories have developed a new kind of memory system, which uses thin-film rods instead of conventional doughnut-shaped cores and is cheaper to manufacture. Each rod, one-tenth of an inch long, is coated with a thin film of magnetic material and then "danced" into coils of wire where 4,600 rods grouped together make up a memory plane. NCR has also standardized integrated circuits in its computers so that they need only 120 types of cards instead of the typical 1,200 in other computers. Another anticipated advantage for the Century is the sales force that NCR has built up in 83 years of international operation. "Computers are systems," says Oelman, "and we've been in the systems business for years."

DEFERRED PROFITABILITY

The Century computers are adaptable for big companies that need highly sophisticated computers, but NCR will direct its main sales drive toward smaller businessmen—banks with less than \$5,000,000 assets, even corner drugstores and service stations—who up to now thought that they could not afford a computer. NCR will either rent them one or else service at one of its data-processing centers the records that shopkeepers compile on other NCR business machines.

Such customers, said Oelman last week, will contribute to what the company considers "deferred profitability." NCR, still trying to break even on its smaller computers, has put \$150 million into developing the Century series. The company is confident that its computers will eventually make money. This year, while causing enormous start-up costs, they will contribute to what Oelman expects to be the NCR's first \$1 billion sales year.

Saline Water Report

HON. CLINTON P. ANDERSON

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

(Under the order previously granted, the report is printed herewith:)

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 20, 1968.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This letter is my report as required by Public Law 448, 82d Congress, 2d session, as amended, to summarize the 1967 operations of the Department of the Interior regarding the desalting of sea and brackish waters, and to provide recommendations for further legislation. More detailed information will be given in the 1967 Saline Water Conversion Report of the Office of Saline Water, which will be published on or about May 15, 1968.

An important measure of the development of this technology is the cumulative desalting plant sales of major U.S. manufacturers of sea water conversion equipment. A decade ago annual sales totaled less than 16 million gallons per day of installed capacity. During the past year, commercial sales reached nearly 70 million gallons per day of installed capacity. Of particular interest, particularly in view of the current balance of payments deficit, the annual foreign sales of equipment by U.S. manufacturers has risen from about 5 million gallons per day in 1957 to approximately 40 million gallons per day of installed capacity or nearly 60 percent of the total U.S. manufacturer sales during this past year.

The program activities of the Office of Saline Water during the past year can be summed-up in two words—continued progress. It gives me considerable pleasure to highlight for you the noteworthy achievements of the past year towards reducing the cost of producing fresh water from saline sources.

RESEARCH PROGRAM

Research results now being obtained relating to improved materials of construction for desalting plants may contribute very significantly to the short term reduction in the cost of desalted water. The cost of materials alone may account for approximately 40% of the cost of desalted water. The research program is attacking this problem through (a) detailed corrosion investigations at the Office of Saline Water test site in Freeport, Texas, (b) basic materials studies at the National Bureau of Standards, (c) fabrication and testing of new single phase alloys, and (d) studies on improved materials and plastics at selected universities and the Oak Ridge National Laboratory.

This research has great potential for reducing the costs of desalination through:

1. Development of new, less costly materials suitable for plant construction.
2. Generation of information relevant to corrosion and its control so that the life expectancy of all materials will be extended.
3. Better understanding of the mechanism of scale deposition leading to technology for control of scale formation.
4. Development of a body of supporting information that will permit the use of less material for plant construction. This information will include: (a) better data on solutions properties, (b) better data on mass and heat transfer so that more efficient designs can be exploited, (c) investigation of unconventional designs offering efficiency coupled with economy in fabrication.

In basic investigations of the reverse osmosis process, novel composite systems

comprised on an ultra-thin layer of cellulose acetate coated on a high strength porous cellulose substructure have shown great promise. These systems offer high rates of fresh water flow through the membrane, and may be capable of economic production in a variety of configurations, including tiny hollow tubular fibers which provide a very large membrane surface area in compact vessels.

The feasibility of hydroforming cellulose acetate membranes has been demonstrated, and the technology for advancing this concept, which will permit initial casting and replacement of reserve osmosis membranes on an automatic basis is now under development.

Among achievements of longer range interest, I am pleased to report the first successful laboratory demonstration of a pressure dialysis process. This new desalting technique is quite different from electrodialysis in that it substitutes simple pressure to drive the salt ions through the membranes instead of an electric current.

A recent secondary result from our work on glass membranes is that certain types of porous, hollow glass filaments have the ability to reject urea as well as salt. This finding is of interest to the National Aeronautics and Space Administration for the recovery of water from urine for prolonged flights by man in outer space, and to the Federal Water Pollution Control Agency for the renovation of water from sewage effluents.

The evaluation of heat transfer coefficients for distillation processes requires data on four properties of saline water systems; density, vapor, pressure, viscosity and thermal conductivity. Methods for estimating these properties of sea water and its concentrates were developed and data is now available over the 25 to 175°C temperature range. This substantially extends the range of data available as part of a systematic program to provide essential data for improved desalination systems.

Numerous salt water brines, such as the concentrated effluent of a sea water desalting plant, contain substantial amounts of valuable elements including potassium and magnesium. As the available supply of these chemicals from other sources dwindles or becomes more expensive, interest in the use of sea water brine as a raw material source increases.

In a patent issued on January 16, 1968, to an OSW contractor and to the United States of America, a process is claimed for simultaneously removing the scaling substances from brines and recovering potassium. In this two-step process, the brine is first treated with monocalcium monophosphate and alkali to precipitate calcium and magnesium as phosphates, which are removed by filtration. The filtered brine is then treated with additional alkali to form a precipitate consisting essentially of magnesium potassium phosphate, which is of particular value as a fertilizer. The effluent solution from this second treatment is non-scaling sea water for distillation processes.

It gives me considerable pleasure to report to you that the Office of Saline Water is conducting one of the most dynamic and productive membrane research programs in the world. It has produced important scientific breakthroughs, such as the discovery, a few years ago, of the reverse osmosis process which now holds high promise as an effective desalting process as well as various valuable applications in medicine, chemical processing, and renovation of polluted waters.

ENGINEERING DEVELOPMENT

Several significant research and development activities were initiated or completed during 1967. On August 19, it was my pleasure to participate in the dedication of the high performance Clair Engle 1-million-gallons-per-day desalting plant, and at the same time to mark the start of construc-

tion of the module of a 50-million gallons-per-day multistage flash distillation plant. These two units are located at the Office of Saline Water San Diego Test Facility which is located on property made available to the Department for this purpose by the San Diego Gas and Electric Company at their South Bay Station in Chula Vista, California.

Even though the Clair Engle plant only has been in operation a short time, a substantial amount of valuable data already is available from the multieffect multistage system which it employs. For example, the plant has achieved a performance ratio of 20 pounds of product water per one pound of steam input into the plant. This is double the performance of the plant OSW operated in San Diego in 1962-1964. The plant is currently operating at a maximum temperature of 250° F, but OSW is constructing a new lime-magnesium-carbonate pretreatment plant to work in conjunction with the operation of the Clair Engle plant. When the pretreatment system begins operation, OSW expects to be able to progressively increase the operating temperature of the desalting unit to approximately 350° F, which substantially will increase the performance and efficiency of the Clair Engle plant.

The module, which represents a slice or a cross-section of a 50-million gallons-per-day plant, is scheduled to be completed in May. While it only will produce about 2.5 million gallons of fresh water per day, the module is constructed in such a way that it will confirm the essential process and structural designs required in the efficient and economical design, construction, and operation of very large desalting plants such as the 150-million gallons-per-day plant to be built by the Metropolitan Water District of Southern California as a part of the Bolsa Island Nuclear Power and Water Desalting Project.

As a means of providing for the practical application of desalting technology developed through its research and development program, the OSW has sponsored an architect-engineering effort for a "universal design" of a 2.5 million gallons-per-day multistage flash distillation desalting plant. The universal design incorporates technology representing the most advanced state of the desalting art. It is adaptable to a wider variation of economic and physical site conditions with minimum alterations or modifications to the drawings and specifications. The universal design also can be constructed in multiple units to provide up to 10-million gallons of fresh water per day.

A comprehensive reverse osmosis and ion exchange electro dialysis test program is underway through field operation of several small mobile units designed to obtain performance data on a wide variety of brackish waters including acid mine waters. These field tests will provide valuable data on the performance and economics of membrane processes and will serve to guide future activities for the continued development and practical application of these desalting systems.

Modifications to the VTE test bed plant at Freeport, Texas, provided new design and construction data which provided the basis for the first successful commercial sale of a VTE desalting process plant which was purchased by the Virgin Islands Government to produce 1-million gallons of fresh water per day. The plant is nearing completion on St. Croix. A 2.5 million gallons-per-day multistage flash plant also is nearing completion on St. Thomas to substantially add to the water supply of that water-short island.

A series of engineering modifications on a 60,000 gallons-per-day vacuum freezing process pilot plant located at Wrightsville Beach, North Carolina, improved the potential of this crystallization method to the point where it can now be considered for commercial

application in small to medium size plants. Experimental work at the pilot plant level of development on the secondary refrigerant process and the hydrate process have not been as successful, with the result that the level of the engineering development effort on these two processes will be substantially reduced.

In addition to the crystallization process pilot plant operation at Wrightsville Beach, OSW also is testing three flash distillation units, one of which is designed to test the performance of aluminum as a substitute for more costly material; a vertical tube evaporator which has been designed by Oak Ridge National Laboratory; an experimental high-performance heat transfer unit; and a CO₂ suppression system for control of alkaline scale. A brine desulfation pilot plant will soon be installed to develop an improved pretreatment system.

Architect-engineering services are underway on the design of a brackish water test facility to be established during the coming year at Roswell, New Mexico. When this new facility is completed it will enable OSW to expedite experimental developmental work on processes which show economic promise of providing an answer for the problem faced by the more than 1,000 U.S. cities and communities which now use water containing dissolved salts which exceed Public Health standards for good drinking water.

Saline water, particularly hot sea water, is a very corrosive liquid which is a continuing problem in all distillation equipment. A materials evaluation program is underway at Freeport, Texas, to ascertain the best metals and alloys for various desalting applications including a test loop that has been constructed in cooperation with the Copper Development Association, and negotiations are underway for similar test loops with the aluminum and stainless steel industries.

PRESIDENTIAL MANDATES

In a special White House Message on Natural Resources to the Congress of the United States on February 23, 1961, President Kennedy wrote:

"This Administration is currently engaged in re-doubled efforts to select the most promising approaches to economic desalination of ocean and brackish waters, and then focus our energies more intensively on those approaches.

"I now pledge that, when this know-how is achieved, it will immediately be made available to every nation in the world who wishes it, along with appropriate technical and other assistance for its use."

On several occasions, Mr. President, you have expressed your strong desire to make available to all nations of the world the desalting technology developed through the research and development programs conducted by the Department of the Interior. You will recall, in your statement to the First International Symposium on Water Desalination on October 4, 1965, you told the delegates:

"The need is world-wide, so must be the effort. Knowledge like thirst, belongs to all men. No country can be the sole possessor. We in this country are ready to join with every nation—to share our efforts, to work in every way. We cannot wait—for the problem will not wait."

When you signed Public Law 89-118, on August 11, 1965, you stated:

"I would, therefore, lay out before the talents of our industry and science and institutions of higher learning, these challenges and goals: . . .

"4. That as rapidly as we develop economic desalting plants, we be prepared to share our technology with other countries where desalting offers the best answer to local water problems."

This brief review of but a few of the statements which you and your predecessor Pres-

ident Kennedy have made concerning the application of U.S. desalting technology to alleviate water problems in arid nations of the world is to preface the following section of this report concerning the activities of the Department of the Interior to carry out the Presidential mandates we have received.

INTERNATIONAL COOPERATION

I should like to emphasize, first of all, that every international desalting activity in which the Department of the Interior has engaged, has been conducted by and with the fullest cooperation of the Department of State. While these programs have been rather extensive, they have not been expensive. For the several years prior to, and including Fiscal Year 1967, the total expenditures were under \$300,000. The Fiscal Year 1968 estimate is \$175,000 of which a significant portion is for the U.S.-Mexico-IAEA study.

In order to make the technical information developed through the research and engineering development programs sponsored and conducted by the Office of Saline Water available to foreign governments, we are continuing to send to each of the nations represented at the First International Symposium on Water Desalination, one copy of every desalting report published by the Department of the Interior. I am pleased to report that we have received a great many letters of appreciation from scientists and engineers in many lands as a result of this information dissemination program.

SAUDI ARABIA

A dramatic new project is now underway in Saudi Arabia to alleviate the water problem that for centuries has plagued this water deficient nation. In its first application, the Government of Saudi Arabia is utilizing the "universal design" in the construction at Jidda of a dual-purpose plant to produce 50,000 kilowatts of power and 5-million gallons of fresh water per day.

At the request of the Government of Saudi Arabia, and after consultation with the Department of State, the Department of the Interior, in March 1964, dispatched a team of water and power experts to explore the feasibility of locating a large combined electric power and saline water conversion plant on the shores of the Red Sea in the Jidda-Mecca area. While the Department of the Interior is authorized to make such studies under the provisions of Public Law 87-295, the study team's expenses were shared by the Government of Saudi Arabia.

The study team recommended the construction of a dual-purpose facility at Jidda. This recommendation led to an agreement between the two nations in October 1965; which provided for the United States to contribute the "universal design" for the desalting portion of the dual-purpose plant and for the Office of Saline Water to act as the contracting and supervising office for the design, construction, and installation of the plant. The Government of Saudi Arabia would pay all construction costs and would make available all data and information from the operation of the plant to further the research and development of water desalting technology in the United States.

Through a series of contracts totaling \$17,031,250, awarded at the direction of Prince Mohamed Al-Faisal, Director General of the Saudi Arabian Saline Water Conversion Office during 1967, the construction of the dual-purpose facility has developed into an international enterprise. The prime contractor is located in the Netherlands, the desalting plant is being constructed by a U.S. firm, the steam turbine-driven electric generators are being manufactured by a West German company, and the steam boilers will come from Japan.

This exciting new project is scheduled to be completed in 1969, with the first desalting unit on stream by the first of April and the second on the first of June. This plant will

stand as a monument to the cooperation between the United States and Saudi Arabia, and in a most realistic sense, serve to carry out your pledge to share our desalting technology with other nations.

IRAN

During my visit to Iran in February, I found an intense interest among local government officials to move their nation forward through the full development of their meager natural fresh water resources and the use of desalting plants to provide additional sources of supply. We discussed at that time the necessity of undertaking water resource surveys which could serve as the basis for water development program planning. These discussions were continued during the Water for Peace Conference in May with Iranian delegates who attended the conference. This preliminary planning was culminated in the arrangement you reached with the Shahanshah, during his visit in August, to provide a U.S. team of water experts to join with an Iranian study team in a cooperative effort

to solve the problem of preventing sweet waters in rivers flowing into the North Shore of the Persian Gulf and the Sea of Oman from becoming salty; for studies of desalting sea water in the Persian Gulf area; and for cooperative evaluation of the potential of cloud seeding. The Department of the Interior will be the principal agency for providing the U.S. water experts for this cooperative venture, and an agreement is being arranged through the Department of State.

ISRAEL

Since the 1965 study of the feasibility of a large dual-purpose nuclear power and water desalting plant for Israel has been completed, the Government of Israel has re-evaluated its power requirements for the mid-1970's and concluded that 300 megawatts of electrical energy would be needed instead of the 200 megawatts considered in the earlier study. The original study has been updated to reflect the increase in saleable electric power from 200 to 300 megawatts. The comparative results are summarized as follows:

	Fixed charge rate		
	5 percent	7 percent	10 percent
300-MWE, 100,000,000-g.p.d. plant:			
Capital cost (1967 basis).....	\$212,700,000	\$224,100,000	\$283,400,000
Unit water cost (cents per 1,000 gal.).....	23.6	40.2	66.6
200-MWE, 100,000,000-g.p.d. plant:			
Capital cost (1965).....	\$187,000,000	\$197,200,000	\$210,000,000
Unit water cost.....	28.6	43.4	67

Additional in-house studies have been conducted which considered increased plant sizes for power and water production. The resulting cost estimates approximate those listed above. This virtually completes our work on this project. We have no commitment to conduct additional studies or to participate in the construction of the proposed project.

MEXICO

The preliminary assessment of the technical and economic practicability of dual-purpose nuclear power and water desalting plants to produce fresh water and electricity for the arid regions of the States of Arizona and California in the United States, and Sonora and Baja California in Mexico is nearing completion. The findings of this joint study effort, which is being conducted under the provisions of an agreement between the Governments of the United States and Mexico, and the International Atomic Energy Agency, will be transmitted to you and to appropriate members of the Congress following the final meeting of the study team which is scheduled to be held in June.

Although the current studies provide but a preliminary assessment of the application of this new source of water to a vast arid area, the sheer magnitude of the type of project it envisions rivals in its exciting potential our exploration of outer space. While the gigantic Bolsa Island project in Southern California represents the culmination of the advances in desalting technology to date, it will become but a pilot project for the plants required to meet the water needs of the study area. Considering the first time the total water needs of an arid region, including agricultural water, the study team has selected 1-billion gallons-per-day desalting plants as the basic unit size to provide the fresh water rivers that will flow from the sea.

To develop the full potential of this fertile, but presently unproductive land, a series of such plants would be required, with the first to begin operating in the late 1970's. Additional units of similar size would follow until a new river—which would rival the Colorado in size—is born. Thus, the U.S.-Mexico-IAEA study is opening up new vistas for the application of desalting technology and providing invaluable information to

shape and guide our research and development effort.

In concluding my report on international activities relating to desalination, I would like to mention that I was surprised by the high level of interest displayed by many of the delegates who participated in the Water for Peace Conference, in the immediate and long-range potential of desalting processes to alleviate critical water supply problems. The Water for Peace Conference was called to consider all aspects of water conservation and development, but the prime interest of most delegates centered on desalting. This first-hand evidence of world-wide interest in desalting underscores the value of your directive to make available to the thirsty nations of the world our desalting technology. Without question it is the type of activity that will bring lasting benefits to all mankind. I am pleased to report that Department of State officials have told me on a number of occasions that your program to freely disseminate this information has contributed substantially to improve our diplomatic relations with other governments.

LEGISLATION

During 1967, the Congress approved three major legislative Acts. The first of these, Public Law 90-18, approved on May 19, is a milestone in the legislative development of the saline water conversion program. It authorizes the Department of the Interior to participate in the development of technology for large-scale desalting by providing financial and technical assistance to the Metropolitan Water District of Southern California for the design, development, construction and operation of a 150-million gallons-per-day desalting plant to be constructed as a part of the dual-purpose Bolsa Island nuclear power and water desalting project in Southern California.

On November 20, 1967, Dr. Glenn T. Seaborg, Chairman of the Atomic Energy Commission, and I joined with officials of the Metropolitan Water District to sign the contract between Metropolitan and the Federal Government for the participation of our two agencies in this huge undertaking. Also signed at the same time was the contract between Metropolitan and the other participating agencies, San Diego Gas and Electric Company, Southern California Edison,

and the Department of Water and Power of the City of Los Angeles.

Contracts have been awarded for the fabrication of the turbine generators for the electric plant and bids have been received for the two nuclear reactors which will provide the energy for the dual-purpose complex. Other activities associated with the design and construction of the project are proceeding at a satisfactory pace.

Public Law 90-30, approved on June 24, authorized an appropriation of \$23,282,000 for the operation of the saline water conversion program in fiscal year 1968. The bill also provided general authorization, subject to specific approval of the Congress, for the construction of test bed and prototype plants. Subsequent to the enactment of this authorization, the Congress appropriated \$19,800,000 which, together with \$6,420,000 fiscal year 1967 funds carried over to fiscal year 1968, provided a total funding for fiscal year 1968 of \$26,220,000.

The third legislative action was the approval by the Senate of S. Res. 155, as follows:

"Whereas the security and national interests of the United States require that there be a stable and durable peace in the Middle East; and

Whereas the greatest bar to a long-term settlement of the differences between the Arab and Israeli people is the chronic shortage of fresh water, useful work, and an adequate food supply; and

Whereas the United States now has available the technology and the resources to alleviate these shortages and to provide a base for peaceful cooperation between the countries involved; Now, therefore, be it

Resolved, That it is the sense of the Senate that the prompt design, construction, and operation of nuclear desalting plants will provide large quantities of fresh water to both Arab and Israeli territories and, thereby, will result in—

- (1) new jobs for the many refugees;
- (2) an enormous increase in the agricultural productivity of existing wastelands;
- (3) a broad base for cooperation between Israeli and Arab Governments; and
- (4) a further demonstration of the United States efforts to find peaceful solutions to areas of conflict; and be it further

Resolved, That the President is requested to pursue these objectives, as reflecting the sense of the Senate, within and outside the United Nations and with all nations similarly minded, as being in the highest national interest of the United States."

In a rather unique experience for me—an opportunity to appear before the Senate Committee on Foreign Relations—I gave general support to the resolution. Summarizing my remarks, I told the Committee:

"Technology available today in desalting makes it possible to consider a wide variety of plant sizes and processes to meet the supplemental water requirements existing in the Middle East, including agricultural, municipal, and industrial needs. We deliberately tried to develop a very versatile program of large plants, middle-size plants, and small plants to meet all needs. Desalting plants can be built in capacities to meet conceivable short-term and long-term water requirements of the population, providing for the needs of thousands of refugees and displaced persons."

FISCAL YEAR 1969 AUTHORIZATION

For Fiscal Year 1969, we have submitted to the Congress an authorization request of \$30,358,000 for the Office of Saline Water. This amount includes \$3,000,000 for our participation in the Bolsa Island project; \$6,000,000 for research; \$12,600,000 for engineering and development; \$5,897,000 for project management and plant engineering; \$700,000 for program analysis and desalting feasibility and economic studies; and \$2,161,000 for administration and coordination.

While the funds requested for Fiscal Year 1969 represent a small increase over funds available in Fiscal Year 1968, the level of funding is far below the rate of expenditure authorized by Public Law 89-118, approved on August 11, 1965. In view of the current budget demands, we feel that the level of effort we have requested for the coming year will enable us to move forward at a satisfactory pace toward our goal of low-cost desalination.

With each passing year, we note with increasing concern the deterioration of the water posture of the United States as our on-rushing population on the one hand, and irresponsible waste and wanton water pollution practices on the other, continue to make deep inroads on the ability of our natural fresh water resources to meet burgeoning demands. While desalted water is yet to make its impact as an alternate source of supply in this country, it already has become an integral part of the fresh water supply in once water-deserted locations such as the Virgin Islands, Aruba, Curacao, and Kuwait.

The full extent of the water shortage problem as we can see it today was not so clearly defined in 1952. Nonetheless, that was the year Congress authorized a research program to develop large land-based plants to provide fresh water from the inexhaustible oceans at low-cost. The desalting technology currently available to solve today's water problems and the promise it holds for the future well-being of mankind is a tribute to the members of the 82d Congress who had the foresight to enact such visionary legislation.

With your deep personal interest and direction and with the continued support of the Department's desalting program by the Congress, I am confident that the American scientific and industrial community working in partnership with the Office of Saline Water will continue the remarkable advances that have been made in desalting technology leading to the attainment of more efficient processes in the future.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

The 20th Anniversary of North Central Airlines

HON. GAYLORD NELSON

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES
Friday, March 22, 1968

Mr. NELSON. Mr. President, North Central Airlines has just celebrated its 20th anniversary of scheduled airline service. In its annual report for 1967, Hal N. Carr, chairman of the board of directors and president, relates the company's outstanding achievement. I would like to congratulate North Central for its remarkable record in traffic growth, operating performance, and improved services. Mr. Carr, as well as all of North Central's stockholders, should be quite proud.

The National Safety Council once again cited the airline for maintaining a perfect safety record during its 20 years of operation. In addition, the Michigan Aeronautics and Space Association presented its 1967 Aerospace Award to the company for outstanding achievement in flight safety. These are just a few of the awards given to North Central during the past year.

I am especially pleased with these accomplishments in that I travel North Central quite often.

The United States Must Wake up to the Need for Increasing Production of Domestic Minerals

HON. ERNEST GRUENING

OF ALASKA

IN THE SENATE OF THE UNITED STATES
Friday, March 22, 1968

Mr. GRUENING. Mr. President, yesterday, Dr. Walter R. Hibbard, Jr., Director of the Bureau of Mines of the Interior Department, gave an exceedingly comprehensive statement to the Subcommittee on Minerals, Materials, and Fuels of the Senate Committee on Interior and Insular Affairs on the critical need for long-range planning of development and utilization of domestic resources of minerals. Calling attention to the increasing dependence of the United States on imports of foreign minerals more cheaply produced than domestic supplies, the Director of the Bureau of Mines indicated that this trend could result in the United States being a "have not" nation insofar as availability of materials essential to the economy of the Nation and to defense needs is concerned. His analysis of the current status of mineral production in the United States and the significance of this to future demands was supported by a voluminous study which has been conducted by the Bureau of Mines, providing in precise detail the supply-demand relationship for some 80 minerals, materials, and mineral fuels.

It was the conclusion of Director Hibbard that it is imperative that the U.S. Government direct immediate and concentrated attention to the problems revealed by the study the Bureau has made and accelerate development of advanced techniques of exploration and processing of lower grade ores available in the United States. Supplies of the minerals we need are available but an intensified program is needed to devise low-cost methods of mining and processing them so they will be competitive with foreign supplies and release the United States from an unhealthy dependence on imports.

As chairman of the Subcommittee on Minerals, Materials, and Fuels, it is my belief Dr. Hibbard's statement represents a highly significant warning of a critical need to direct attention to the domestic mining industry and its requirements if we are to maintain our standard of living in this country. This is a very important statement and I ask unanimous consent that it be included in the Record at the conclusion of these remarks.

With deep regret I take note of Dr. Hibbard's imminent departure from service as Director of the Bureau of Mines to take a post in private industry. He has performed an admirable service to the Government in the post he is about to leave and the gain he brings to private industry is most certainly the

great loss of the Department of the Interior, and of our Government.

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

STATEMENT OF WALTER R. HIBBARD, JR., DIRECTOR, BUREAU OF MINES, BEFORE THE SUBCOMMITTEE ON MINERALS, MATERIALS, AND FUELS, SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, MARCH 21, 1968

Mr. Chairman and members of the subcommittee, one of the responsibilities of the Director of the Bureau of Mines is to keep both the Executive and Legislative Branches of the Federal Government advised as to the adequacy and dependability of the supply of mineral materials required by our economy. I appear before you today as your minerals adviser. My purpose is to draw your attention to a situation that is emerging which appears to threaten both the adequacy and dependability of our supply of minerals and mineral fuels. This conclusion has resulted from a long-range study which I initiated a year ago.

Three events motivated this study. In his message to the Congress on June 30, 1967, President Johnson stated: "Sharply rising world demands threaten to exhaust the best and most accessible deposits of minerals. Rapidly changing demands for materials are bringing changes in our mineral needs. We must understand the technological and economic changes taking place. The last comprehensive study of these problems was completed by the President's Materials Policy Commission in 1952. Much has happened in the past decade and a half. A new examination is needed."

Secondly, the governmentwide concern for improving the processes by which Federal programs are planned needs, in the case of the Bureau of Mines, an effective system to foresee future threats to the mineral supply-demand relationships. Moreover, such a system should suggest where efforts might be most effectively applied to minimize the impact of such threats.

Thirdly, an important element of the Bureau of Mines ongoing mission is:

To conduct the necessary inquiries to provide, in the national interest, the scientific, technical, statistical and economic information required by government and important to the industry in order to assure an adequate, dependable and timely flow of mineral materials within the economy to support national goals and to meet industrial and social needs at a reasonable cost.

The present study uses some new analytical techniques and, I believe, focuses attention upon some distressing possibilities which I would like to discuss with you and receive your advice and counsel.

Any appraisal of mineral supply-demand relationship requires a judicious balancing of appropriate facts against a variety of assumptions. One fact we know with certainty is that continued extraction of ore leads to increasing costs as the material being mined gets lower in grade and is drawn from greater and greater depths. Improved technology can make possible the continuation or renewal of work in deposits that would otherwise have been shut down because of competition from ores that are richer or more easily extracted and processed. Just how rapidly improved technology can be developed and applied in searching for new deposits and in bringing them into production is a critical factor that will require close attention and intensive effort for as far into the future as we can see.

Even the most conservative projections of mineral supply and demand emerging from these studies promise significant changes in worldwide consumption patterns, both in quantity and variety of minerals, as well as in sources of mineral supply. These changes will have a comparatively greater impact upon the United States than upon other na-

tions, for many reasons. Not the least of these is that on a per-capita basis we consume a disproportionate share of the total world supply, and will doubtless continue to do so.

Of course, our domestic mineral industries now fulfill a substantial portion of our needs and also supply a great variety of minerals to world markets. How long this important domestic capability can be maintained is open to considerable conjecture.

That question lies close to the center of a complex pattern of foreseeable critical issues—issues to which we not only should, but absolutely must, give immediate attention. How effectively this attention is directed will largely determine the degree to which an adequate, dependable, timely, and efficient flow of mineral materials may be achieved in 2000, or at any future time, for that matter.

Before describing these issues I would like to briefly outline how the current study is designed and how certain conclusions emerge from the analyses performed to date.

As an initial step we sought to digest large volumes of factual information relative to the present world availability and flow of mineral raw materials. One product of this undertaking was a series of flow-charts depicting the essential supply-demand relationships for some 80 metals, minerals, and mineral fuels. I think you will find these particularly useful in gaining a broad overview of the components of U.S. mineral supply and consuming sectors. The initial charts display material flows in 1966. We propose to revise these annually. World production is displayed in each instance and, where exports to the U.S. are recorded, the form and amounts are apparent. All the important components of U.S. supply are indicated, exports and stocks are explained, and the major consuming sectors to which supplies are committed are shown.

Wherever feasible substances are described in terms of elemental content in preference to the mineral forms in which they are commonly priced, traded, and in some instances, consumed, in current marketing patterns. While the resulting units are not familiar in some discussions of current supply-demand relationships, they are essential in speculating upon future source and end-use patterns.

In addition to the charts and certain explanatory material essential to them, "background profiles" prepared on each commodity summarize significant information on—

Apparent Reserves: In which apparent domestic reserves are compared to reserves known to be developed elsewhere in the world.

Industry Patterns: In which the structures of the industries at home and abroad are defined.

Consumption Patterns: In which the way materials are marketed and the forms in which they are consumed in the U.S. and the rest of the world are summarized.

Byproducts and Coproducts: In which a feeling is gained for the complex interrelationships in mineral supply.

Economic Factors: In which the essential aspects of cost-price relationships are explained.

Technology: In which the prevailing state of engineering practice is described.

In the presence of these background profiles the nature of probable future supply-demand relationships has been given a great deal of attention. A range of projections has been prepared for each commodity through 1985 and 2000. Projections are based upon econometric techniques after selecting and index considered best applicable to each topic. The projections have been modified to reflect the effects of foreseeable probable and possible technologic advances that would tend to lessen costs, reduce demands, increase supplies, or establish new markets. They have been further modified through introduction of the possible effects of non-

technologic changes like price incentives, import or export controls, international events and the like.

Specifically the Outlook section on each commodity in this study is addressed to—

Future Demand: In which high, median, and low projections of demand in 1985 and 2000, in the U.S. and in the rest of the world are estimated.

Future Supply: In which the resources likely to be important sources of raw materials in the future, even though noncommercial at present, are assessed and related to projected demands.

Domestic Supply: In which potential resources are related to price.

Time-Price Relationships: In which probable price levels are estimated through the remainder of the century.

Possible Advances in Technology: In which the possibility of significant technologic advances is assessed and related to the projections.

Conclusions: In which the essential aspects of the outlook are appraised.

Finally, the products of the background documentation and the outlook projections were assembled in a series of summary observations in which the essential conclusions relative to each commodity are reduced to those considered significant in some way to a clear understanding of emerging supply-demand relationships.

Except in a few instances when certain figures have been obtained from private sources under agreements to respect the confidentiality of such information, all of the information I have described is available for your use.

I do not propose to burden you with a detailed description of the several matrix systems through which the hundreds of foreseeable issues are being reduced to essential categories. If you wish to examine into this process I will be delighted to explain it in any detail you desire.

However, I'd like to summarize the findings.

Today the United States is the largest consumer of metals and fuels in the free world. It maintains this position by being the largest producer of minerals and fuels in the free world. Over the years it has maintained this production leadership, even in the face of the necessity for using lower and lower grade resources and rising labor costs, by an aggressive program of exploration and new discoveries and in advancing technology which has reduced the overall costs of extracting and processing these lower grade ores.

Recent and projected trends indicate that U.S. mining interests are turning to foreign resources. The U.S. is now the largest importer of minerals and fuels. Over 75 percent of our requirements for a number of important commodities are imported today.

Also major tonnages of our key basic materials are coming from foreign operations: 85 percent of our bauxite for aluminum, almost 20 percent of our copper (and probably much more in 1967 and 1968), 40 percent of our iron ore, nearly 40 percent of our zinc and more than 25 percent of our lead, all of our manganese and chromium needed for steel, our gold and silver production is about one-fourth of our industrial consumption.

Our projections based on population growth indicate that by 1985 our mineral and fuel requirements will increase by about 50 percent on the average, and in some cases by as much as 100 percent.

Facilities for this increased supply require on the average about 5-10 years lead time and \$100 million per venture to bring them on stream.

Currently a substantial amount of U.S. exploration and investment for facilities in the future is being made in foreign countries—Canada, Australia, South America, and Central Africa. The reasons for this trend are:

(1) Foreign ores are richer and new technology to mine and process them is not required;

(2) Foreign labor is cheaper;

(3) Many countries are making tax and other financial concessions;

(4) Foreign markets are growing faster than U.S. markets. If these trends continue, our capability to produce minerals from domestic sources may not only remain static but in some cases disappear because they cannot be maintained in competition cost wise with foreign productions.

If these trends continue, we may be importing more and more of our requirements in many major tonnage items—for example, aluminum, copper, iron, and zinc, for which we have abundant resources which we should not permit to remain idle; as well as silver and gold where our resources are depleting; and chromium, tungsten, tin, mica, and asbestos where we have been traditionally deficient in economic ores.

We may then lose our market leadership with respect to this mineral production and possibly be obliged to pay world prices which are often controlled by the country of origin during periods of tight supply. Copper, before the strike, is a case in point. The world price was higher than the U.S. price by significantly more than transportation costs. Chile fixed the price of its copper exports at 4 cents higher than the U.S. price. Peru placed a 10 percent tax on all its exports.

Many of these supplier countries are trying to develop their economies by requiring that the refining be done before export at a higher value added and cost to the U.S.

Venezuela wants blast furnaces and steel making facilities.

Jamaica wants to export aluminum—not bauxite.

Peru wants to export copper wire, sheet, and tube—not copper concentrate.

All of these trends will lead to higher U.S. costs and greater uncertainties of supply because we will no longer dominate production and will be competing with other nations in a sellers' market.

Our studies also indicate two other important factors relative to this trend of the future.

Since the United States is the largest producer in the free world—a deterioration of U.S. production will affect world production. Mining is an economic base for total regional economies, such as the Southwest, the northern Rockies, etc. Our mineral production is 2.9 percent of the U.S. GNP but it has a direct impact on 40 percent of the U.S. GNP and an indirect impact on nearly 75 percent of the U.S. GNP. It makes a dollar invested turn around several times. It makes resources grist for the economic mill. It contributes and must continue to contribute to the world supply.

The answer to these trends—the ways and means of retaining leadership in world mineral production is clear from history—that is, the retention of world leadership in technology, the technology of exploration and discovery, extraction, processing and use.

The question arises—fine. Why must the U.S. Government provide this technology? Let industry do it.

Well, industry is not doing it.

Industry is stimulated primarily by the profit motive. If investment climate and profit potential are more attractive for foreign ores—then they will understandably follow that attraction.

Particularly if they cannot compete by means of domestic production.

Iron ore is a good example. We have plenty, yet 40 percent is imported because of its lower cost.

U.S. zinc production may disappear except for byproduct zinc by 2000, in spite of our reserves and potential resources, because U.S. costs are becoming higher and higher relative to foreign operations.

Thus, the U.S. mining industry is seeking lowest cost operations and thus trending to foreign ore. With a few exceptions, such as off-shore oil and gas, its major expenses are increasingly for foreign exploration and the development of foreign production facilities which are low risk because they use current and past technology. With few exceptions, they have no large programs aimed at new technology for improving domestic production.

I mentioned earlier that it was possible to categorize the essential issues developed to date in the study. Nine such categories of common issues have in fact been clearly defined and I shall summarize them briefly.

I. MAINTAINING AN ADEQUATE MINERAL CAPABILITY

In notable instances, and particularly with respect to mineral commodities that are produced and consumed in large quantities, the United States will find it increasingly difficult during the next several decades to compete with higher-grade, lower-cost, and relatively abundant foreign sources.

It is obviously important that we find ways to minimize this difficulty, because of the inherent advantages in strategy, security, bargaining strength, economic gains and other benefits that go with an assurance that some appropriate proportion of the domestic need for primary mineral raw materials is satisfied from domestic sources.

The means of accomplishing this are limited and confined largely to alternative forms of protectionism or to competitive advantages gained through improvements in technology. If the latter are achievable, they are much preferable to the former over the long-term. In view of the outlook for increased competition for available world supplies of mineral raw materials the ultimate result of seeking to preserve a domestic productive capacity, that is not economically competitive with other sources, promises to be unfavorable to the U.S. Aside from the retaliation engendered through such devices the ultimate outcome is certain to include further reductions in access to the lowest cost world sources of the materials we will need in growing quantities. They promise only higher costs to the domestic processing industries, much higher prices to the consumer and a further deterioration in the capability of U.S. manufacturers to compete for foreign markets.

Technology, I am convinced, has the inherent power to improve the competitive position of domestic mineral sources. Energetically employed, it will be the most powerful force we can exert. But we must not lose sight of the fact that technology is universally applicable. Consequently, if significant advantages are to be gained, they must be sought in areas where the technology will be immediately and particularly applicable to our domestic situation. An unusual mineral aggregation would be one example. Or perhaps large concentrations of minor minerals, unusually favorable coproduct or byproduct relationships, ready accessibility, and source-to-market relationships that gain through transportation differentials or unusual use or marketing patterns.

Special emphasis will be needed on advancing the development of underground mining systems that will permit achieving costs at least comparable with those incurred in surface mining. Attention should be directed mostly to commodities mined in large volume, where reduction in extraction costs would measurably improve the capacity of domestic sources to compete commercially with sources abroad. I have in mind those operations that produce zinc, iron, copper, lead, molybdenum, potassium, bituminous coal and the like.

A new approach to underground mining, initially tested on December 10, 1967, near Farmington, New Mexico, is the use of nuclear explosives to aid in the recovery and

utilization of low-grade mineral resources heretofore uneconomical or impossible to exploit. Potential applications include in situ leaching of copper ore, natural gas stimulation, petroleum production, and the recovery of oil from oil shales.

Similarly, attention should be directed to those commodities where lower extraction costs would tend to improve the commercial significance of certain domestic sources or effect important savings when measured against projected demands. Included here are uranium and gold. Also included are oil shale, most of the industrial minerals including limestone, the natural carbonates, salt and phosphate rock. Considering the future potential of clay as a source of aluminum and gypsum as a source of sulfur, perhaps these should be included too.

Technical advances will be needed in separation practices, such as preparation, beneficiation, reduction, and smelting, where improved recoveries and cost reductions must be realized to prevent deterioration in the competitive position of domestic sources. Examples include zinc and its byproducts, with particular emphasis on retorting practices; beneficiation of iron ores, particularly flotation practices; copper and its coproducts and potassium in light of the decreasing grades of ore; and molybdenum, in regard to losses in processing, to name just a few.

Just how many of these situations that yield competitive superiority will develop during the remainder of this century depends on our willingness to make the research and development commitments necessary for the creation of new technology and our aggressiveness in applying that technology once it becomes available. And we must recognize that solutions to our problems will require more time, money, and effort as the grade of domestic ore diminishes, mineralogy changes, and different types of mineral deposits are exploited. Also, we must develop the required technology on a timely basis to provide for an orderly adjustment of the economy to our changing mineral needs.

II. INSURING ESSENTIAL OVERSEAS SUPPLIES

In common with other nations we are not presently, nor likely to become, self-sufficient in regard to the supply of mineral raw materials that are essential to our needs. Also, in some instances the outlook for obtaining even a small part of our need from domestic sources is remote.

Clearly, in the future even larger quantities of certain items will have to come from foreign sources if demand is to be satisfied without marked increases in cost. Included are tin, chromium, manganese, tantalum, columbium, cobalt, platinum and others in various degrees.

Conversely, in important instances we produce surpluses that compete successfully for markets abroad. We should seek to retain and expand such markets and maintain trade balances favorable to the United States.

Recognizing that resources, usable at any given time in terms of the prevailing economic and technologic constraints, are not now, nor likely to be in the future, present in nature in a system that conforms to any ethical, political or continental pattern, access to world supply must continue to be sought through mutually advantageous agreements with friendly nations. These foreign sources should be secured when significant savings, offsetting international relationships, or domestic investments in foreign ventures, favor reliance on foreign supplies for some appropriate share of our mineral requirements.

Toward these ends, we will require improved knowledge of foreign mineral production, consumption, and resources. In fact, we should be able to obtain information on foreign developments that is fully comparable in quality and quantity with data on domestic mineral resources. Further, under certain circumstances, we should be prepared

to provide technology to establish and insure foreign supplies which are essential to our resource base.

Rising economic development throughout the world will inevitably stimulate demand for minerals in other countries, tending to limit the quantities available on world markets and to increase costs. Moreover, for some commodities most of the known reserves lie in Communist countries.

We know from past experience that, in times of national emergency when access to world sources is restricted, it is possible to work domestic deposits that otherwise are noncommercial. We also know that to do this requires vast standby or multipurpose investment and production capacity, which is expensive to acquire and difficult to encourage. The only alternative is to hope that such situations afford us sufficient lead time, and that capital will materialize to support developments that have uncertain long-term economic aspects.

We understand the need for stockpiling as a security measure but we must not let our present favorable position in this regard obstruct our understanding of the significance of assured overseas supplies in meeting the growing domestic needs for many critical materials.

III. ACCOMMODATING TO CHANGING END-USE PATTERNS

Those of us associated with the mineral industries must remain alert to the supply problems inherent in a continuous changing pattern of mineral demand. We must provide ourselves with techniques that can be applied to detect the imminence of change, to estimate its magnitude, and to reduce the potential hazards it represents to the nation's economy and security.

The demand for mineral raw materials is constantly shifting in terms of quantities, form, and substance, and the supply is subject to similar changes in quality, abundance, and source.

Reflect for a moment upon the dramatic examples of changes in the pattern of demand for mineral substances over the past few decades. At the beginning of this century we relied almost wholly upon coal to satisfy our energy needs. The significance of petroleum and natural gas as predominant energy sources has materialized subsequently over a very short time frame and the appearance of nuclear energy is so recent that its future in the total energy picture continues as a favorite subject for speculation. Similarly, a host of new minerals and metals have become important items of commerce only during very recent years and, even more dramatically, the way materials are used and synthesized has changed and progressed repeatedly. A few metals like iron, copper, lead, zinc, mercury, gold, and silver made up the basic items of commerce for centuries. But since 1900 the growth in significance of metals like aluminum and magnesium and the emergence of new substances like titanium and zirconium as common items of industry have greatly complicated supply-demand relationships. Certainly the suite of materials that will be in demand only a few years from now will be quite different than today.

We are aware that change is inevitable. We realize, too, how essential it is that we have lead-time if we are to solve the mineral-supply problems accompanying such change. Yet, we have failed thus far to develop fully effective techniques for recognizing the events that foretell significant changes in demand patterns. Demand forecasts still flounder in an atmosphere of vague generalities and seldom inspire the needed support for positive and timely action. This support is particularly difficult to generate during periods of prosperity. As humans, we tend to respond only when the house is on fire.

It is imperative that we work continuously to improve our capacity for isolating, ap-

praising, analyzing, and correctly forecasting events that could significantly alter supply-demand patterns. Only in this way will we be in a position to initiate actions that can minimize the impact of change.

Our most critical analysis must be directed to situations where immediate changes in marketing specifications threaten to upset traditional supply-demand relationships. By way of current illustration, the impending changes in end-use patterns of fossil fuels dictated by a general concern with air-pollution problems promise significant changes in marketing patterns. The full impact of marketing constraints that might arise in the future must be clearly understood so as to minimize changes in traditional mineral supply-demand relationships that can threaten both economic stability and national security. And this cannot be accomplished without increased and continuing efforts to improve forecasting techniques and to provide basic planning data.

IV. DIVERSIFYING PRIMARY SUPPLY PATTERNS

Paralleling the need to forecast and understand the implication of changing demand patterns is a necessity for continuously redefining commercial ore reserves, from which primary supply must be derived at any given time. The heavy metals program we are currently pursuing is a case in point.

Although past improvements in extraction and processing technology have made it possible to recover and employ minerals from lower-grade and less accessible sources without significant increase in unit costs, the extent to which the traditional domestic sources can continue to satisfy increasing or changing demands in the future is questionable in many instances and will be determined largely by the size of our commitment to minerals research and development.

We must look beyond conventional sources to low-level concentrations of minerals and metals in marginal and submarginal materials, for these are what must be developed in the near future. I am referring to the known mineral aggregations which, because of technologic or other factors, have remained unexploited in favor of higher-grade, more accessible, or more profitable alternatives. There is little uncertainty with regard to the existence of substantial quantities of almost any given substance. But the uncertainty increases substantially when one considers the mineral forms, or the associated products, and such factors as location, accessibility, and the costs of extraction and processing.

V. CREATING TECHNOLOGY TO MAINTAIN RELIANCE ON CONVENTIONAL RESOURCES

Instances are seen where advances in technology would significantly contribute to minimizing reliance on conventional raw material sources to which, because of political, geographic or physical factors, access in the future may be restricted, uncertain, unreliable or otherwise potentially inadequate.

Some observers have stated optimistically that with the advent of cheap nuclear energy, even common rocks, such as granite, would become "ore" and supply unlimited quantities of all metals needed by industry. And there are those who conclude that, because sea water contains virtually all the chemical elements, the oceans will at some future time become a cornucopia of metals.

I cannot embrace such optimism, even though I will admit that the solution of future mineral supply problems lies in devising a practical universal system for directly reducing any substance into its useful components at a very low cost. If this can be accomplished, our current definitions of "resources" will disappear. I am not greatly concerned, however, that we need to meddle with these definitions, at least for the remainder of this century. I say this because, as in the case of common rock as "ore," the

appreciable differences in physical and chemical form of the compounds containing the low concentration of metals in these rocks would require a vastly new and complex technology to extract them. Consider also the huge quantities of unusable waste that would be generated for each unit of metal.

Nevertheless, the existence of these obstacles should not stand in the way of an aggressive quest for at least partial technological achievement in areas that are promising. Many common substances, low in mineral content but abundant in nature and broadly distributed, and environments not fully explored or hostile can be commercially exploited with only modest advances in established technology or with more ingenious application of known principles.

VI. STRETCHING MATERIAL SUPPLIES

We can expect, during the remainder of this century, to continue to meet our material needs in several ways: Through primary production of mineral raw materials, by recapturing secondary materials in reusable forms, and by extending the useful life spans of mineral based products, reducing dissipative uses and waste, using materials ever more efficiently throughout the production-consumption cycle.

To make meaningful progress in stretching our material supplies we must find new and better ways to minimize the need for primary materials through recycling; learn how synthesis, substitution, or conversion can reduce a drain on limited supplies or achieve greater economies; and identify more areas in which significant losses and wastes can be reduced or eliminated, or needs can be minimized, through improved constitution, fabrication, and design.

Vast tonnages of pure metals and alloys are trapped in manufactured products. Many of the ever-increasing variety of alloys that end up as scrap continue to accumulate in junk piles for lack of extractive methods to separate and reclaim the metals they contain. This problem is compounded by the fact that many of these alloys—some containing metals in critical supply—were developed to resist just such conditions as are used by the extractive metallurgist in making separations. That is, they are extremely refractory and corrosion resistant to most chemicals.

We will be able to stretch our resources much further when we can properly design systems that will extend the life of products; make easier their maintenance and repair, and/or simplify the salvage of metals. We must continue to improve our techniques of solid waste management. By this, I mean that through technology we must strive to achieve optimum recovery of all metal and mineral values during ore extraction and processing. The emphasis here is on saving the mineral values, thereby reducing the need for future retreatment of wastes. Material supplies can also be stretched by finding ways to use relatively abundant minerals, rather than relatively scarce ones, to meet our needs for a particular commodity.

The manufacture of usable minerals by artificially duplicating the conditions that result in their occurrence in nature is still another means of extending mineral supplies. We must also work harder to extend the useful life of the materials in which minerals are used. This will mean developing new substances or techniques that can reduce corrosion, oxidation, abrasion, and fatigue in mineral and metal products. Additional approaches to material supplies include using several different minerals to supply a particular commodity need, and improving materials engineering so as to provide new substances with unusual properties thereby reducing overall material requirements.

VII. EMPLOYING THE LATENT POTENTIAL

Many mineral-forming elements and aggregations occur in such abundance and are so readily accessible and widely distributed that regardless of demand they are essentially inexhaustible. Nevertheless, there are technologic problems or prevailing economic disadvantages that preclude their widespread industrial use as substitutes for mineral commodities in lesser abundance. Of equal significance are mineralized zones or sources which, like oil shale for example, are of such magnitude as to insure the accommodation of large-scale demands for a long time.

I am firmly convinced that the nation's industrial and resource base can be broadened with attendant economic, employment, and national-income benefits. This can be accomplished by directing appropriate technologic and economic investigations into the advantages to be derived through creating new demands or markets for materials in superabundance like magnesium, boron, and the more common elements in the earth's crust, or for byproducts that are surplus to current demands by virtue of their presence in substances processed primarily for other materials, like many of the rare-earth elements.

The research emphasis should be on new applications for these plentiful materials rather than on the utilization as substitutes in competition with traditional materials in established markets.

VIII. RESOLVING RESOURCE CONFLICTS

Accompanying the foreseeable demand for more minerals is an increasing recognition that these materials must be provided without destroying the environment of the society that needs them. As never before in the history of our country, people are becoming increasingly aware of the need for true multiple land use. As a nation, we have come to recognize the need to preserve the precarious balance between material requirements and natural resources, and at the same time, to improve the bountiful heritage of the land. This awareness includes, but also extends beyond, problems of surface disturbance, air and water pollution, and waste disposal that are common to the processes used in extracting minerals from the earth. And it poses a host of stimulating challenges in the minerals and fuels sector of our economy—challenges that must be met with an immensely improved minerals technology.

We must develop new techniques for the ultimate disposal of the mineral-based products that have no further value or are not otherwise recoverable for reuse. A better technology is needed for controlling the surface subsidence that can result from underground mining. We must develop suitable methods for eliminating stream pollution that is associated with mining activity and for restoring land that has been damaged by surface mining. Finally, we must improve mine-fire control technology to prevent the needless waste of coal resources, the destruction of property, and the formation of noxious gases that menace humans, animals, and plant life.

Attaining these objectives will not, of course, provide direct economic gains to industry. On the contrary, they will frequently add costs that will probably have to be passed on to consumers in one form or another. Nevertheless, the problems that arise in meeting the nation's demands for minerals and metals cannot be treated apart from environmental threats that stem from the mining, treatment, or use of any mineral substance and we must seek to minimize the cost of erasing such threats. For the remainder of this century, as never before, we must apply technology wisely and efficiently so that the mineral needs of our industrial economy can be supplied while maintaining the quality of our environment.

IX. CONSERVING MANPOWER

Aside from the universal problem of acquiring the scientific and technologic capa-

bilities that are essential to all of the foregoing subjects, one of the key factors in providing the growing mineral needs of our nation in the years to come is the availability of manpower. The industry can meet these mineral needs only as rapidly and effectively as the men in it can produce the necessary raw materials. So, in a very real sense, adequate resources of skilled manpower are as essential as proved mineral reserves and the techniques to extend these reserves.

These manpower resources are limited today and all indications point to continued shortages, despite industry's recruiting efforts. It is evident, therefore, that we must conserve these human resources. And we can do this by strengthening our ability and intensifying our efforts to assure safe and healthful working conditions. In doing so, we will encourage those already employed to continue working, and at the same time we will provide incentive for promising young men to join the production team.

Through the combined efforts of industry, and the Federal and State Governments, notable achievements have been made in promoting safety and protection of workers. But we must never forget that this effective cooperation is only part of what is needed. Safe performance of a job, like efficient performance of a job, requires the energy, the conviction, and the wholehearted commitment of the individual worker. Moreover, safety demands continuous attention; constant cooperation by all concerned is essential to assure the protection of the man on the job. His well-being is the goal. We must share the responsibility, and the pride, in attaining it. We must work energetically and unrelentingly to promote this responsibility and pride if we are to conserve the valuable human resource so necessary to the fulfillment of our mineral and metal needs.

These, then, are the emerging issue categories that merit your most serious attention. While some of the subjects are beyond the immediate responsibility of the Bureau of Mines, none are outside the interest of this committee, and I am certain these vital matters will receive your serious consideration.

Acquiring the skills that will be essential to accomplish the technological advances prescribed here presents a major challenge. Professional capabilities in these areas are limited now and are likely to be wholly inadequate in the future if an effective means of developing the necessary talent and attracting it to these problems is not forthcoming. The outlook suggests a critical need to increase the number of engineers, economists and executives knowledgeable in the mineral field and a way to attract their skills to these issues.

In my opinion, the successful application of technology to meet the mineral demands of the future is the most recurring theme in the appraisals of the projected supply-demand relationships. Until now, the industry's ability to keep pace with growing demand through the application of new and improved technology is impressive, indeed.

However, we now see two trends emerging which will have far-reaching implications for the future of our minerals policy. As shown in the chart, the minerals industry added in 1966 another \$1.3 billion of capital to the amount already invested in overseas ventures. Lately we have also been witnessing a series of "marriages" within the minerals field. Several companies are diversifying and others are integrating their activities, both horizontally and vertically. The petroleum companies in particular are expanding into the "total-energy-supply" business as well as acquiring interests in nonfuel minerals. It is heartening to know that the potential for capital investment represented by the healthy financial condition and the earnings of the petroleum companies is to become available for the ad-

vancement of other sectors of the mineral industries. However, two questions face us:

(1) Will this potential be invested in advancing the urgently needed mineral technology?

(2) What share of it will be invested in other countries?

I believe that these questions should be thoroughly examined if we are to chart a rational course for the future.

We know, for example, that some minerals of current and foreseeable commercial significance are just not available from domestic sources and are not likely to be found here in any appreciable quantity. Moreover, assured access to developed sources of some of these minerals is at times questionable.

Also of significance to the solution of critical mineral-supply problems is lead-time. It often takes 5 to 10 years to bring a new mineral deposit into production. This is a factor that is well understood by those who work in the mineral industries, but too seldom appreciated elsewhere. Nevertheless, we know that mineral production cannot be turned on like a faucet and that substantial capital in the order of millions of dollars per venture is required.

We know also that we often lack the kind of information that is needed as the basis for mineral-development decisions. Knowing these things, we must move forward purposefully to devise new and more sophisticated procedures for acquiring and evaluating the information we need.

We must strive to improve the competitive position of domestic resources through the application of new and improved technology in extracting and processing. More efficient methods for mining ores and for upgrading them before smelting and refining can make the use of "leaner" substances technically and economically feasible. We must learn how to explore for minerals at depths, and to develop methods for finding and extracting minerals in the deeper layers of the earth's crust, and from under the sea.

Still another tremendous opportunity for easing our mineral-supply problems is offered through the improved recycling of scrap and waste. We must learn how to mine our scrap heaps and junkyards for the valuable metals that they contain. Substitution of abundant materials for those in short supply also can be practiced far more effectively as a means of stretching our supply of mineral raw materials.

These are but a few of the many ways in which we can and must act to insure an ability to meet our mineral demands in the years to come.

I'm sure that my remarks have brought to mind some questions. In the time remaining, I will be glad to answer as many of them as possible.

The Milk Support Increase

HON. GAYLORD NELSON

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. NELSON. Mr. President, Secretary of Agriculture Orville Freeman's decision Wednesday to increase the price support for manufacturing milk to \$4.28 per hundred pounds is a clear victory for the entire dairy industry.

I am very pleased that Secretary Freeman has responded to our requests to increase the milk price support. Even at this level, farmers will only be assured of about 9 cents per quart of milk they produce.

Every available economic indicator

supports the Department's action to improve milk prices for our dairy farmers.

The old \$4 price support was sadly inadequate in helping our family farmers meet today's rapidly escalating production costs.

Up until this time, farm prices for milk were among the lowest for any agricultural commodity. Last year, milk production dropped below 120 billion pounds for the first time in 15 years, 5 percent less than the 1961-65 average. In Wisconsin—America's dairyland—milk production was off 2 percent from the previous year.

Our dairy farmers deserve this better return on their heavy investment of labor and capital. The cost-price squeeze has dealt fatal blow after fatal blow to the dairy industry. Hopefully, this increase in the price support will slow down the exodus from our dairy farms and insure an adequate supply of milk for the future.

Marist College to Honor Samuel J. Talarico

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. JAVITS. Mr. President, on March 30, 1968, Mr. Samuel J. Talarico, president of District Union Local 1, Amalgamated Meat Cutters, Butcher Workmen, and Affiliated Crafts of North America, AFL-CIO, will be honored by the Marist College, of Poughkeepsie, N.Y., at its third annual dinner at the Commodore Hotel in New York City. Mr. Talarico is one of three great contemporary Americans chosen to receive the Marist College award.

Mr. President, Sam Talarico has long been a credit to his union, to the labor movement and to his community in the Utica, N.Y., area. He is president of his own local union, is also president of the Union Label and Service Trades Department of the New York State AFL-CIO and is a vice president of his international union, the Amalgamated Meat Cutters and Butcher Workmen of North America. The confidence and respect accorded to him by his fellow trade union members is indicated by the fact that he has held the presidency of Union Label and Service Trades Department of the New York State AFL-CIO for 11 years. In 1962, the U.S. Navy selected him as one of four representatives of the American labor movement to participate in a 52-day goodwill tour of neighboring Latin American countries. Clearly he well deserves the honor being accorded to him by the Marist College as an outstanding contemporary American labor and civic leader.

Mr. President, the February 1968 issue of the Industrial Bulletin published by the New York State Department of Labor contains an article summarizing the career of Sam Talarico and the contributions he has made to the labor movement and to his community. I ask unanimous consent that the text of the

article be printed in the RECORD at the conclusion of my remarks.

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

PROFILE OF A LABOR LEADER: PRESIDENT SAM TALARICO

The life of Samuel J. Talarico of Utica—from his days in the coal mines where he was considered less valuable than the mule he "jockeyed," to his present status as president to an 11,000-member union—reads like something out of Horatio Alger.

The road out of those Pennsylvania mines to the presidency of District Union Local 1, Amalgamated Meat Cutters, Butcher Workmen and Affiliated Crafts of North America, AFL-CIO, was long and suffering.

It was a challenge accepted and a victory won by this man, who, through his union, resumed his pursuit of education—once terminated at the Seventh Grade—that carried him through two summer sessions at the University of Wisconsin, courses at Roosevelt University in Chicago and the Harvard School of Business where he was class valedictorian.

District No. 1 has come a long way, too, since it was organized more than 30 years ago. It has outgrown its present home at 1008 Cornelia Street, Utica, in which the union invested \$175,000.

Plans are being made for ground-breaking in the spring for a new union home at Holland Avenue and Memorial Drive in Utica, that will represent an investment in the neighborhood of \$750,000.

Actually, the construction will include three buildings but they will be connected. Along with the office space, meeting halls, classrooms for the stewards, library and other rooms, a bomb shelter is in the planning stage.

"Our attorneys are working with State agencies for the preparation of the bomb shelter," President Talarico said. "We hope to have one that will accommodate 300 to 400 people in an emergency."

District No. 1 members also point with pride to the Michael J. Walsh Homes, located in West Utica on a square block, bounded by Gary Avenue, Addison, Green and City Streets. Sponsored by District No. 1, the two six-story buildings are considered Utica's newest concept in moderately priced apartment living. Typical apartments include studio and one, two and three-bedroom units.

Yes, Sam Talarico has come a long way. "I saw the blood of miners spill into the streets," said Sam as he looked back on those days, when at the age of 11, he led the mules that hauled the cars out of the mines.

"The owners thought more of the mules than they did of us. If they wandered away, we had to go get them even if it was 4 o'clock in the morning. Those mules cost us money, you don't, the bosses shouted at us."

The Talarico family moved to Carbondale, Pa., from Chicago, Sam's birthplace in 1911. His dad died when Sam was two years old. From Carbondale, the family moved to Utica in 1922 and Sam went to school. He got as far as the Seventh Grade before he was compelled to go to work. At the age of 14, he was self-supporting.

His future had not yet started to mold and Sam worked as a section hand; he worked in cotton mills and in factories that made fire extinguishers and fire trucks; he worked in stockyards and he was a packer in a press company.

Fulfilling his desire to become a pilot, Sam enrolled in the Boeing Air Transport School in Chicago, attending school during the day and working nights as a packer. The day came when he obtained his pilot's license and purchased a small plane.

"One day I was coming in for a landing when I overshot the field," related Sam. "I tried to side slip but the plane went into the fence at the end of the field."

He wasn't injured, but the plane was wrecked.

"We had the depression at the time, so I was out of the flying business. I had no money to buy another plane."

Then came a stint in the Chicago stockyards. It was Sam's job to drive the livestock into the chutes.

"Is that what endeared you to the meat industry?" he was asked.

"No, sir," was his definitive reply. "There is nothing enticing about the Chicago stockyards, especially the odor."

Sam's step-dad became permanently injured "and my mother asked me to come back to Utica to help out. I came back and did some road construction work in the Binghams area."

In 1932, Sam's future started to take shape. He went to work for the Gold Medal Company (formerly Scala) as a cattle and hog butcher.

"A year later," he states, "we organized a butcher's union. I was a protégé of the great union leader, John F. Hart. He was like a father to me and under his guidance, I learned a great deal about the labor movement, which assisted us tremendously in forming our new union."

He held numerous offices in the Local as he continued his work with Gold Medal. He has no accurate count but "I slaughtered thousands of hogs and cattle (he still has his tools) until 1936 when I was elected business agent of our local. That ended my days as a butcher."

In 1960, he was elected international vice president of the union. As president and business manager of District Union No. 1, Sam, by his supervision of some 600 stewards, guides the destinies of 11,000 members in 42 counties with other offices in Albany, Binghamton, Rochester, Syracuse and Watertown. In addition to slaughterers, the union also represents such workers in the industry as sausage makers, egg candlers, butchers, poultry handlers, food canners, and the clerks and cashiers in the retail branch.

"Our relations with management are excellent," he states with pride. He related how a number of years ago a company got into financial difficulties.

"We waived all claims for wage increases and we even invested our own funds to get the firm out of receivership. We kept that company in business."

Continuing along this line, Sam states that "the objective of our organization is to keep a company in business. We do study the economy of the companies and their ability to pay. A \$9-an-hour job does not mean a thing if there are no jobs available."

"That is why we place so much emphasis on the training and education of our stewards. That is why classrooms are important units in any building plans that we have."

Major companies among the many, with which District No. 1 has negotiations, are A. & P. Tea Company, Acme Markets, Arrow Markets, Arbor Foods, C. A. Durr Packing Company, Loblaw Markets, Monroe Packing Company, P. & C. Food Markets, Save-Way Markets, Max Russer, Inc. and the Tobin Packing Company.

District No. 1 has a number of publications but one in which President Sam has much interest in is the financial report, published quarterly.

"That shows where every penny goes that is handled by our District, and every member receives that report. We won't have it any other way," he says.

Sam Talarico is a man of prestige at the local, state and international levels.

Members of the Union Label and Service Trades Department of the New York State

AFL-CIO have re-elected him their president each year for the past 11 years.

In 1962, the United States Navy selected him as one of four representatives of the American Labor Movement to participate in a 52-day Good Will Tour of neighboring Latin American Countries—Mexico, Chile, Brazil and Trinidad. Representatives of industry, political and social segments of American society also were selected for the trip aboard the USS Lexington and USS Constellation.

Sam was aboard the Lexington and his labor companion was William B. Roy, president of Los Angeles Local 108, International Sheet Metal Workers. The other Labor representatives, aboard the Constellation, were S. Frank Raftery, general representative of the Brotherhood of Painters, Decorators and Paperhangers and Martin Ward, assistant secretary-treasurer of Journey Plumbers, Steamfitters and Apprentices.

District President Talarico hosted a meeting aboard the Lexington in Valparaiso Harbor, with a large delegation of the Chilean Trade Union Movement in attendance.

"Everybody said I had the distinction of holding the first union meeting aboard the Lexington," said Sam with a chuckle.

Labor has representatives all over the world, combating the enemies of free labor and free governments.

In his own organization at home, Sam has praise and commendation for a faithful, industrious and efficient staff throughout the district.

Among them is Miss Pauline Wojnicz of Utica, who is executive secretary and office manager at Amalgamated's present building.

"She is my right arm," says Sam.

Pauline is no stranger to the labor movement nor did she come into it by accident. Canadian-born, Pauline came to Utica with her family while she was a baby.

"I was so young, you almost can call me a native."

She worked in the papermaking industry where she became interested in union work and was made a stewardess. From there, she went into the Gold Medal packing house and later to Loblaw's. As a result of the war years, she got into the field of butchering because of the manpower shortage in that particular phase of the industry. She was the "Rosie, the Riveter" of the meat industry or, perhaps, "Bernice, the Butcherette."

She also is vice president of the Greater Utica Federation of Labor of which Sam was its first president.

Mrs. Sam Talarico is the former Miss Rita F. DeTraglia of Utica. They have three sons, Joseph, who is associated with his dad in District No. 1 as executive vice president; Samuel Jr., a student at the College of Santa Fe, New Mexico and Louis, a freshman at Norwich University in Vermont.

Active in Utica's community life, Sam is a director of the Utica Boys Club; he participates annually in all financial campaigns, including the United Fund and the Onelda Chapter of the American Cancer Society. He is a member of the Parents Alumni of Utica College.

"Sam Talarico is many things to Utica and the area," says Ernest Coletti, Assistant Industrial Commissioner in charge of the State Labor Department's Utica District. "He is a valuable asset to our community. He has done many things for labor and also fosters good labor-management relations."

Commissioner Coletti adds: "Michael J. Walsh, for whom the housing development was named, was one of the original union men in Utica. He was an organizer for the AFL for years. He trained many of the present union leaders, including Sam Talarico. Sam's achievements and the prestige and respect he enjoys from representatives on both sides of the negotiating table indicate he has learned his lessons well."

Portrait of Hope

HON. ABRAHAM A. RIBICOFF

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. RIBICOFF. Mr. President, our Nation has never more needed words of hope and prayer for rededication to the principles that have made America great and carried her through the crises of the past.

Mrs. S. B. Curiale, of Bridgeport, Conn., has expressed this well in her poem, "Portrait of Hope," dedicated to her own son, Joey. I ask unanimous consent that the poem and its dedication be printed in the Extensions of Remarks.

There being no objection, the poem was order to be printed in the RECORD, as follows:

PORTRAIT OF HOPE

(By S. B. Curiale)

(NOTE.—I dedicate this to my son Joey, who, by his expressions and deeds, fortifies my hopes that he along with the millions of young Joeyes throughout this nation, will grow to one day become the heartbeat of the United States of America.)

Hear me someone,
Anyone—anywhere in America.
Hear me, please, even though I am young;
This is Joey.

You know who I am.
You pass by me every day.
Maybe along some ballfield, some yard,
Or perhaps some church or street.

At times you have seen me
With black hair, brown eyes,
Or blonde hair, blue eyes,
Light skin or dark skin.

But, however you see me,
I am Joey, a young American boy;
Who at times feels forgotten,
And often neglected and ignored.

I want so to be seen,
To be heard.
I want someone to look at me
And say,
Joey, you are the future.
On you we shall rely.

But, confused are my countrymen,
For they fail to see me
As America itself,
With its dreams, desires
And ambitions for the future.

There were in our past history
Millions of Americans called Joey,
Who at a moment's notice
Rose up to defend their land.

Why did they take up arms?
Why did they leave
For places unknown, fearlessly?
Why were they willing to
Lay down their lives
Never to see their loved ones again?

My youthful mind tells me
Over and over again,
The reason why
Was to protect and preserve
This land of Liberty and Democracy.

O'hallowed are the grounds
Which caress the millions of Joeyes
Who gave, so that America might live.
Grateful must we be,
For their devotion and sacrifices,
But truly we are not.

As I speak out at this very moment,
I cannot help but remember
My silent conversation
With the flag of our country,
Old Glory!

I remember,
It was on a dark and misty morning
In the playground of my school
That I noticed Old Glory
Motionless and silent.

I moved closer,
And stood beneath the staff
Which carries her proudly,
And whispered, "Old Glory, You look so sad!
Why?"

All at once,
Her stripes moved gently, and I heard,
"Joey, Joey, how can I be happy?
For as I rest atop this staff,
I see darkness shrouding America.

The winds which once echoed
Across the mountain tops,
America the Beautiful, now echoes,
America the Land of Bigotry.

Joey, listen carefully.
I was fashioned by the hands
Of a lady who loved our land.
And when first I was raised on high,
I looked out over the rolling hills
And mountain peaks and said,
Blessed be this glorious nation!

Each morning thereafter,
The sun would kiss my thirteen stars,
And send her warmth rippling through
My fields of red, white and blue.

Each day, those who made it possible
That I become our nation's symbol
Paused beneath me
In silent allegiance.

When I say allegiance, Joey,
It was not really to me,
But to your valiant forefathers
Who cleared and cultivated
This once hostile wilderness.

As they stood beneath me
And pledged proudly their allegiance,
They were in effect,
Pledging their gratitude to those
Who made me a reality.

It seemed,
That I was to be for them
The saga of their struggles,
Their heartaches, their desires
And their goals.
Now Joey, this very day,
Some Americans burn me, kick me,
And tear me to shreds.
With malice, they are desecrating
America herself.
At the sight of all this,
My future vanguard of freedom,
I cry out,
Shame, you ungrateful sons of America
Shame, for you have dishonored me.

These contemptible Americans,
By their very actions,
Tarnish the memory of all those
Who fought and died
On the many blood stained battlefields.

I was there, Joey,
At every battle.
Many times I fell from the
Hands of a fallen Knight of Freedom.
And as I lay there motionless,
Their blood seeped deeply
Into my stars and stripes.

Time and time again
As the battle roared on,
One of the on rushing brave
Would pick me up.
As I proudly fluttered in the wind,
I cried out, God, God of this Universe,
Bless Thy fallen sons
Who gave, so that I
Again could rise.

Old Glory pauses a moment.
Her stars look deep into Joey's eyes.
"Joey, My Joey, please hear me,
Why do you cry?
You must be brave and strong."

Moments pass, and I cry out
In the silence of the morning,
"My flag, My flag,
How ashamed I am
For the actions of my generation."

Gently I place my hand
Over my heart and say,
"To you my star-spangled gem
I solemnly make this pledge:

I pledge, Old Glory,
That from this day forward
I shall, with devotion,
Go forth
Among the youth of this nation,
Cultivating the rebirth
Of a new and more dedicated
Generation.

A generation that will arise
With a far greater determination
Than ever before,
To sow the seeds of understanding
And rededication.
We, by our actions,
Shall let it be known to all
That we, the youth of America,
Are the self-ordained caretakers
Of this vineyard of hope.

My flag, I further pledge,
That this generation I speak of
Shall be guided by the motto
"That our nation is indivisible;
And will remain,
America the Beautiful, forever!"

Old Glory then began to wave.
Her stars which were dulled
By sadness,
Began to glitter.
"O Joey,
Go Forth, my standbearer, forever
With this pledge in your heart."

So now my fellow Americans
From this day forward,
When you see me,
See in me, not just youth,
But the life-line of hope
That shall nourish this great Citadel—
The United States of America.

And when I speak,
Listen to my heralding message,
That work, sweat, and unity
Shall rebuild this torn nation.

Hear me when I say,
That prayer is America's answer.
That prayer is our bridge
Spanning the infinite distance
Between earth and Heaven.
Prayer shall guide us on
As we travel the highways
Of life,
Carrying the torch of Liberty.

As I speak to you of prayer,
When and if you choose to pray,
Pray for me
And for all the Joeyes in America;
Asking God's blessing
And Guidance,
In our quest for a better America.

The Abuse of the Tax-Exempt Industrial
Bond Hurts Everybody

HON. GAYLORD NELSON

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. NELSON. Mr. President, before the Congress can even begin to decide matters of raising taxes, it must consider and remove those loopholes which cost the Treasury and the public disgraceful amounts of money.

I refer to the ever-increasing use of tax-exempt municipal bonds to finance

industrial enterprises—another tax loophole for corporations to use the credit of municipalities for tax windfalls.

With more than 40 States offering this municipal industrial financing, it is obvious that the decision to locate a plant in a particular locale will be motivated by other economic considerations, not the availability of this type of financing.

When only a few States authorize the issuance of these bonds, they obviously received great benefit at the expense of everyone else, but under present conditions 40 States are diluting the value of the tax-exempt market with no economic justification or return.

Last year there was issued \$1.4 billion of municipal industrial bonds compared with $\frac{1}{2}$ billion the year before. Further dramatic evidence of the impact that this perverse use of tax exemption is having on the municipal market can be measured by the fact that for the last quarter of 1967 for the first time, municipal industrial financing was the largest single use of proceeds of newly issued State and local debt.

This total exceeded even the combined debt issued to finance elementary, secondary, college, and university projects during this 3-month period.

In addition, the \$1.4 billion for 1967 was greater than all the municipal bonds sold to improve roads, bridges, and tunnels for the entire year and just slightly less than the \$1.8 billion of bonds sold for the entire year for sewer and water projects.

Indeed, this is a national disgrace when major corporations around the country are rushing to use up the available limited municipal credit which could be used for essential public improvements.

In the opinion of market experts, the large volume of municipal industrial bonds last year had the effect of raising interest rates on normal municipal bonds from $\frac{1}{4}$ to $\frac{1}{2}$ percentage point. Last year the States and municipalities issued approximately \$13 billion of normal public improvement municipal bonds.

Based upon the above estimates, the taxpayers of the United States will have to pay over the life of the bonds issued last year approximately $\frac{1}{2}$ billion in excess interest costs.

I was heartened by the U.S. Treasury Department's announcement that they would finally impose a ruling restricting the abuse of these bonds.

I hope that they will persist and enact this move regardless of the pressure on them not to do so. It is important to the entire bond system, to the Treasury, and to the very tax system which affects us all.

I realize that this is not the end of the battle. The excise tax bill contains a rider that I hope the Senate will defeat.

Mr. President, I ask unanimous consent that several editorials and articles and some important information which sums up many of the details, now clouded by many side issues, be reprinted in the RECORD at this point.

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

CXIV—469—Part 6

[From the Post-Crescent, Mar. 16, 1968]

END TO TAX EXEMPT INDUSTRIAL BONDS

The Treasury Department has announced its intention to change a rule which has granted tax exempt status to bond issues sold by local governmental units for the purpose of industrial development, a change which would be a reversal of a rule which has stood since 1954.

The department decision will have particular meaning for Wisconsin municipalities and counties, which have been laboring under the handicap of competition from such financing plans in other states. In 1965, the legislature authorized Wisconsin counties to issue such bonds, and a few counties, including Outagamie County, have organized development corporations as a first step toward this type of financing. But the Wisconsin type of bond has never received approval from the Treasury Department, probably because of the change in attitude which was taking shape and which now has resulted in the decision to change the tax exempt rule.

But in the meantime, Wisconsin has faced the unfair competition from these bonds issued in other states. Forty-one states now allow the issuing of such bonds.

There have been periodic attempts to end the tax exempt status of such bonds in the form of legislation. The latest bill with this objective introduced by Rep. John Byrnes of Green Bay, the ranking Republican of the House Ways and Means Committee which has jurisdiction over tax matters, was endorsed by the Treasury Department. The subsequent decision to try to achieve the same thing through a change in tax rules probably is a frank recognition of the political facts of life since most of the states now are using this financing device in competition for industrial development. Rep. Wilbur Mills, chairman of the Ways and Means Committee, is from Arkansas, one of the leading states in use of these bonds.

As Rep. Byrnes has pointed out repeatedly, the tax exempt status given such bond issues means that there is not only unfair competition among the states in industrial development but that taxpayers from states like Wisconsin also are picking up the tab for lost revenues.

The totals of such bond issues no longer make the question one of an insignificant nature, if it ever was. The national total of such bond issues has increased from \$70 million in 1960 to \$1.4 billion last year.

Added to the normal annual increases in public works bond issues, the industrial development bonds are causing an added tax cost at the local level in another way. The gush of industrial development bonds has served to drive up interest rates on public works bond issues because of the competition for money.

The basis for the tax exempt status of public works bonds is that they are obligations of municipal taxpayers in most cases, in contrast, the industrial development bonds are retired from annual land or building payments of firms whose plants have been financed through the less costly means of local government borrowing. The use of this device to lure industry has been well documented.

The Treasury Department is on the right track in changing the tax exempt rule, though it is expected to face a federal court challenge. The present rule has resulted in unfair competition to states like Wisconsin, is based on the faulty premise that industrial development bonds are a taxpayer obligation, and is resulting in the loss of a potential source of federal revenue.

[From the Stevens Point (Wis.) Daily Journal, Mar. 12, 1968]

TAX-EXEMPT PRIVILEGE

An estimated \$1 billion in tax-exempt bonds were issued last year by state and local

governments to finance industrial facilities.

In the next several years, the financial offerings are expected to reach as high as \$3 billion as more government bodies use this device to lure industry from other sections of the country. Although the White House has endorsed repeal of the tax exemption, Congress understandably has been cool to the idea because 41 states now authorize so-called industrial revenue bonds.

Wisconsin is not one of the 41, and this has been recognized as an important factor in industrial development efforts. It is a disheartening blow when Wisconsin industries have decided to expand by building a new plant or a branch operation in one of the states that can offer such a private pact. We also lose prospects contemplating moving into Wisconsin when they choose to locate where this tax advantage is offered. The cut-throat competition in this respect presents a strong temptation to either get into that degrading sort of dogfight, or work for federal rules to equalize the competition among the various states.

With the chances of Congress moving seemingly remote, the Treasury reportedly is now considering acting through administrative ruling to end the tax advantage. The Treasury's own agency, the Internal Revenue Service, established the tax-exempt status of these bonds in a 1954 decision. Now the original ruling has been opened to challenge.

Secretary of the Treasury Fowler would prefer to have Congress do the repealing instead of the Treasury. Obviously, Treasury action would not be without political risk.

[From the Washington (D.C.) Post, Mar. 22, 1968]

A TAXPAYERS' MATTER?

This is the first time that this taxpayer has complained about being taxed more heavily so that the government can subsidize others. I am glad to have some of my tax dollars used to help the unfortunate and needy. I don't even complain when my money is used to help shaky business firms that don't have access to the capital markets and might otherwise fail. I can even see the point of using my money to subsidize firms to industrialize some of the backward areas in Arkansas, Alabama or Mississippi.

However, my patience is now being strained. Could you tell me why I should pay more taxes to enable some of our leading corporations to finance themselves cheaply through tax-exempt bonds issued by cooperating municipalities and public authorities which assume no responsibility whatever for either principal or interest? Total issues of some \$200 million of these bonds were recently announced on one day. They were for the benefit of such worthy firms as U.S. Steel, Spring Mills Inc., Ashland Oil and Refining Co., Chicago and Northwestern Railway, Courts & Co., Reliance Electric and Engineering Co., Iowa Beef Packers, Inc., Sweetheart Plastics Inc., American Automatic Vending Corp., and Eastern Stainless Steel. Some of the funds will indeed be used to build plants in underdeveloped states. But are Delaware, Illinois, Ohio, Michigan, Nebraska and Iowa in this category?

These are indeed worthy firms, and their stockholders are undoubtedly worthy people. But why should we taxpayers subsidize them? Have they demonstrated need or some special merit? Have they promised to reimburse taxpayers by lowering the prices of their products? In this process, are we getting more efficient locations of industries, or less efficient?

Perhaps you or your readers can provide information which will make this form of subsidy seem reasonable. In the meantime, I can only say that the whole process is cockeyed, if not scandalous, and those members of Congress who want to perpetuate it must not have thought the thing through.

INCREASE IN MUNICIPAL INTEREST RATES BECAUSE OF THE LARGE VOLUME OF MUNICIPAL INDUSTRIAL FINANCING

The following is a summary of a panel discussion at the Investment Bankers Association's Convention in December 1967 as reported by the Daily Bond Buyer and other news media. The speakers on this panel were:

Marsom B. Pratt, Partner, Estabrook & Co., Boston.

Truxton B. Pratt, V.P., Bankers Trust Company, New York.

Alan Weeden, President, Weeden & Co., New York.

Brainerd Whitbeck, Sr., V.P., The First Boston Corporation, New York.

Alan Browne, Sr. V.P., Bank of America, N.T. & S.A., San Francisco.

William Simon, Partner, Salomon Brothers & Hutzler, New York.

DeWitt Hornor, Vice Pres., First National City Bank, New York.

"This past year's mammoth increase in the issuance of tax-free industrial aid bonds in behalf of private business (from \$500 million in 1966 to \$1.3 billion in 1967) has raised the cost of local government borrowing on full-faith-and-credit bonds by about 1/4 of 1 per cent, and the cost of other local government borrowing by perhaps twice that much, according to estimates made at the Convention of the Investment Bankers Association.

"It was further pointed out that the financing of the ordinary needs of local government—public safety, sanitation, transportation and education—is causing an annual net increase in the supply of municipal and other local government bonds of from \$6 to \$7 billion a year. If this net supply is to be swelled by another \$1 to \$2 billion a year of tax-free industrial aid financing, the tax-exempt part of the bond market will be overstrained, and will have to give ground

for higher borrowing costs for all local government functions.

"When asked by reporters what might be the market impact of a projected future annual supply of \$4 billion or more of tax-free industrial bonds, the panel hazarded the opinion that the rise in cost already attributable to the industrial aid bond conceivably might be tripled. This might raise the average cost of long-term local government borrowing—a cost, say, of about 4 1/2 %—by as much as 150 yield basis points, that is, to a cost of 5 1/2 %. The market specialist stressed that if related to the rise in standard market yield indices—such as the Bond Buyer's Index of 20 bonds—from 20 to 25 basis points of the rise is a consequence of tax-free industrial financing. However, most of the yield rises registered by the standard indices reflect the shifts in market value of standard full faith, and credit bonds secured by the taxing power of local government.

"It was explained that the market impact of the industrial aid revenue bond is felt more drastically by the large supply of tax-

exempt bonds that are secured by special revenues, such as road and bridge tolls and water and other utility charges, probably the present structure of market yields reflects an increase of 50 basis points attributable to the mounting volume of tax-free industrial aid financing.

"Special emphasis was given by the panelists to the investment demand side of the market. It was noted that the big growth in investable savings is taking place in pension funds, institutions that, being tax exempt themselves, have little interest in buying bonds coming to market with interest coupons shrunken because the income is tax exempt.

"If the tax-exempt part of the market is thus forced increasingly to absorb financings that otherwise would find placement in the only part of the market where investable funds are growing, two questions must arise: (1) Who will buy the swollen new supply of tax-exempt bonds? and (2) On what cost terms?"

NOTE.—The above quotes were taken from the Weekly Bond Buyer of December 11, 1967.

INDUSTRIAL AID FINANCING BY TYPE OF ISSUER, 1956-67

[Dollar amounts in millions]

Year	States and statutory authority		Counties		Municipalities and townships		Special district		Total	
	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number
1956			\$285	2	\$1,236	7			\$1,521	9
1957	\$34	1	1,295	4	5,253	14	\$750	1	7,332	20
1958	15,000	1	1,605	7	5,470	21	2,976	12	25,051	41
1959			2,815	8	22,623	21	2,568	8	28,006	37
1960	402	2	6,925	8	24,348	28	9,496	17	41,171	55
1961	17,915	5	18,471	7	32,742	22	2,643	11	71,771	46
1962	36,105	9	2,877	7	40,260	40	5,175	10	84,417	66
1963	25,028	9	5,287	13	101,295	43	1,875	4	133,485	69
1964	41,232	19	16,150	16	131,070	46	3,885	9	192,337	90
1965	121,850	35	13,112	11	75,032	39	1,937	6	211,931	91
1966	207,356	35	46,477	28	243,778	57	2,542	4	500,153	122
1967	599,760	59	214,632	36	572,641	82	3,500	5	1,390,533	184

INDUSTRIAL AID FINANCING BY STATE, 1956-66

[Dollar amounts in millions]

Year and State	General obligation		Revenue		Total	
	Amount	Number	Amount	Number	Amount	Number
1956						
Arkansas	\$300	1			\$300	1
Kentucky			\$110	1	110	1
Mississippi	1,111	7			1,111	7
Total	1,411	8	110	1	1,521	9
1957						
Alabama			3,237	3	3,237	3
Kentucky			34	1	34	1
Louisiana	850	3			850	3
Mississippi	2,611	11	600	2	3,211	13
Total	3,461	14	3,871	6	7,332	20
1958						
Alabama			670	2	670	2
Kentucky			1,175	2	1,175	2
Louisiana			225	2	225	2
Mississippi	7,431	32			7,431	32
Puerto Rico			15,000	1	15,000	1
Tennessee	350	1	200	1	550	2
Total	7,781	33	17,270	8	25,051	41
1959						
Alabama			405	2	405	2
Arkansas	535	2			535	2
Kentucky			19,401	4	19,401	4
Louisiana	200	1			200	1
Mississippi	6,715	27			6,715	27
Tennessee	750	1			750	1
Total	8,200	31	19,806	6	28,006	37
1960						
Alabama			402	2	402	2
Arkansas	3,528	2	3,000	1	6,528	3
Kentucky	700	1	7,815	7	8,515	8
Mississippi	19,496	38			19,496	38
New Mexico	4,480	1			4,480	1
Pennsylvania			500	1	500	1
Tennessee	1,250	2			1,250	2
Total	29,454	44	11,717	11	41,171	55
1961						
Alabama			\$25,915	3	\$25,915	3
Arkansas	\$754	2	1,050	2	1,804	4
Kentucky			3,700	1	3,700	1
Mississippi	6,393	26			6,393	26
Oklahoma			2,000	1	2,000	1
Puerto Rico			15,000	2	15,000	2
Tennessee	2,384	7	14,575	2	16,959	9
Total	9,531	35	62,240	11	71,771	46
1962						
Alabama			28,955	7	28,955	7
Arkansas			7,396	3	7,396	3
Delaware	2,000	1			2,000	1
Kentucky	1,150	2	9,590	9	10,740	11
Louisiana			9,200	1	9,200	1
Mississippi	9,706	28			9,706	28
New Mexico			900	1	900	1
North Carolina	500	1			500	1
Oklahoma			500	1	500	1
Tennessee	3,480	7	11,040	5	14,520	12
Total	16,836	39	67,581	27	84,417	66
1963						
Alabama	582	3	15,770	7	16,352	10
Arkansas	18,417	7	9,165	4	27,582	11
California	365	1			365	1
Delaware	658	1			658	1
Georgia			8,500	1	8,500	1
Kansas			125	1	125	1
Kentucky			53,703	10	53,703	10
Louisiana	25	1			25	1
Mississippi	7,420	19	2,000	1	9,420	20
Missouri			5,000	1	5,000	1
Nebraska			1,750	1	1,750	1
Oklahoma			500	1	500	1
Tennessee	2,105	7	7,400	3	9,505	10
Total	29,572	39	103,913	30	133,485	69

INDUSTRIAL AID FINANCING BY STATE, 1956-66—Continued

[Dollar amounts in millions]

Year and State	General obligation		Revenue		Total	
	Amount	Number	Amount	Number	Amount	Number
1964						
Alabama.....	\$125	1	\$63,672	18	\$63,797	19
Arizona.....	22,250	1			22,250	1
Arkansas.....	5,360	2	43,566	4	48,926	6
Georgia.....			4,785	4	4,785	4
Kansas.....			1,450	2	1,450	2
Kentucky.....			14,545	12	14,545	12
Michigan.....	520	1	450	2	970	3
Mississippi.....	9,530	24	4,600	4	14,130	28
Missouri.....	3,940	5			3,940	5
Nebraska.....			7,000	1	7,000	1
Pennsylvania.....	5,000	1			5,000	1
Tennessee.....	1,940	4	400	1	2,340	5
Washington.....			600	1	600	1
West Virginia.....	674	1	1,930	5	2,604	2
Total.....	49,339	40	142,998	50	192,337	90
1965						
Alabama.....			153,810	30	153,810	30
Arkansas.....	525	2	6,510	5	7,035	7
Florida.....			10,110	2	10,110	2
Georgia.....			805	2	805	2
Kansas.....	44	1	1,150	2	1,194	3
Kentucky.....			20,845	19	20,845	19
Mississippi.....	6,375	16			6,375	16
Missouri.....	4,800	3	2,550	2	7,350	5
North Carolina.....	575	1			575	1
Oklahoma.....	2,042	2	125	1	2,167	3
Tennessee.....	1,665	3			1,665	3
Total.....	16,026	28	195,905	63	211,931	91
1966						
Alabama.....	150	1	91,356	22	91,506	23
Arkansas.....	1,568	4	46,000	1	47,568	5
Delaware.....			52,000	2	52,000	2
Georgia.....			51,000	8	51,000	8
Iowa.....			65,000	2	65,000	2
Kansas.....	850	1	10,605	6	11,455	7
1966—Continued						
Kentucky.....	\$1,950	2	\$105,515	22	\$107,465	24
Louisiana.....	450	1	750	1	1,200	2
Maryland.....			5,250	2	5,250	2
Michigan.....	1,190	1			1,190	1
Mississippi.....	8,935	22	6,130	7	15,065	29
Missouri.....	750	2	8,500	1	9,250	3
Nebraska.....			7,800	4	7,800	4
Oklahoma.....	1,997	2	5,100	2	7,097	4
Tennessee.....	1,507	5	1,800	2	3,307	7
West Virginia.....			24,000	1	24,000	1
Total.....	19,347	41	480,806	83	500,153	124
1967						
Alabama.....	600	1	252,960	33	253,560	34
Arkansas.....	3,721	4	111,000	5	114,721	9
Delaware.....			17,200	2	17,200	2
Georgia.....			86,700	10	86,700	10
Iowa.....			85,000	4	85,000	4
Kansas.....			34,824	14	34,824	14
Kentucky.....	613	2	163,500	30	164,113	32
Louisiana.....	2,000	1	51,350	3	53,350	4
Maryland.....			12,000	1	12,000	1
Michigan.....	820	1	55,300	3	56,120	4
Minnesota.....			950	1	950	1
Mississippi.....	132,600	10	22,335	8	154,935	18
Missouri.....	525	2	12,225	5	12,750	7
Nebraska.....			15,100	3	15,100	3
Ohio.....			131,450	12	131,450	12
Oklahoma.....	7,010	4	9,500	1	16,510	5
Puerto Rico.....			20,000	1	20,000	1
South Carolina.....			37,890	4	37,890	4
Tennessee.....	760	2	87,150	10	87,910	12
Texas.....			1,850	1	1,850	1
Virginia.....			11,300	2	11,300	2
West Virginia.....			2,300	1	2,300	1
Wyoming.....			20,000	1	20,000	1
Total.....	148,649	27	1,241,884	155	1,390,533	182

CASE AGAINST MUNICIPAL INDUSTRIAL FINANCING

THE NATURE OF THE PROBLEM

The growing use of industrial development bonds is a major financial problem. These bonds are costing all state and local government—both of those which use them and those which don't—many millions of dollars each year. Paralleling this growth has been a decline in the usefulness of these bonds in the states that authorize them with the result that much of the added cost borne by all states and municipalities is simply wasted. Since the rapid growth in the use of industrial development bonds is occurring at a time when our state and local governments are confronted with ever-increasing demands to provide additional services and facilities for their citizens, it is vital that the economic realities of industrial development bond financing be understood and that steps be taken to eliminate this costly device.

THE COST OF INDUSTRIAL DEVELOPMENT BONDS

Superficially industrial development bonds are cost free. A municipality issues revenue bonds to finance a factory which is rented to a private corporation and the rental payments are geared to cover interest and principal payments on the bonds. In some cases the municipality may provide for payments in lieu of local property taxes and thereby further eliminate any direct costs associated with the transaction. Since the revenue bonds are exempt from Federal income tax, the corporation benefits because the rental payment needed to cover interest on the bonds are lower and the municipality may benefit from a new industry that might have located elsewhere. The sole cost would appear to be limited to the Federal revenue loss. However, this analysis overlooks a vital aspect of the transaction. The bonds are sold in the tax exempt bond market and compete with school bonds, water and sewer bonds, and other governmental purpose bonds for the same limited supply of funds.

The benefits state and local governments receive because of the Federal tax exemption of the interest on their bonds is dependent on

the fact that tax exempt bonds are a unique exception and that most bonds—both corporate and Federal—are fully subject to Federal income tax. As more industrial development bonds are issued the interest rate on all tax-exempt bonds must increase in order to make the total supply of exempt bonds attractive to lower bracket taxpayers. Moreover, in recent years some of the largest industrial corporations in the nation have used industrial development bonds and many of our smaller state and local governments find themselves severely handicapped when they are forced to compete for funds in the same limited market against these corporations.

It has been estimated that in recent years that the increase in normal state and local government bonds outstanding has been growing at the rate of \$6.5 billion annually. In 1967 over \$1.3 billion of industrial development bonds were added to this normal demand for new funds with the obvious result that the interest rates that state and local governments had to pay on bonds issued to finance governmental functions were higher than they need be—between $\frac{1}{4}$ and $\frac{1}{2}$ of 1 per cent higher. This, of course, means increased property taxes, sales taxes and state income taxes.

Thus, it is clear that industrial development bonds are not cost free to state and local governments. In fact, they are very expensive and their cost is mounting dramatically each year—a cost which must be borne by all state and local governments not just those that issue the bonds.

THE USEFULNESS OF INDUSTRIAL DEVELOPMENT BONDS

Prior to 1960 when industrial development bonds were authorized in only 13 states, they were a useful means of attracting industry. Today over 40 states have authorized the local use of such bonds. With this number of states offering industrial development bonds as an inducement to industry, it is evident that such bonds no longer offer one state an advantage over its neighbors, and the usefulness of the bonds as a means of attracting industry has disappeared.

These facts highlight the dilemma con-

fronting all our state and local governments today. On one hand, since a corporation seeking tax exempt financing has over 40 states to choose from, it is clear that industrial development bonds no longer serve as a method of attracting industry to any particular state. On the other hand, it is equally clear that no state can afford to end this abuse in its area unilaterally for fear of losing industry to another state. This means that industrial development bonds will continue to be issued in ever increasing amounts even though they have ceased to be an advantage to the issuing state, and in fact, have vastly increased the cost of providing legitimate state and local services in all states.

THE SOLUTION

Any solution to the problem of industrial development bonds must exhibit two characteristics: It must end their use and it must do so simultaneously in all the states that authorize them. This means that either 40 state legislatures must enact uniform legislation at the same time or else the Federal Government must be relied upon to enact a uniform law eliminating such bonds. Although many might prefer state action on this question, as a practical matter Federal legislation such as S. 2635, a bill pending before the Finance Committee of the United States Senate, is the only viable method of eliminating industrial issues from the exempt bond market. Moreover, in view of the rapidly rising interest rates on tax exempt bonds that is occurring today, it is vital that action to remove this added pressure on the market be taken promptly.

AUTHORIZATION FOR MUNICIPAL INDUSTRIAL FINANCING, REVISED MARCH 15, 1968

Legislation authorizing the issuance of municipal bonds (in New York bonds only of a state development agency) to finance industrial plants to be leased to private companies has been adopted in the following 38 states (to the best of our knowledge as of this date, no bond issues in the states marked with an "x" and six or fewer issues in the states marked with an "*"):

Alabama	Montana X
Arizona*	Nebraska
Arkansas	Nevada X
Colorado X	New Mexico *
Delaware *	North Carolina X
Georgia	North Dakota X
Hawaii X	Ohio
Illinois X	Oklahoma
Iowa *	Oregon
Kansas	Pennsylvania X
Kentucky	Rhode Island
Louisiana	South Carolina *
Maine X	South Dakota
Maryland *	Tennessee
Massachusetts X	Utah X
Michigan *	Vermont X
Minnesota *	Virginia *
Mississippi	West Virginia *
Missouri	Wyoming *

In the list of states where municipal industrial financing for industrial plants has been authorized we have omitted the following states for the indicated reasons:

Alaska—because there is no specific authorizing legislation but the constitution authorizes cities to exercise all powers not prohibited to them.

Washington—because the legislation permits port districts created by counties to establish industrial development districts only to develop land use and advance credit.

Wisconsin—because the legislation authorizes the issuance of bonds only for the purchase of land for use as industrial parks.

CURRENT ACTIVITY OF STATE LEGISLATURES ON THIS SUBJECT

Texas—Bill passed State Legislature. Voters will need to pass a constitutional amendment at next general election.

Florida—Legislation introduced.

Some pressure to revise and expand the Illinois law to make it more comprehensive.

TAX EXEMPT CORPORATE BONDS: A TAX ABUSE

Municipal industrial financing—the sale of tax exempt municipal bonds for the benefit of private profit corporations—is seriously impairing the functioning of the municipal bond markets. Since the primary benefits arising from the issuance of municipal industrial bonds accrue to the specific corporation involved, these securities properly might be called tax exempt corporate bonds.

Municipal industrial bonds (tax exempt corporate bonds), offering as they do yields in excess of 5½% for indirect obligations of corporations, some of which enjoy high credit ratings, have undeniable appeal to the buyer ever conscious of yield and have exercised a noticeably unfavorable effect on the price structure for normal municipal issues. The added volume and high interest rates of these hybrid bonds threaten the ability of many municipalities to borrow for schools, hospitals, roads and other long-accepted public benefit purposes. Furthermore, the use of this financing vehicle threatens the Federal-State political balance unique to America as well as government-free enterprise relationships.

It is argued that tax exempt corporate financing benefits the small depressed areas of our country seeking employment and income for their citizens. This argument may have had some justification thirty years ago, but the facts belie its validity today. The majority of recent municipal industrial bond issues have benefited not the small less fortunate community and the small struggling business but rather the big and powerful companies and the large affluent communities with built-in resources, facilities and manpower. Thus, those small towns and cities that may have once benefited from tax exempt corporate financing may now be harmed by the same device.

Borrowing through the sale of tax exempt corporate bonds to finance industrial plants for private companies has escalated one hundred fold since the early 1950's, when the

annual totals of these offerings rarely exceeded \$10 million, to an estimated \$1 billion in 1967. At this rate of increase, the total annual volume may very well reach several billion within the next few years.

As recently as 1963 municipal industrial bond offerings amounted to but 1% of total new state and municipal tax exempt financing. In 1966 these issues accounted for 5% of the total, and in a one-month period late in 1967, they reached an alarming 13%.

HIGHER RATES FOR PUBLIC PURPOSES

The sharp jump in volume has contributed substantially to the financing problems faced generally by the nation's communities in these times of rising demand for public improvements in the face of higher interest rates. Without doubt the increased volume of tax exempt corporate issues has resulted in states and municipalities paying substantially higher rates to borrow for normal public purposes. For example, it was estimated by several market experts that the recent \$55 million bond issue by the Fairfax County Water Authority carried a rate of interest of approximately ¼ to ⅜% higher than that which would have been necessary if at the same time Crossett, Arkansas, had not issued \$75 million tax exempt corporate bonds at an interest rate of 5½%. This meant that the Fairfax County issue had to carry a rate of interest in excess of 5% rather than approximately 4¾% to compete for investors with the 5½% rate offered by Crossett. Over the life of the Fairfax County Water Authority issue, the citizens of Fairfax County will be required to pay approximately \$3 to \$4 million in unnecessary excess interest cost. Paradoxically it has been estimated that this new \$75 million Crossett facility will produce only 140 permanent new jobs.

In many instances soaring interest rates caused by competition for investment funds have compelled communities to postpone or cancel financing plans for schools, water works, sewage systems and airports.

In recent years, the use of tax exempt industrial financing by states and municipalities has become a more important aspect of the highly-competitive contest between states to attract industry. Between 1936 and 1950 only Mississippi and Kentucky strained by the basic problem of little industry and surplus labor, issued tax exempt corporate bonds. During the 1950's, 21 other states adopted enabling legislation and issued bonds. Despite this national trend, until a few years ago, 90% of all industrial aid bond sales originated in a few southern states. The fact that many corporations closed plants in northern states and moved into new southern facilities financed with tax exempt bonds forced mid-central and northern states to go on the offensive in the use of industrial inducements, particularly tax exempt corporate bonds. The battle was joined in earnest in 1966. Consequently, during the first half of 1967, non-southern states accounted for nearly \$287 million in municipal industrial financing or more than half the total for that period. Incidentally, two of the biggest projects—one for \$140 million planned for 1968, the other for \$70 million marketed in 1967—are substantially for the benefits of companies outside the United States.

EARLY FEARS REALIZED

Clearly, the long-standing fears of those who have opposed municipal industrial financing for private companies as an abuse of tax exemption have been realized.

Early opposition to the use of tax exempt corporate bonds was based on the predictions that (1) the practice would spread to all states and be self-defeating; (2) competition for investment funds would adversely affect interest rates on municipal bonds issued for public projects; (3) the abuse of tax exemp-

tion for borrowing on behalf of private corporations would lead to attacks on the right of local government to issue tax-exempt bonds for any purpose. All of these predictions have become a reality.

As early as 1951 the Board of Governors of the Investment Bankers Association adopted a resolution to discourage the use of tax exempt municipal bonds for the financing of industrial or commercial facilities to be leased to private companies, a position which has been reaffirmed many times. The IBA view has received strong public support from industrial and labor leaders, members of Congress, finance officers of municipalities, the press, and, indeed, by states which for their own protection, against their basic convictions, have been forced into the use of municipal industrial bonds by the intense interstate rivalry for industrial development.

CONGRESSIONAL ACTION NEEDED

Obviously, strong remedial action is demanded. Within the framework of state versus state competition in the field of industrial development, it is not practical to expect corrective action on the state level. Furthermore, the courts have consistently upheld state constitutional amendments designed to allow municipal industrial financing. Realistically then, only Congress can and must find a remedy. Two legislative actions offer an acceptable solution: (1) to deny deductions as a business expense for any amount paid to a governmental unit by a private company for occupancy of an industrial facility financed by tax exempt bonds, as well as to eliminate the collateral tax advantages of the investment credit and depreciation allowances; (2) legislation to provide that industrial development bonds are not to be considered obligations of states and local governments, the interest on which is exempt from Federal income tax. The Investment Bankers Association prefers the first of these legislative remedies but supports the second if the Treasury chooses to move in that direction.

With a view to clarifying public understanding of municipal industrial financing, a series of questions and answers is set forth below.

QUESTIONS AND ANSWERS

Q. What are tax exempt corporate bonds or municipal industrial bonds?

A. Bonds issued by a state or local government to finance the construction of industrial plants for occupancy by private corporations. The interest on such bonds is exempt from Federal income taxes. The municipally-owned plant is then leased to the private company, often fully equipped, and the rental payments to the municipality are used to meet the interest and amortization requirements of the bonds.

Q. Why are municipal industrial bonds regarded as an abuse of tax exemption?

A. The right of state and local government to issue tax exempt securities was not intended:

(1) To permit corporations to gain tax advantages at the expense of other taxpayers.

(2) To permit private corporations to drain investment funds away from schools, hospitals and other public benefit needs.

(3) To permit the transfer of traditionally taxable corporate bond financing to tax exempt financing.

Q. What extra burden have municipal industrial bonds imposed on the taxpayer?

A. Higher taxes:

(1) Increased competition for investment funds results in higher interest rates which communities must pay to borrow money for proper public needs such as schools, hospitals, public recreation facilities, streets, sewers, etc.

(2) Industrial plants financed through municipal industrial bonds generate increased requirements for water and sewer works,

roads and schools. Since these plants are nominally owned by local government, they are exempt from direct property taxes. Unless reasonable in-lieu-of-tax payments are made, the burden of financing accompanying public facilities will fall to a major degree on existing taxpayers.

(3) The loss of Federal taxes on interest income from industrial bonds is a subsidy to a private corporation at the expense of all other taxpayers.

Q. In what way does municipal industrial financing pose a threat to the political and financial independence of the states?

A. The tax exemption of interest on state and local debt is a keystone in our dual or federal system of government. It has enabled states and municipalities to borrow at interest costs well below those of the Federal Government. If this advantage is lost through excessive abuse of tax exemption, local government will be tempted to surrender tax exemption in exchange for guaranties or subsidies by the Federal Government, which would tend to bypass existing state control. Furthermore, broad abuse of the right to issue tax exempt bonds may be the door to the successful attack on tax exemption by those who oppose it.

Q. How does tax exempt corporate financing hurt the free enterprise system?

A. (1) A reliance by industry upon state and municipal financing of facilities for manufacture and trade is a betrayal of the free enterprise system, a step toward encouraging government ownership. Without doubt, government ownership of the productive facility is a great step toward government ownership and operation of such facilities.

(2) Expansion of this type of financing will (a) curtail and discourage private ownership, and (b) cause location of plants to be determined by political rather than economic consideration.

Q. In what other ways have tax exempt corporate bonds proved damaging to the public interest?

A. (1) Municipal industrial bonds have given some companies the unfair advantage of borrowing under the guise of government, a transparent practice that erodes the traditional American concept of free and fair competition.

(2) In various cases, they have created unemployment problems in communities when companies closed plants to move into community-financed plants in other areas.

(3) By draining funds from the available investment supply, they have increased financing cost or have caused the postponement or cancellation of many municipal projects needed for public use.

(4) Real estate tax concessions, which are one of the major considerations in the decision to occupy a municipally-owned industrial plant, often attract companies of questionable long-range benefit to a community. Extensive studies have been made of the factors which the best companies weigh in making a location decision. Taxes very often are not the most important consideration.

Q. What will be the impact of billions of dollars of tax exempt corporate bonds on the municipal bond market?

A. The net increase in normal tax exempt securities is about \$7 billion each year. Several billion of tax exempt corporate bonds would mean that 25% more bonds would have to be absorbed by a market which is already under a strain. The market for tax exempts is far from unlimited. Substantial expansion of the market can only be accomplished by radical changes in interest levels which would drastically affect the value of tax exempts outstanding and load additional debt service burdens on our communities and states.

Q. Who are some of the people who have condemned municipal industrial financing?

A. (1) From Congress: Numerous U.S.

Senators and Representatives from both sides of the aisle.

(2) Federal officials: Vice President Hubert Humphrey; Henry H. Fowler, Secretary of the Treasury; Manuel F. Cohen, Chairman of the Securities and Exchange Commission; Douglas Dillon, former Secretary of the Treasury.

(3) State officials: Raymond P. Shafer, Governor of Pennsylvania; Arthur Levitt, State Comptroller of New York; Edwin Gill, State Treasurer of North Carolina, North Carolina Legislature; Bert A. Betts, former State Treasurer of California; Municipal Finance Officers Association.

(4) From labor: I. W. Abel, President, United Steel Workers, and Frank Fernbach, economist for the AFL-CIO.

(5) From industry and finance: Frank L. Magee, Chairman of the Executive Committee of Aluminum Company of America; Carol H. Blanchard, President, Public Service Indiana; National Association of Real Estate Boards; Mortgage Bankers Association; Investment Bankers Association of America; John F. Thompson, Scudder, Stevens & Clark, Investment Counselors.

(6) The Press: The New Republic; St. Louis Post-Dispatch; Newsweek; the Daily Bond Buyer; Barron's; Decatur Herald-Review; Joseph R. Slevin in Newsday.

[From the Weekly Bond Letter, Mar. 8, 1968]

THE MUNICIPAL OUTLOOK

In this column three weeks ago and again two weeks ago we said "Beware the Ides of March" and the date is March 15th. Broadly speaking, according to Webster, it is this day and the seven days preceding it. Thus today we enter the period and from the looks of the municipal market we are in a very crucial period with no real signs pointing to any stability in the market. The *Bond Buyer* average moved this week from 4.44% to 4.49%, the highest yield level (lowest price) we have seen since April 1, 1934. And even this, in our opinion, does not represent the actual level which we would estimate should be an .05% higher at least if the composition of the index was different.

This week *The Weekly Bond Buyer* reported on the projections for the net supply and the net demands for credit during the calendar year of 1968, compiled by Salomon Brothers & Hutzler, and this should be read by everyone in our business. It is anything but encouraging for us. It indicates that we can expect pressures to be determined by political events in two areas—the Treasury debt and the volume of commercial bank credit expansion. Even with the present estimates, the residual—investments to come from individuals and investors—amounts to \$12.7 billion. And with the municipal market "the low man on the totem pole," we most certainly can expect the pressures on our market to continue throughout the year unless favorable news should develop such as hope for a solution of the Vietnam situation.

For the immediate future, we see little hope for an improvement in prices. The heavy volume of new financing in the offing (the 30-day visible supply is now \$884 million) and *The Blue List* total fairly robust and loaded with unsold balances of recent issues which will have to be sold at reduced prices, do not give much hope for any stability at present levels. We believe that the market must give further ground if we are to successfully distribute the new issues as well as the bonds now being offered.

[From the Weekly Bond Letter, Mar. 15, 1968]

PRELUDE

Speaking of riders, some interesting ones were proposed by Senators Mike Monroney of Oklahoma and Carl Curtis of Nebraska which would have halted the Treasury action

against industrial revenue bonds. The Monday idea failed by a few votes. A perusal of the people who voted against the rider showed that many Senators didn't know what they were voting on. Then, Senator Curtis who wouldn't take no for an answer and who by the way is not the greatest defender of industrial revenue bonds, insisted on having a vote taken yesterday in the Finance Committee and won. The screams of Mr. Stanley Surrey could be heard resounding through the Halls of Congress. They were still fighting it out as this is written and the fight may be just beginning. The fight was not just about industrial bonds but whether Mr. Surrey had the right to issue edicts which would deprive the States of their immunity. The tax exempt principle was at stake. All of this also gave the States time to get organized for their fight. We also had the feeling that Mr. Surrey might be becoming one of Mr. Johnson's political liabilities. For more on this subject read *POTOMAC POINTS* and *COUNTERPOINTS* enclosed. Speaking of Mr. Surrey, it is fairly well known in Washington that this highly talented tax authority is thoroughly resented by most Congressmen because of his "professorial" attitude. He is now out to prove that he can alienate just as many people on the state level. It was rumored that the IBA "Street" committee drafted by the Treasury to give their "expert" opinion was really in the employ of Dick Nixon. However, when you consider that his law firm was firmly with the states, you stopped and wondered. Maybe the "experts" were double agents. This could be because most of them certainly were not "experts." All the testimony gathered from the Treasury from the "experts" would indicate that everything should be OK with general market municipals just as soon as industrials were out of the way. It is our opinion that the municipal market will be in just as bad shape a month from now even if industrials are abolished. What the "experts" and others do not realize is that different people who do not buy the ordinary municipal bond are buying these bonds. The best story that we have heard was that the experts were checking out the IRS regulation yesterday and didn't know that the Senate Finance Committee had changed the signals until several hours after it had happened. By the way, only two members of the Finance Committee voted against the amendment.

In the meantime, at least seven industrial issues were brought to market led by an \$80 million Lorain County, Ohio issue for U.S. Steel. Our good friends at Morgan Stanley & Co. made history by getting in the business for one week and doing two important deals. Needless to say, the U.S. Steel deal was a riot. We will have more results just ahead.

THE MUNICIPAL MARKET

Financial news week was most depressing and it had its effect on the municipal market as it continued its decline to levels that have not been seen since March 1, 1934. The *Bond Buyer* Average (for which twenty 20 year general obligation bonds are used, some of which do not actually exist) moved from 4.49% to 4.62%. Such an average seemed inconceivable not so long ago. There is one thing sure that this average did not reflect what happened in the secondary market. One trader made the comment "This is the week we wish that wasn't."

The volume of new issues offered at competitive sale was particularly light with only one that was of any size. This one was for \$40,820,000 Pennsylvania State Public School Authority Revenue bonds which had to contend with the downgrading by Moody's of other Pennsylvania obligations (they do not rate these bonds) and this did not help one bit in their distribution. As we go to press there are \$31,145,000 still unsold.

The other issues of \$5 million and over with their selling efforts were as follows:

Issue	Amount	Percent sold
Peralta Junior College District, California	\$18,540,000	80
State of Maine	11,715,000	85
Plymouth Community School District, Michigan	8,500,000	66
City of Virginia Beach, Va.	7,750,000	100
Duval County Hospital Authority, Florida	7,000,000	61
Haverstraw, Stony Point, Tuxedo, etc., Central District No. 1, New York	5,100,000	42

The trading markets continued their downslide this week but at a more rapid rate. The expression "Beware the Ides of March" proved to be almost as apt a warning to bond traders as it was to Caesar. The week started with a free market in the remaining \$33 million New York States and there was active trading at 30 basis points higher yield. By Thursday most accounts with large balances had taken some action. Sales totaling \$25 million were effected by New Housing Authority account at a reduced price. The State of Hawaii account with a balance of \$13 million reduced prices the equivalent of an increase in yield of 10 and 15 basis points and produced sales of over \$2 million. The remaining \$25 million Philadelphia School Districts were sold to the highest bidders and reoffered with 25 to 30 basis points more yield. And the remaining \$13 million Prince Georges County, Maryland were marked all sold through a combination of means. The shorter bonds maturing before 1983 were sold to a trading group on a bid, the middle maturities were divided among the members and the two longest maturities were placed at a reduced price.

The brokers reported a fair amount of activity and they indicated that the bidding level declined the equivalent of an increase in yield of 15 to 20 basis points.

The dollar markets were inactive and by the end of the week many were lower by as much as 2 points. Even the new Port of New York Authority 5s which had traded one point over issue price dropped back to 99½ on the bid side.

This was the week for the last of the industrial revenue bonds until the proposed ruling of the IRS is clarified. We had \$80 million Lorain County, Ohio for United States Steel Co., \$35 million Chester County, South Carolina for Spring Mills, Inc., \$27 million City of Ashland, Ky. for Ashland Oil and Refining Co., \$16 million City of Escanaba, Mich. for Railroad Properties, Inc., a subsidiary of the Chicago & Northwestern Railway and \$12 million Town of Marlborough, Mass. for R.C.A. All of these were well received in the market.

The rating controversy broke out again this week as mentioned above. We have had many calls on our opinions and especially that of this writer. I mentioned several weeks ago that I was a member of an IBA Committee studying the problem and therefore, I am going to pass for now. Our committee is doing an intensive job with this subject and I am hopeful that we can come up with something that the industry can use as a guideline.

THE MUNICIPAL OUTLOOK

In this column of the *LETTER* in three of the last four weeks, we said, "Beware the Ides of March". We do not lay any claim to being clairvoyant but here it is today with all the uncertainties created by the events of yesterday.

Due to all the bearish news, the outlook for our market is gloomy, dismal, foreboding or whatever term you wish to apply. The late Marcus Nadler said in February, 1964 that "The municipal market is a nervous market." If our market was that way four years ago, we wonder what term he would have applied to it today. It was the secondary markets which suffered this week the most from the decline in levels as traders in their

nervous desire to reduce commitments strove to move bonds at reduced prices. We have a new *Bond Buyer Average* of 4.62% and very few now in the business can remember when it was any higher.

Fortunately the new issue calendar this week was light and will still be lighter next week. This has given a slight breathing spell in the new issue market. But with the 30-day visible supply \$876 million, the market will soon have to contend with volume and this is something it will find hard to take unless there is a change for the better in the depressing international financial situation.

"What happened? Where did they go? Have the buyers disappeared?" This is quoted from our *LETTER* of February 28, 1964. It applies today probably even more so. In times of money stringencies buyers of bonds of all kinds have a tendency to crawl in a hole and pull the hole in after them. It is the job of all of us to dig them out and convince them of the marvelous opportunities today for investment in tax-exempt securities. When the present unsettled conditions reach an even keel, those who overlook or ignore these chances will kick themselves that they did not avail themselves of such opportunities.

As for the immediate outlook we can see little hope that our market will improve. Thus we believe that the market must give further ground just as it has been doing all this week with cuts in prices the order of the day.

May we quote again from the late Marcus Nadler who said "There are more men with ulcers in the municipal market than any other."

Spring Brings Quorum Calls and Mating Songs to Capitol Hill—James Dent Adds His Timely Story

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. RANDOLPH. Mr. President, with the first day of spring barely 48 hours past, the young green of the willows faintly hazing the river banks, the winter-locked voices of the awaking frogs heard in the land, the white magnolia which will burst into bloom any moment on the Library of Congress lawn, and the turning of all the young men's fancies, I ask unanimous consent to have printed in the *RECORD* the following delightful dialog from James Dent's column in the *Charleston, W. Va., Gazette*, of March 21.

There being no objection, the dialog from Mr. Dent's column was ordered to be printed in the *RECORD*, as follows:

It may have been our Sen. Jennings Randolph. Or perhaps it was Sen. Robert C. Byrd.

Anyway the story came from Washington about one of the senators who had met with an enthusiastic lady constituent in the senate reception room. She was rhapsodizing on the glories of Washington during the spring and the senator was standing there, nodding his head and smiling. As the conversational flow continued, however, with no signs of stopping he began to grow restive, conscious of duties awaiting him.

Finally he held up his hand to check the verbal onslaught and put a hand to his ear. "I'm sorry," he said. "I thought I heard a quorum call."

"Oh I'm sure you did," gushed the matron.

"You have such lovely birds here and this is their mating season."

Mr. RANDOLPH. Mr. President, James Dent's, the *Gazetter*, appears daily in the *Gazette*, is invariably diverting, highly animated, and one's day always appears brighter with the last swallow of the morning coffee and a few of Mr. Dent's breezy, sparkling paragraphs. I sometimes think he could make "Macbeth" into a musical.

Flammable Fabrics

HON. PHILIP A. HART

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. HART. Mr. President, in the February 1968 issue of *Northwest Medicine*, there appeared an article entitled "Flammable Fabrics Revisited." The author discussed the Flammable Fabrics Act Amendments of 1967 which I cosponsored with Senator MAGNUSON. The article was written by Dr. Abraham B. Bergman, a Seattle physician who testified before the Commerce Committee when we were considering that legislation.

Much of the article is devoted to praising Senator MAGNUSON for his efforts on behalf of possible burn victims, and the praise is fully warranted. The successful enactment of the Flammable Fabrics Act Amendments can largely be traced directly to Senator MAGNUSON, and his efforts will be appreciated for ages to come.

The article also provides some insight into what motivated Senator MAGNUSON and what motivates much consumer protection legislation. I ask unanimous consent that the article be printed in the *RECORD* at this point.

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

FLAMMABLE FABRICS REVISITED

(By Abraham B. Bergman, M.D.)

The signing of the Flammable Fabrics Act Amendments of 1967 last December 14th, conceivably marked a greater contribution to the field of burn injuries than the introduction of antibiotics, silver nitrate, and the "rule of nines" combined. In his recent State of the Union message, President Johnson appropriately stated that the bill "passed with little fanfare."

Hundreds of bills are introduced into Congress each session accompanied by much sound and fury, and are promptly forgotten as soon as constituents have had a chance to read the laudatory speeches and press comments. The converse occurred with the Flammable Fabrics Amendments. There were few speeches, just bipartisan voting support when it counted. The man responsible for this feat was the senior Senator from Washington, Warren G. Magnuson, Senator Magnuson introduced the bill and, as Chairman of the Senate Commerce Committee, presided over the hearings, a rather neat combination. Local events profoundly affect national politics. There is little doubt that the Senator's legislative push came after he visited burned patients and saw nurses caring for those patients, at Children's Orthopedic Hospital and Medical Center in Seattle.

He got the message that caring for seriously burned victims is one of the most discouraging jobs in medicine, and that prevention is the only answer.

Another influencing factor was appreciation of the magnitude of the burn problem in his own state. In this issue, (Childhood Burns, Causes and Economic Consequences), Gerald R. Bassett, former Director of the Washington State Crippled Children's Services, deals with this problem in a sobering fashion. He points out that reported deaths from burns are overshadowed by the long term morbidity entailing enormous cost and suffering. Dr. Bassett's survey was presented during testimony on the Flammable Fabrics Amendments, where the cost of flameproofing children's clothing was seen to be small in comparison to the costs of caring for burn victims.¹

The most important amendment authorizes the Secretary of Commerce to issue standards of flammability for all wearing apparel. This even includes imported fabric. Following the example of the Auto Safety Bill, also authored by Senator Magnuson, Congress wisely did not set the standards but established the mechanism for doing so. The issues involved in setting flammability standards are complex, and the situation will change as technological innovation occurs in the pertinent industries. The flexible language of the amendment also allows different standards to be set for groups that are particularly susceptible to serious burn injury. A logical example might be a more stringent standard for fabric going into children's nightwear and dresses, as well as bedding used in nursing homes.

Another laudatory feature of the bill is the authorization for research into the epidemiology of burns to attempt to pinpoint features amenable to preventive measures, and to develop better methods of flameproofing textiles. Regrettably, all too many government programs are launched without adequate provision to evaluate whether they accomplish their stated goals. The real fanfare for the Flammable Fabrics Bill should come when it can be shown that it has in fact caused a reduction in the tragic toll of burn injuries.

America's Veterans

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. MONRONEY. Mr. President, there has never been any question about the gratitude of the American people for the job performed by the members of our Armed Forces. To express our thanks we have provided these men with an extensive program of benefits designed to ease their transition to civilian life and enable them to enjoy the many rights and privileges for which they have been fighting.

However, as Vice President HUMPHREY pointed out last week in a speech before the annual Washington Conference of the Veterans of Foreign Wars, veterans do not stop serving America when they are discharged from the Armed Forces.

¹ Bergman, A. B., Clothing burns in children. Testimony before the Consumer Subcommittee of the Senate Commerce Committee. Proceedings and Debates of the 90th Congress, 1st Session (May 5) 1967.

The help of all veterans and their organizations is needed to see that the many benefits provided by the Federal Government are supplemented by civilian efforts which are necessary to make the programs truly effective. I ask unanimous consent to have printed in the RECORD Vice President HUMPHREY's speech before the annual Washington Conference of the Veterans of Foreign Wars.

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

REMARKS OF THE VICE PRESIDENT, HUBERT H. HUMPHREY, ANNUAL WASHINGTON CONFERENCE OF THE VFW, WASHINGTON, D.C., MARCH 11, 1968

A new generation of fighting men is returning to America.

They return from what is surely one of the most difficult conflicts this nation has even known . . . a distant war . . . a war in which our restraint and our judgment are being tested as much as our power.

It is a war, nevertheless, to defend those enduring ideals for which Americans have always been willing to sacrifice—national independence, self-determination, human freedom, and stable, lasting peace.

Let me say on behalf of all Americans to those who have fought so well in Vietnam: We know what you have done. Your nation is proud of you. We are deeply grateful.

True, you do not return to the parades and brass bands that have greeted many veterans in the past.

Indeed, the loudest sounds you may hear are those of our democracy debating its course at home and abroad.

But do not mistake the sounds of democracy in action as thanklessness. Take them as proof that the United States is still a free country . . . a place where people have the right to speak up—even if we totally disagree with them . . . a nation worthy of our sacrifice.

No repayment is truly enough for the price America's veterans have paid in Vietnam and elsewhere. But we are doing our best to provide for those who have fought for us . . . for their wives and children . . . for their widows and orphans.

A new G.I. Bill of Rights is today helping 400 thousand ex-servicemen and women continue their educations. Two hundred thousand Vietnam era veterans have already purchased homes under Veterans Administration-insured mortgages.

In January, President Johnson asked Congress to increase G.I. home loans from seven thousand five hundred dollars to ten thousand dollars. The President has also called for expanded health and vocational rehabilitation services for veterans.

Those are practical basic benefits—familiar in one way or another to most veterans of World War II and Korea.

But now, for the first time, we have begun to recognize an entirely new dimension in our public obligation to America's veterans—an obligation to assure every veteran full and equal opportunity in the society he has helped to defend.

Full freedom to enjoy life, liberty and the pursuit of happiness has always been an American dream. It has become a reality for a vast majority of our citizens.

But as we are all painfully aware, some have been left out. They have been disabled by poverty . . . by rural backwardness and urban blight . . . by discrimination . . . by inadequate education . . . yes, sometimes by public neglect.

The left-out people of America rightly want to be let in. And this nation is moving as never before to see that they are.

There are American veterans who bear the wounds of poverty and blighted opportu-

nity—wounds more painful and debilitating than many received in battle. We are determined that those wounds shall be healed.

How?

The first step is to give disadvantaged young Americans a better chance to enter the service. Roughly 1.8 million young men reach military age each year in the United States. As many as 600 thousand of them—fully a third—are unable to qualify for induction. In some areas the failure rate for draftees ran as high as 60 per cent.

Our answer is Project One Hundred Thousand, designed to provide special preparation before basic training to draftees and volunteers otherwise unable to pass their induction tests.

Project One Hundred Thousand works. Ninety-six per cent of the first 50 thousand participants graduated from basic training—almost the same rate as for all trainees. Some went on to non-commissioned officer schools. In this, its second year, and in each year from now on, a hundred thousand men will be enrolled.

Those men are learning skills that will mean successful military service. They are earning too—dignity and opportunity.

But there is something else I consider important. They are getting their first chance to serve their country. You may remember John Stuart Mill's observation: Let a man have nothing to do for his country and he will have no love for it.

For men who are about to re-enter civilian life without adequate civilian job skills, there is training under Project Transition in the last six months of service. In classrooms and at work benches, through counseling and job placement services, they are prepared for new civilian jobs—and for lives that would have previously been denied them.

In addition, the Veterans Administration has vastly expanded its counseling service—not in hard-to-find government offices, but right in the battlefield and in the hospitals.

The Department of Labor has established a nationwide, personalized employment service to help every returning veteran find work that means something to him.

All of this adds up to more than a fresh start for the returning veteran. It means new resources of leadership and talent for communities across America.

To make the best use of those resources, President Johnson has now proposed the Veterans in the Public Service Act of 1968. This act would provide incentives to encourage men who have already demonstrated their devotion to their nation to serve further—in the schoolroom or the hospital ward, in police and fire departments, in the rural hollows and urban slums—wherever Americans need help.

A week ago we read these bleak lines in our morning papers: "A nation is moving toward two societies, one black, one white—separate and unequal." Perhaps.

But not in the armed forces.

Not in veterans hospitals, which you helped integrate back in 1953.

Not in the VFW.

And not in the hearts of men of all colors and creeds who have fought and bled for their country under just one name—American.

Ever since President Truman's courageous 1948 order integrating the armed forces, American armed forces have been out front in real integration—integration not just in law or in words, but in practice.

In the last two decades a lot of young Americans have lived together, trained together, fought together and come to know each other as they never would have in their home towns.

"Heart is heart, blood is blood—what difference does race make?"

Those are the words I heard from our men in Vietnam.

There are two simple but important lessons for our times in that experience:

First, integration works.

It improves morale and increases fighting strength by giving every soldier a feeling that he has a stake worth defending in America.

And I don't need to give this audience the statistics to prove that courage . . . willingness to volunteer for hazardous duty . . . bravery in the face of the enemy . . . are qualities that seem to emanate from the heart, not from the skin.

The second lesson is this: Those supposedly deep-rooted, life-long, built-in human prejudices do not take generations to disappear. Where there is an important job to be done—and where there is equal opportunity and equal dignity for all—prejudice seems to evaporate fairly quickly.

We can ask a young man to put on a uniform and send him to a combat zone.

But far too often we do not permit him to live and work on equal terms at home.

He can become an officer and have ultimate responsibility for the very lives of American boys on the battlefield.

But it's far more difficult for him to become the officer of a corporation here at home.

We trust him with the most complex and sophisticated weapons ever devised when the safety of this nation is at stake.

But we too often don't trust him with responsibility for an assembly line when the very ideal of democracy is being tested here at home.

We offer him an integrated bunker but not an integrated neighborhood.

This country cannot afford to let its first-class soldiers return to second-class citizenship—and that is just what is happening to far too many Vietnam veterans today.

We have made enormous progress toward equal opportunity in these past few years—especially in building a solid framework of laws and programs for the future.

But no law or program will produce results quickly enough to make sure that every serviceman returning from Vietnam carries the equal opportunity of the service with him into his community.

Nothing a grateful President can say will equal the impact of a community which says, "Thank you, Mr. Serviceman. We're proud and happy to have you back among us."

So I call on you as veterans . . . as men who are now employers and mayors and city councilmen and community leaders . . . to make sure your whole community does reach out to these men.

Visit them in their homes as soon as they return.

Find out what kind of work they are interested in.

Call their special abilities to the attention of your public officials.

Tell them about the new opportunities for public service jobs with decent salaries that have opened up since they have been away.

See that they get hired . . . that their wives and families are welcomed . . . that the real America they return to looks as much as possible like the ideal they have been fighting to defend.

And help America mobilize this new generation of veterans. Keep them together, not only as a force for a better America, but as living proof that America can and will make full citizenship a reality for all.

Why not, for instance, new VFW posts in neighborhoods and even on college campuses where there are increasing numbers of veterans today?

Why not a special "buddy system" where each of your members will take on responsibility for helping a returning veteran find work, housing, education if he needs it?

Now, more than ever, our country needs citizens such as yourselves, willing to help provide jobs, schooling, decent housing, recreational facilities where they live.

For, if we fail, it will not be so much be-

cause any specific government failed. It will be because our free society failed.

—because taxpayers waited for someone else to pay for community services;

—because Chamber of Commerce and union members in a thousand American cities did not throw open the doors of job opportunity;

—because government officials were more concerned with their precious jurisdictions than with the people living within them;

—because school boards and PTA's forgot the cost of ignorance in a free society;

—because builders, land developers, and real estate people failed to meet a national housing crisis;

—because a complacent or fearful majority ignored the long-deferred rights and aspirations of an increasingly impatient minority.

We have problems. But as President Johnson observed in his State of the Union Message:

"If ever there were a Nation capable of solving its problems, it is this Nation.

"If ever there were a time to know the pride and excitement and hope of being an American, it is this time."

And if ever there were a time when our society needed the competent and courageous leadership of men willing to stand up for their country—America's veterans—it is now.

We Need Safety Now

HON. RALPH YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, March 22, 1968

Mr. YARBOROUGH. Mr. President, yesterday's Washington Evening Star carried an article on its editorial page which is worthy of careful reading by every Member of this body. I am sure that all of my colleagues have been receiving a great deal of mail on the proposed "Occupational Safety and Health Act of 1968," which I was proud to introduce on behalf of the administration and myself. The bill (S. 2864), if enacted, would be a great step forward in insuring that all of our citizens—not just those who work for the largest of the corporations in the United States—would receive the benefits of job safety.

The article in the Star by Judith Randall indicates some of the reasons for the mail we have been receiving and an appropriate answer to such mail.

Mr. President, I ask unanimous consent to have inserted in the Record the Washington Star article by Judith Randall.

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

C O F C CALLS FOR PROGRESS—LATER

(By Judith Randall)

Whoever described a conservative as "someone willing to try anything, but not right now" could have had the Chamber of Commerce of the United States in mind. In its opposition to a bill that would set national standards for industrial safety, the Chamber says it is in favor both of progress and the status quo.

Actually it is surprising that the safety issue has lain dormant so long. In December 1910 President Taft asked Congress to put a stop to "frightful diseases" resulting from the "injurious manufacture" of matches with phosphorous. A law became effective in 1913. But as Secretary of Labor Willard Wirtz said recently at a House subcommittee hearing, no

president until Lyndon Johnson did much to press the matter further. A Bureau of Labor Standards was established during the New Deal, but to this day has had only an advisory role.

Why then a renaissance of federal concern about job safety? Wirtz offered a partial explanation: "Today's industrial casualty list—like yesterday's and tomorrow's and every working day's, week after month after year—will be 55 dead, 8500 disabled, 27,200 injured."

But perhaps an even more cogent reason is that while some industries have dealt effectively with occupational hazards, others have not.

In testimony before the House Labor subcommittee, for instance, the Chamber took justifiable pride in the track record of the Public Utilities Association, the Manufacturing Chemists Association and a number of other trade groups which expend both time and money on accident prevention with generally exemplary results. What its spokesman failed to say, however, was that whereas big business is in general safety conscious, small companies, with some exceptions, tend to lag behind.

Investment in safety apparently pays off, for the National Safety Council has found that the accident rate among its employer members averages only about one-third that of industry as a whole. Thus a giant like E.I. du Pont de Nemours annually spends about \$40 per employee on keeping its workers well and its environment and products safe.

The typical smaller factory, on the other hand, very likely has no health services at all. With plants of 500 workers or less employing some two-thirds of the work force, it is in these shops that improvement is needed most.

Assistance for the cooperative and penalties for the recalcitrant are clearly the answers. And because the states are in a poor position to do the job alone, leadership seemingly must fall to the federal government by default. According to the Labor Department, there are only about 1,600 state safety inspectors to protect nearly 80 million workers and the annual per capita outlay on industrial accident prevention averages only 40 cents. To add to the confusion, each state is a law unto itself where standards, enforcement and compensation are considered.

Nor are this state-level patchwork and essentially voluntary compliance the only drawbacks of the present system. Perhaps more serious is the fact that technology is changing so rapidly that statutes enacted a generation or more ago could not come to grips with industrial hazards, even assuming transfusions of money and personnel.

"Business Week" has pointed out that "thousands of new gases, acids, ores, chemical compounds and radioactive substances create new risks every year." In one state, Pennsylvania, said the magazine, "health officials must keep tabs on 8,000 sources of ionizing radiation alone."

Last, but not least of the arguments for reform is that industrial hazards contribute to soaring health costs and environmental pollution. The recent large award to a woman poisoned by the exudate from a nearby beryllium plant is just one example.

The Chamber's proposed solution is to study the matter further in hopes of coming up at home future date with a more nearly perfect law. As must be obvious, this could indefinitely block the passage of any law at all.

Granting probable imperfections in the bill as submitted to Congress by the administration, the federal-state partnership it proposes with its provisions for research and planning, training and technical assistance and data gathering is as much a vehicle that would help industry help itself as it is a policing mechanism.

Some such means to narrow the safety gap is not only sound, but also long overdue. The industrial accident rate has been climbing since 1958.