EXTENSIONS OF REMARKS

MARINES IN VIETNAM MAKE POSSIBLE NEW HAND FOR FORT KNOX YOUTH

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. DUNCAN. Mr. Speaker, today I would like to place in the RECORD a story to warm the hearts of readers. A young man in Tennessee is getting an artificial left hand thanks to members of the 3d Marine Amphibious Force in South Vietnam headed by Lt. Col. W. E. "Elrod" Cheatham.

Certainly, the story, written by Mrs. Pat Fields and published in the January 11 Knoxville Journal, speaks for itself:

MARINES IN VIETNAM MAKE POSSIBLE NEW HAND FOR KNOX YOUTH

(By Pat Fields)

Jimmy Wollard, the Talbott youth who wanted a left hand for Christmas so he could become an automobile mechanic, is going to get his hand, thanks to some United States Marines in South Vietnam.

Jimmy lost his hand Christmas a year ago in a firecracker accident. The Knoxville Journal had a story Dec. 18 concerning his ambitions and hopes that he could get an artificial hand.

A fat brown envelope, postage free, came to The Knoxville Journal Thursday, addressed to Jimmy Wollard. The return address: Lt. Col. W. E. Cheatham, USMC, H–S Co., 3rd Military Police Battalion, FPO San Francisco. (Remember W. E. (Elrod) Cheatham, former Young High football star? His parents are Mr. and Mrs. M. H. Cheatham of Alpine Drive. He gets The Knoxville Journal overseas and read about Jimmy.)

In the envelope were 17 letters each from a man in the 20-member Motor Transport Section. In a separate letter from the commanding officer, Colonel Cheatham, came two checks amounting to $500. "Raised in only 12 hours!" he wrote.

Lt. Donald R. Saunders, second in command, explains most lucidly. "Dear Jim," he wrote, "A few days ago my commanding officer brought to my attention an article in a Tennessee newspaper and asked if I could convince my motor transport section to write a few letters of encouragement to you. I showed them the article, and we decided a few letters would not suffice. The section took time to collect money to send you on behalf of the battalion. I realize that the nominal amount we are sending is not much compared to the actual cost needed for you to start your steps to complete recovery. But we hope to give you that start, along with the inspiration to guide you to success.

"I have 20 men in my section; the greatest men in the world. We have over 70 pieces of gear to maintain. The men will work under any and all situations to keep the equipment in a state of readiness. I know the Marine Corps will be proud of these men, mechanics and drivers, who took precious time from the war effort to help an American citizen become a self-made man. . . . We realize, Jim that our support is not enough. . . . Our motor pool, on behalf of the battalion, wishes you the best of luck and hopes that our support will be an inspiration to you and your loved ones to carry on in a proud and confident manner. In a few years I hope to see you as one of the finest mechanics in your section of the country. . . ."

Jimmy was almost overcome by that one, and there was a lot more in it about the battalion and its work—including a dog operations center—that interested him. "This man's from Detroit. But he went to college, he says. Graduated in 1967 from Murray State University in Murray, Kentucky . . . Imagine him—and all those others—going to that much trouble for me!" Jimmy's voice trailed off.

Another letter that made an impression on the entire Wollard family—parents, Mr. and Mrs. Alton Wollard, Jimmy and sister Margie (Mrs. Harold Woods, who lives across the road), as they read them all in turn (Jimmy first) around a woodburning stove in the tiny backroad home, came from Gunnery Sgt. A. Lemelin Jr., who gave no hometown address.

The sergeant's letter read: "I am just writing a few lines to let you know that someone cares, even here in Vietnam. Sorry to hear about your accident, but I know you won't just give up. We learned about your problem in a newspaper and we decided to do something about it. Jimmy, with God's help and a lot of hard work you'll become an excellent mechanic, as good a mechanic as I have here. I run the Happy Valley Speed Shop; that's what my troops like to call it anyway. Actually, it's the Motor Transport Section of 3rd MP Battalion. The Marines here took up a small collection. Jimmy, I know nothing could take the place of that hand, but I sincerely hope the money helps you to become the mechanic that you always wanted to be . . . So keep your chin up."

Jimmy is 18 and back in school this year. Jefferson High. He's making good grades and hopes to graduate next year.

"One of my teachers has been encouraging me to go on to college," he said. "But after reading the letters from these men . . . Well, maybe I could study mechanical engineering. Then I'd really be a good mechanic, wouldn't I?

"One thing certain, I'm going to answer every one of those letters. Every one!"

Besides the officers mentioned above, Marines who wrote Jimmy and added to the fund for his hand, and whom Jimmy will be writing to thank personally are:

Cpl. John C. Wintreith, Cpl. R. B. Hunt, Cpl. A. Steiner, Sgt. Larry Brown, Cpl. Danny Jones, Sgt. D. P. Wallis, Pfc. Ernie Kreitlow, Cpl. L. H. Edder, Cpl. C. J Lange, Cpl. A. Garcia, Cpl. C. Clendennin, Sgt. R. M. Verla, Cpl. Barry Simawski, Cpl. Gregory Novak, and Lt. D. R. Saunders.

JESSE WOLCOTT

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. ROONEY of New York. Mr. Speaker, I was deeply saddened, as were many of us here, to learn of the passing of the Honorable Jesse Wolcott who for 26 years ably represented the people of the Seventh Congressional District of Michigan. For many of those 26 years I was privileged to know Jesse. With my colleagues I regretted his decision to retire from the House of Representatives in 1957. He was a warm, selfless, able, and completely dedicated man who spent his life serving the people of his district and his country. To his widow and his family I extend my deepest sympathy in their great loss.

ECONOMIC BONDAGE

HON. W. E. (BILL) BROCK

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BROCK. Mr. Speaker, the Wall Street Journal of January 6, 1969, carried an excellent editorial discussing America's existing welfare system and several suggested alternatives. I feel that this sober, intelligent analysis of the growing welfare problem will be of considerable interest to the Members of this body, and I include it in the RECORD:

DESTROYER OF THE SPIRIT

"The lessons of history . . . show conclusively . . . that continued dependence on relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief . . . is to administer a narcotic, a subtle destroyer of the human spirit. . . ."

History's lessons are just as plain now as they were in 1935, when Franklin D. Roosevelt thus warned of welfarism's effects in his State of the Union message. Yet many well-meaning Americans largely ignore those lessons now, just as Mr. Roosevelt himself did later on.

Confronted by the failures of the existing welfare system, nearly everyone would like to supplement it or replace it with something else. Three of the proposals—all very much alive as a new Administration nears office—were discussed in a recent speech by Roger A. Freeman, senior staff member of the Hoover Institution at Stanford University.

One of these is the guaranteed annual income. "To guarantee everyone an adequate income," notes Mr. Freeman, "appears to be the most direct and simple method to end poverty; also, when we study it more closely, potentially the most destructive."

If everyone's income were raised to the Federal 'poverty' level of $3,335, for a four-person nonfarm family, the immediate cost to the Government would be $11 billion. That's a large sum, certainly, but by itself it just as surely is one that the nation could afford.

A major problem nonetheless is that such a program could not help but have massive effects—on people and on the economy. It isn't necessary to believe that Americans are naturally indolent to think that a great many persons, offered $3,335 a year for doing nothing, would take it in preference to a job paying $3,000 to $4,000 or so.

Some people who quit their jobs to take the guaranteed income might justify the action, for themselves at least, by saying it was only temporary while they looked for something better. But the cost of the guarantee would climb very quickly; Mr. Freeman thinks it would be several times $11 billion.

"Entire occupations," predicts Mr. Freeman, "would be wiped out overnight. A large part of the labor force of several states—particularly in the South—would immediately retire and most agricultural employment would end." Moreover, wage scales at medium and higher levels would be thrown into chaos. Even if the money supply remained unchanged, a reduced supply of goods and service would generate explosive inflation.

A second proposal is the family allowance which would pay every family—rich or poor—a specified sum for each child. At $25 per child per month which is hardly adequate to support true poverty families, the national cost would be $21.5 billion a year.

"Why should child allowances go to all families, rich and poor alike," asks Mr. Freeman, "when only one American family in ten is now held to be poor. The reason given by the plan's advocates is simple: So that the poor would not feel singled out and stigmatized as relief recipients. Moreover . . . nonpoor families . . . . would then feel that they have a stake in the program and would rally to its support."

Assuming the nonpoor would in fact act that way, it is at best a questionable tactic to construct a welfare program so that it will bribe voters to support it. In a country where population pressures are already a problem, furthermore, it would be strange strategy for the Government to subsidize still greater pressure.

Like family allowances, a third proposal—the negative income tax—also is aimed partly at erasing the "stigma" of relief. It would use the existing tax machinery; if individuals earned less than a specified amount the Government would pay them, instead of the reverse. Welfare could be made less demeaning, however, by reasonable revision of existing methods; it doesn't necessarily require an entirely new system. Revision would seem a sensible way to proceed in any case, since most of the advocates of various income-support plans do not see them as replacements for existing assistance but as supplements to it.

The present setup is in such sorry shape that any reform will take time, perhaps a great deal of it. The direction, though, should be clear; it has been stated often but never adequately pursued. Society has an obligation to care for its citizens who cannot care for themselves. For others the overriding aim should be to provide an opportunity to work, not an opportunity to avoid it.

In other words, the goal must be rehabilitation rather than relief. Too many of the current income-support schemes would only destroy initiative which, in the end, means the destruction of the human spirit.

GONZALEZ COMMENDS ARTICLES ON DEFENSE REPORTS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. GONZALEZ. Mr. Speaker, I am very pleased and encouraged that more and more newspapers across the Nation are concerned about the effect of military spending on the economy, and are attempting to answer the question of how well our defense procurement system is functioning. It was not always so.

Two Washington correspondents, in particular, have versed themselves well in the often mysterious ways of Government contracting. One, Sanford Watzman, was among the pioneers to relate the Renegotiation Board to excess profits from Vietnam spending. In the latest issue of the Nation magazine, he uses the case method to give us an informative look at the workings of renegotiation. I commend this article to my colleagues' attention.

The other correspondent, William K. Wyant, Jr., has put together the many pieces of military procurement, most recently in a three-part series initiated by the St. Louis Review and distributed by the Catholic Features Cooperative to a great many Catholic weeklies across the country, including the Alamo Messenger in my hometown of San Antonio. I also include this series at this point in my remarks:

WAR PROFITS: THE TAX-COURT PEEPHOLE

(By Sanford Watzman)

WASHINGTON.—Although much is known about *some* costs of the war in Vietnam—for instance, casualty figures and spending totals are updated and reported endlessly—it is still premature and rather naive to ask how much profiteering there has been. Those in the know realize that to get an answer one must peer through the only peephole in Washington which affords an overall, if imperfect, view. Anyone may go and squint; the place is the Public Records Room of the U.S. Tax Court, where corporations that are secretly accused of profiteering make their troubles known when (but only when) they file an appeal.

But this peephole is like an astronomer's telescope. Because it takes time for starlight to reach the earth, scientists see galaxies, not as they exist today but as they blazed in space hundreds or thousands or millions of years ago. Similarly, a sighting through the Tax-Court peephole reveals almost nothing yet about Vietnam. Instead, more than fifteen years after the truce at Panmunjom, one gets today, for the first time, a panoramic view of the Korean War. It takes that much time to adjudicate cases.

December 16, 1968, was a great day for the excessive-profits watchers. For them, the Korean War was finally brought to a close in a ruling handed down by Judge Charles R. Simpson. It was the end of an era, and those at the peephole were now free to turn their attention to the war in Vietnam. Patience will be required, for the first tantalizing glimpses of the stepped-up war in Vietnam, as it was in 1965, are just now coming over the horizon in Tax Court.

Judge Simpson held that the LTV Aerospace Corp., a subsidiary of Ling-Temco-Vought, Inc., No. 8 on the fiscal 1968 list of the top 100 defense contractors, had indeed realized $750,000 and $3.5 million in unwarranted profits. When? Why, in 1952 and 1953. Judge Simpson told the story in a highly technical written opinion that covered 92 pages, including charts and statistics. The opinion was noteworthy because it decided the last of the so-called "air-frame" lawsuits which, taken together, dominated profiteering determinations made by the U.S. Renegotiation Board as a result of the Korean War and its aftermath. The first such dispute to be resolved involved the Grumman Aircraft Engineering Corp. A Tax-Court action on October 12, 1959, upheld board findings against Grumman that totaled $3 million for 1951 and $5.5 million for 1953. LTV Aerospace, too, wound up getting no relief in the court.

Eight corporations were hit in the "air-frame" cases.* Each is a member of the select 100 club. The biggest blow was dealt to the Boeing Co., which the board assessed a total of $34,284,165 for four years. Boeing challenged the board's gross accounting methods and took its chances on an appeal to the court, thereby laying its books open to a more detailed audit by the FBI, as provided in the Renegotiation Act of 1951. The result was that Boeing was found to have amassed not $34 million plus in excessive profits but *$41 million*. North American Rockwell Corp. had better luck; a determination of $33 million for four years was knocked down to $27 million. Martin Marietta Corp. went from $19,175,000 to $17,875,000; Lockheed Aircraft Corp. from $19,579,227 to $15,750,000; McDonnell Douglas Corp. from $19.5 million to $18.5 million, and Fairchild Hiller Corp. from $2 million to $1.8 million. As already indicated, Grumman and LTV came out *"even."* These figures do not incude interest paid the government, but that was a relatively minor factor. Interest on the assessments stopped running three years after appeals were filed in court. Not until 1962 was the law changed (but not retroactive) to keep the interest going until cases were finally settled. In any event, the rate is only 4 per cent with no added penalties, compared with the 6 per cent and heavy penalties that individuals and corporations pay on income tax debts. On the other hand, what the eight corporations paid out in lawyers' fees is not visible through the peephole, and government officials will not even hazard a guess. The findings of the board in the eight groups of cases came to $140,288,392. Justice Department attorneys acting for the board did not lose a single case; they were sustained on a total of $134,675,000 in the decisions and settlements that followed appeals.

Viewing all this as background, the observer begins to develop a sense of eternity. For now emerging in the context of Vietnam are two of the same eight corporations that figured in the Korean War "air-frame" cases. On July 26, 1968, McDonnell Douglas returned to the court to protest a board finding of $8 million. Thirteen days later, Grumman reappeared to challenge a determination of $7.5 million. Both cases involved the companies' 1965 fiscal years, but watchers with visual acuity were treated to a surprise bonus. The McDonnell papers referred incidentally to a 1960 case in which the board and the corporation quietly agreed that McDonnell should refund $2 million to the U.S. Treasury. This brought the known cases against McDonnell (since 1953) to four, not counting the current appeal. Like the Internal Revenue Service, the board is bound by strict laws of confidentiality. It must not divulge the identity of any corporation that it duns; its proceedings are conducted in private. Therefore, except for McDonnell's own disclosure, tangential to the 1965 case, the 1960 finding would not have become a public record.

The McDonnell papers included a letter from the board dated last April 30. The communication praised the company for its production of the F-4 Phantom airplane—"one of the finest of its type"—and the Gemini spacecraft—"an outstanding success." But the board went on to say: "It is apparent that the government's requirements were responsible for the contractor's significant growth." And: "In view of the contractor's long experience in the . . . space programs and the years of development and production of the F-4, the Board is of the opinion that the government should receive significant benefit from this expansion of [sales] volume, either through lower prices or in renegotiation." The letter continued:

"In conducting its renegotiable business during the review year (1965), the largest volume in its twenty-six years of operation, the contractor benefited greatly from government financial assistance. In addition to the use of government-owned facilities reported at a cost value of $43.7 million at the beginning of the year, the contractor also received a very large amount of progress payments. Such payments amounted to $323.4 million at the beginning of the year, or 63.9% of inventory applicable to contracts in process."

The board observed that renegotiable sales (those sales falling under the board's jurisdiction) were up 15.6 per cent over 1964, were 77 per cent higher than in 1963, and more than double those of 1960. The letter concluded:

Returns on captial and net worth at the beginning of the review year, allocated to renegotiable business on the cost of sales ratio,

* In each case the corporation is identified here by its current name; for instance, the LTV litigation was begun by the old Temco Aircraft Corp., a predecessor of Ling-Temco-Vought, Inc.

amounted to 32.6% and 76.6% respectively. In the prior year the return on capital was 25% and on net worth 52%. In fiscal year 1960, returns were 26.6% and 58.9% after elimination of excessive profits. . . . The effect of the determination is that the contractor will retain a renegotiable profit of $75,420,00, or a profit margin of 7.6% on adjusted renegotiable sales of $990,915,000. . . . The determination would leave the contractor returns on capital and net worth of 29.4% and 69.2%.

McDonnell replied that the board juggled figures, with the result that it "bunched earnings" of the company in the year in question, to the disadvantage of the corporation. It also disputed the board's decision to disallow $2.5 million in charitable contributions as part of the company's cost of doing business. McDonnell asserted that the board erred in failing to give weight to the contractor's efficiency, to the financial risk that was involved, and to the company's inventive contributions to America's defense.

Grumman in 1965 was a designer and developer of naval aircraft, a major subcontractor for the F-111 fighter plane, and a producer of an orbiting astronomical observatory and a lunar module for the Apollo space vehicle. A board notice dated last May 21 alleged that the company had renegotiable sales in 1965 of $813,717,000, with a profit of $52,760,000, or 6.5 per cent. Grumman was said to have had "a return on beginning-of-the-year allocated net worth of 81 per cent, a rate which, in the opinion of the board, clearly indicates excessive profits." The board asserted that the company benefited from government-owned facilities valued at $61 million. It further charged that "44 per cent of . . . renegotiable sales were under comparatively riskless, rapid-pay type contracts that put no great financial burden on the contractor." The board found that "an increase of 47 per cent in sales was accompanied by an increase of 162 per cent in profits," and that the additional profits for the year "exceeded the contractor's total profits in any prior year in its history." The finding was intended to reduce the profit margin to 5.6 per cent. Grumman retorted that the board unfairly refused to allow certain costs, did not properly credit the company for its increasing independence from government aid, and that insufficient weight was given to corporate efficiency, know-how and risk. Grumman's view, paralleling McDonnell's, was that the board had acted "erroneously and arbitrarily and capriciously."

As these pleadings were entered in court, the board was fighting for its life in Congress—and, in fact, it was technically dead. This tiny and obscure independent agency, headed by five men who serve at the President's pleasure, subsists on a budget of merely $2.6 million and has less than 200 employees—making it something of a flyweight champion among government bureaus, both in terms of its size and its pound-for-pound (or dollar-for-dollar) effectiveness in recovering for the government far more than it spends. It is not a permanent agency; Congress must periodically renew its lease on life. By June 30, 1968, the board had "died," its authority to require annual statements from defense contractors having expired while a renewal bill was pending in Congress. However, the board remained in business, occupying itself with a formidable backlog as it waited for the lawmakers' decision.

At the beginning of the year, the Cleveland Plain Dealer, The Nation and a group of Ohio Congressmen, inspired by speeches delivered earlier by Rep. Henry Gonzalez (D., Tex.), had launched a crusade to retain and strengthen the board. During the Korean War the board had had 742 employees and a much broader jurisdiction. But its staff and its powers to review corporate records began to deteriorate after that war, and even the steady escalation in Vietnam had failed to revive White House and Congressional interest in the agency. The campaign to save the board ended with a measure of success last September, when Congress finally agreed to give it a three-year extension (a longer life span than it had ever been accorded before), and to enlarge slightly the scope of its operations.

During this period of tension for the board, some interesting disclosures were made. For instance, Gonzalez brought out the fact that fourteen corporations that kept getting called on the carpet by the board were having no trouble winning new defense contracts. The Texan had Congress' General Accounting Office (GAO) conduct an investigation for him. Then he reported to his colleagues that, in the four years before 1968, nine companies were cited twice for profiteering by the board, three others were accused three times each, and two corporations had become the object of proceedings in each of four years. GAO officials had informed Gonzalez that, "to the best of our knowledge, the Defense Department does not give weight to the Board's findings in selecting suppliers of defense materials . . . nor do the Board's findings diminish a company's chances of receiving another contract." GAO recommended exchange of more data between the Defense Department and the board, adding that facts supplied by the board could help the Defense Department to sharpen its procurement practices. Because of the rules of confidentiality, GAO did not identify the fourteen corporations. About the same time, Rep. William E. Minshall (R., Ohio) inserted a statement in the Congressional Record showing how the board was instrumental in disallowing excessively high salaries paid to executives of defense-oriented corporations. One case cited by Minshall concerned two brothers who had paid themselves a total of $94,000 in one year. But the board found that the pair had done nothing to earn their pay since they were devoting all their time to another company. Salaries are a factor in renegotiation proceedings because, to the extent that they are part of a company's overhead, they have the effect of ostensibly reducing profits.

The board's 1968 annual report, released on December 31, contains fresh indicators of excessive profits traceable to the Vietnamese War. Nearly one out of every five corporate statements filed with the board were denied immediate clearance and closer scrutiny was ordered. The comparable percentages were 16.8 in 1967, 13 in 1966, and 9.6 in 1965. Although only part of a contractor's business is reviewable by the agency, the board, reporting on what it *did* see, disclosed that 3,351 corporations, with renegotiable sales totaling $35.3 billion, enjoyed profits of $1.9 billion, while 676 other companies, with renegotiable sales of $3.5 billion, suffered a loss of $125 million. "When compared with earlier fiscal years," the board observed, "these figures indicate a continuing decline in both the number of 'loss' contractors and the amount of 'loss' sales." In fiscal 1968 the agency made forty-six determinations of excessive profits totaling $23 million, against eighteen for $15.9 million the previous year. Also, a new trend appears to be developing. In the first sixteen years of the board's existence, it won grudging agreement from contractors nine times out of ten when excessive profits were alleged. But in fiscal 1968, corporations refused to accept the finding in nineteen of the forty-six cases.

The annual report, the only meaningful document made public by the board in the course of a given year, deals with generalities and overall statistics. It never discusses individual cases. So one is forced back to the peephole at Tax Court, and the confrontation with eternity. As it happens, eternity squares with the official view.

"There is no foreseeable end to the conditions which make the [Renegotiation Board] necessary," House Speaker John W. McCormack was advised in a letter from the Administration last February 23. Pleading for an indefinite extension of the board's authority, the letter pointed out: "Even if the Vietnam conflict were to end in the near future, the end of international tensions is not in sight. Hence, there will be a continuing demand for new and increasingly complex aircraft, missiles, space vehicles and other specialized items; and huge purchases will continue to be made under conditions similar to those now prevailing. Market-tested prices do not and cannot exist for costly, novel and complex military and space products. For this reason, prices must be negotiated, often with sole source contractors. Such negotiated prices are necessarily based upon uncertain cost estimates because reliable cost experience is not available. . . . The profitability of the contractor's performance of all his contracts are recorded for his fiscal year. Renegotiation provides an after-the-fact review of such profits. Thus it affords the only means for assuring that the profit outcome of procurement is reasonable."

[From the St. Louis (Mo.) Review, Jan. 10, 1969]

AMERICA'S HUGE MILITARY-INDUSTRIAL COMPLEX: DEFENSE SPENDING, PROFITS EXAMINED—I

(By William K. Wyant, Jr.)

(NOTE.—William K. Wyant, Jr. is a Washington correspondent of the St. Louis Post-Dispatch.)

WASHINGTON.—"The Department of Defense and the Department of Commerce have an industry-oriented philosophy. Many of their officials come from industry. They think like industry. And that is the problem."

Thus spoke Vice Admiral Hyman G. Rickover, the architect of the nuclear Navy, in his headline-making testimony before the House Banking and Currency Committee last April. The Admiral delights Congress because he says what he thinks.

Rickover will fight anybody—the industrial giants, his superiors in the Navy, the Defense Department itself—in order to carry out what he considers his duty. He wants more nuclear ships for the United States, well-built at the lowest possible cost.

What was bothering the 68-year-old Admiral, when he testified on renewal of the Defense Production Act, was the increase in the dollar outlay for major weapons, the absence of effective competition, and the difficulty of persuading industry to build his complicated ships, and build them right.

He was troubled by a tendency for the government to identify with big industry, a failure by government to use laws provided by Congress, the lack of any real check on defense profits—in fact, a widespread ignorance of just what profits are being made.

"Business exists to make profits," Rickover said. "That is its primary purpose regardless of the large number of speeches being made by business leaders—where they say that their constituency consists of the government, the public, the local community, their employees and their stockholders, and that their loyalties encompass all these constituencies.

HAD NO CHOICE

The United States, the soldier-President said, had no choice but to create a permanent arms industry and a defense establishment of great size. He did not quarrel with this, but pointed out it was "new in American experience" and must be understood and controlled by the people if grave dangers were to be avoided.

"In the councils of government," he said, "we must guard against the acquisition of

unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted."

Then President Eisenhower said this: "Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together."

When the departing President Eisenhower flashed the alert signal eight years ago, the Department of Defense was awarding more than $29 billion a year in prime contracts. Now the figure has grown to $43 billion. Last January, in a magazine interview, the former President again expressed his worries on the score of peace and war.

"Possibly $35 billion for hardware alone!" he exclaimed at his Gettysburg farm in talking with Mary Kersey Harvey for VISTA, published by the United Nations Association. He mentioned politicians eager to obtain defense work for their districts, universities that would have to close up shop if grants for military research were ended. He spoke of the demands of the armed services and of organized labor.

Eighteen of the 25 leading defense contractors in the Eisenhower period a decade ago were still in the top 25 last year. Small business got only 20 per cent of the prime contracts in 1967, dropping to 18 per cent in 1968. The Pentagon's outlays for research and development were under $3 billion a year when the Eisenhower Administration began. They are now around $8 billion.

Of the $2 billion a year that the Defense Department spends on education, some $100,000,000 goes for defense-related research at universities. The penetration of military funds into American academic life is deep and controversial. In many areas of life the eager scrambling for military funds has a corrosive effect.

"These fellows couldn't get out of it if they wanted to," said the multi-starred General who led the allied forces to victory in Europe. In the interview, he was frankly dubious about the McNamara Defense Department's decision to deploy the anti-ballistic missile system. Five billion dollars for that venture, he said, was only the beginning.

SIZE AND GROWTH

One of the obvious things about the military-industrial complex is the fact it has grown to great size. The defense budget alone is around $80 billion, the major item in total expenditures creeping toward $150 billion. Defense spending has nearly doubled in the last 10 years and is about 40 times what the United States was spending for all purposes a half century ago.

In addition to the inflationary factor, there has been a quantum jump in the complexity and therefore the cost of weapons. An airplane has become a weapons system. World War II's propeller-driven F-15 fighter cost a paltry $54,000. The F-4 Phantom jet costs $2,100,000. A submarine nowadays is nuclear-powered and may be a platform for launching missiles. Nearly everything is crammed with prodigiously expensive electronics gear.

Late last October, after much prodding from Congress, Defense Secretary Clark M. Clifford announced a decision to go ahead with building a "quiet" nuclear submarine with turbine electric drive. He noted the new ship would cost $150,000,000 to $200,000,000 a copy compared to $78,000,000 for a Sturgeon-class nuclear submarine. Back in the dim past, a World War II attack sub could be had for $4,700,000.

"That all sounds good. Actually they are in business to make money, and I am all for their making an adequate profit. I think that is fine . . ."

The Russian-born Admiral touched delicate nerves. He charged the Commerce Department with not enforcing the law against business concerns reluctant to do defense work. He spoke of soaring profits, of businessmen who come into government for a short time to learn the ropes, of the fat, slick-paper "trade" magazines swollen with ads of defense contractors.

"Industry will not police itself," he said. "You do not put a skulk of foxes to guard the chickens in the barnyard."

Admiral Rickover's trenchment observations before various Congressional panels in 1968, particularly what he has said about a tendency for big government to merge with big industry, have provided a textbook on ramifications of the nation's huge military-industrial complex.

FEW COMPANIES INVOLVED

The lion's share of military business goes to a few companies. In fiscal 1968, the top 100 concerns got $26.2 billion or about 67 per cent of military prime contracts of $10,000 or more. Many of the same companies also are among the 100 which, in 1967, received 93 per cent of the government's non-defense space awards.

General Dynamics Corp. led the list of defense contractors this year with more than $2.2 billion in awards for aircraft, missiles and ships. Nearly half of the total business went to the first 25 companies. There is not much turnover among the dominant firms. For two years running, 1967 and 1968, the same five received prime awards of more than $1 billion each.

It was President Dwight D. Eisenhower, saying farewell in January 1961, after eight years in the White House, who issued the most effective recent warning about the military-industrial complex. The term evokes an image of cabals of generals and industrialists who sit around smoking big cigars and promoting war. What Eisenhower had in mind was something more subtle.

PROFIT NOT AT FAULT

There is nothing wrong, as Admiral Rickover said, with industry making a legitimate profit on defense contracts. That is the American system. The difficulty has been to prevent waste and curb excessive profit-taking at times of national stress. Traditionally, an odor of corruption has arisen when the arms buildup is rapid.

In times past, war profiteering and graft have been much more blatant than now. The Civil War is a notorious example. Long and colorful is the history of efforts in Congress and elsewhere to root out boodlers and bring their malefactions to light. Defense purchasing is more sophisticated than it used to be.

For reasons nobody has fully explained to the public—perhaps because of the well-oiled machinery of the military-industrial complex against which Eisenhower warned—Congress and the Executive Branch have shown reluctance to take a hard look at the expansion of military spending associated with Vietnam.

Without success, Representative Henry B. Gonzalez, a Texas Democrat, made eloquent pleas this year that a special committee be set up to probe into defense profits. In the opinion of Gonzalez, Congress is not doing its duty.

The Department of Defense insists that profits are not excessive—in fact, may be running too low. In Congress, this viewpoint is challenged by Gonzalez, Senator William Proxmire (Dem.) of Wisconsin, and others. Committees are nibbling at the question, but as yet no Senator Harry S. Truman has emerged to lead the kind of fighting inquiry that seizes and holds national attention.

Back in 1941, when the United States was tooling up for war, the future President Truman saw evidence of waste, favoritism and profiteering. With little or no cooperation from President Franklin D. Roosevelt at the outset, the Missourian managed to organize the famed Truman Committee. Originally, the Senate allowed him only $15,000 a year to finance the effort.

"I have never yet found a contractor who, if not watched, wouldn't leave the government holding the bag," Truman told his colleagues. "We are not doing him a favor if we don't watch him."

Truman was little known when his far-reaching investigation of the defense establishment started. He worked very hard. The Truman Committee established him as fearless and forthright. It made his reputation. He was credited with saving the nation billions of dollars at a time when a billion dollars was still a lot of money.

In the Pentagon, a series of Defense Secretaries from James Forrestal, who took office under Truman in 1947, through Clifford have tried with varying success to achieve order, honesty and control in arms spending. The most successful thus far was the much-maligned and brilliant Robert S. McNamara, who came in with President John F. Kennedy in 1961 and resigned early in 1968.

A Phi Beta Kappa, Harvard Business School graduate and former head of Ford Motor Co., McNamara set up mechanisms to guide and brake the defense juggernaut. He dug aggressively for the facts with which he faced down generals, admirals and Congress. His "cost-effectiveness" approach introduced a new logic. For the first time, the Pentagon seemed to know where it was going.

Secretary McNamara had the Pentagon Tyrannosaurus so firmly between his knees that he succeeded in fending off for years the adoption of new weapons systems he considered unnecessary, such as the proposed new manned bomber to replace the aging B-52 fleet. He resisted pressure to deploy an anti-ballistic missile system until late in 1967, when he yielded.

McNamara's successor, Secretary Clifford, has a different style. He is an able lawyer, tough and resourceful. But he has shown little tendency, in public at least, to cross swords with the military. He has gotten along with the military-industrial complex and concentrated on ending the war.

[From the St. Louis (Mo.) Review, Jan. 17, 1969]

STRONG, STEADY PRESSURES ADVANCE MILITARY SPENDING—II

(By William K. Wyant, Jr.)

WASHINGTON.—"Mr. President, the test of a weapons system is not in what it does when it is used; it is whether it is effective or not to avoid its use. That is the real test of the effectiveness of a weapons system. And if you have one that is so effective you do not have to use it, you have a success."

With this and other arguments, Senator Richard B. Russell (Dem.) of Georgia stood up in the Senate last June and helped beat off an attack on the Pentagon's decision to deploy the Sentinel anti-ballistic missile system. It will cost $5 billion for a starter, and some predict it will cost $40 billion or more in the end.

The ABM controversy, as everybody knows who follows the arms race, is a classic example of the pressures and counter-pressures that develop when the United States is trying to make up its collective mind whether to invest in a new super-weapon. It revealed the workings of the so-called military-industrial complex.

A BOONDOGGLE

Some Senators consider the ABM—designed initially to guard against a future missile threat from Red China—to be a monstrous boondoggle, a waste of money and worse. But proponents argued that the Soviet Union is setting up a missile defense, and this country must do likewise. They won. An American ABM was as inevitable as death and taxes.

In the never-never land of nuclear weaponry, Senator Russell took his stand on high ground and left others to fight in the

swamps. Let it be conceded, he was saying, that the nation's costly offensive ballistic missiles and its new ABM's may grow obsolete, may never be fired in anger. Not only is that possible, it is desirable. It is the best hope.

For as the Georgian suggested, the missiles will have failed in their purpose if they ever have to be used. On that fateful day, if it ever comes, they will have failed to deter an aggressor from attacking the United States. The cost of that failure, begging other costs, will be the incineration of many millions of people in a nuclear Armageddon.

In this context, ordinary considerations that argue for delay—such as economy and whether or not the new gadget will really do its job of destruction—come to have little meaning. The veteran Illinois Republican, Senator Everett Dirksen, followed his esteemed colleague in the debate and acknowledged that war and weaponry are matters in which immense sums of money go down the drain.

"Mr. President," said Dirksen after saying the United States must keep ahead of the Russians, "so long as there is war, let us make up our minds that it is going to be wasteful; that it is going to be extravagant."

Dirksen recalled that what he had seen in the Persian Gulf Command after World War II had been enough to make him weep. He said he had seen beer piled up in cases for a distance of a mile, 20 feet high and a block wide. "Who in the world was ever going to drink it?", the Senator asked.

Senate opponents of ABM, a powerful and eloquent group, got nowhere with their protests that the system would not work against an attack from a first-class nuclear power like the Soviet Union, that it was not necessary, that the best defense is a good offense, and so on.

Nor could the opponents persuade the majority to wait for President Lyndon B. Johnson to work out a deal with the Russians to curb ABM deployment. Equally ineffective, in June and later, was the effort of the Senate's doves to show that the "thin" $5 billion umbrella to ward off a Chinese missile was in fact the framework for a $40 to $50 billion defense against the much more real Soviet threat.

Former Defense Secretary Robert S. McNamara had warned the nation against just such a metamorphosis. Senator Mike Mansfield (Dem.) of Montana, the majority leader who sided with the minority against the ABM, recalled McNamara's words on the subject, given in the speech in which McNamara finally plumped for the "thin" ABM late in 1967. He quoted McNamara as follows:

KIND OF MADNESS

"There is a kind of mad momentum intrinsic to the development of all nuclear weaponry. If the weapon system works—and works well—there is a strong pressure from many directions to procure and deploy the weapon out of all proportion to the prudent level required.

"The danger in deploying this relatively light and reliable Chinese-oriented ABM system is going to be that pressures will develop to expand it into a heavy Soviet-oriented system."

All this was to no avail, as was the adverse testimony of some of the nation's leading scientists who contended that no defense is technologically possible against the kind of nuclear attack either the United States or the Soviet Union could launch. As Senator Henry M. Jackson (Dem.) of Washington observed, even scientists can be wrong.

On such decisions hang the fate and fortunes of multitudes of Americans outside the Congress and the Pentagon. With the purse-strings loosed by the legislative branch, the way was clear to prepare the sites, dig the holes, build the long-range and short-range anti-missiles, construct the elaborate radars, prepare the warheads, and so on.

Yet men like Senator George McGovern (Dem.) of South Dakota and Senator Joseph Clark (Dem.) of Pennsylvania, the latter defeated in the November election, have made determined efforts to curb the arms outlay. In 1963 McGovern urged a $5 billion cut in the defense budget. Traditionally, he has urged such a reduction.

COULD BUILD SCHOOLS

"Five billion dollars will not buy very many aircraft carriers or supersonic bombers or nuclear submarines," he told the Senate, "but it would build a $1,000,000 school in every one of the nation's 3,000 counties, plus 500 hospitals costing $1,000,000 apiece, plus college scholarships worth $5,000 each to 100,000 students—and still permit a tax reduction of a billion dollars.

Another sore subject with defense critics is the United States military assistance and military sales effort, which has been running about $2 billion a year. Some find it particularly distasteful that this nation, which stands for peace, is an enthusiastic vendor of arms to other nations. On occasion, American military hardware has been used on both sides of a brushfire war.

The temptations involved in going along with a burgeoning defense outlay are great. Congressional Quarterly, a respected private reporting service, issued a special report on the military-industrial complex last May showing the wide geographical spread of defense installations and defense payrolls in this country. It gave a breakdown of major defense activity in congressional districts.

This nation's arms outlay leads the rest by a country mile, but is only part of worldwide military expenditures that in 1965 were estimated at close to $140 billion by the United States Arms Control and Disarmament Agency. By contrast, global spending for public education was $116 billion and for public health, by governments, only $46 billion.

At a given moment in time, such as when people grow sick of a Vietnam war, the clamor for peace can be strong. But ordinarily the drum-beat for a bigger and better military machine is stronger and steadier. Much of the outcry for weapons reflects genuine concern about the state of national defenses and is not inconsistent with an equally genuine desire for peace. Some of it obviously is self-serving, combining commercial advantage with patriotism.

An important facet of the military lobby is the rapport between the regular Armed Forces establishment, industry and interested civilians by such quasi-military groups of high respectability as the Association of the United States Army, the Air Force Association, the Navy League. These organizations publish magazines and hold meetings in furtherance of defense objectives.

Military "trade fairs" are put on in connection with Washington conferences at which high-ranking officers of the Armed Services may rub shoulders with civilian counterparts, some of them retired officers who have gone to lucrative jobs with industry. The Pentagon has regulations about the activities of men on its retired list, but the rules are not sabertoothed.

A brief but fascinating glimpse of the hanky-panky that sometimes goes on in the 20th century expense account world of defense contracting was offered by a Congressional report published last year. It told of wheeling and dealing, trips to Mexico, deer hunts in Michigan. As Representative Porter Hardy Jr. (Dem.) of Virginia commented, "some of it is not a pretty picture."

But Congress is not always in a position to throw stones. Members of Congress accept favors and go on junkets, too. Congress, as former President Eisenhower said, is itself an essential element of the military-industrial complex.

Most Americans take it for granted that at this time in history, the Soviet Union being what it is, the nation has no choice but to undertake gigantic spending for arms. The incoming administration of Republican President-elect Richard M. Nixon is expected to keep the outlay at present levels or higher. Accepting that, what should defense profits be? Everybody is against war profiteering, but setting up effective curbs is difficult.

SUSPICION WIDESPREAD

There is widespread suspicion that the nation is not getting its full money's worth from defense procurements that in 1967 soared to $44.6 billion, overshadowing the Korean War peak of $43.6 billion. The Pentagon holds that industry's profit from all this may be running too low for efficiency. Others say profits are too high. Nobody seems to know for sure.

A bizarre fact is that the government's Renegotiation Board, which has the task of trying to recoup excessive profits, is weaker now in personnel and jurisdiction than it was when it grappled with Korean War contracts in the 1950's. The board is a watch dog without a bark, a Texas politician has said. Congress has filed down its teeth and shortened its chain.

WAR PROFITS DEBATE—III

(By William K. Wyant, Jr.)

WASHINGTON.—Vice Admiral Hyman G. Rickover urged Congress this year to curb excessive defense profits by requiring that contractors who do business with the government report their costs and profits in accordance with "a uniform standard of accounting."

The peppery, plainspoken Admiral has a legion of admirers on Capitol Hill but his advice was substantially ignored when the lawmakers extended the enfeebled Renegotiation Act for another three years. Congress did order a study of the uniform accounting proposal.

Rickover claims defense profits have risen sharply—by about 25 per cent since 1963. Defense Secretary Clark M. Clifford says actual profits have not gone up and are, in fact, lower than for civilian commercial work. There is evidence that nobody, as things are now, knows for sure.

HIDDEN PROFITS

It takes a Philadelphia lawyer to understand the contractual relationships between government and industry, but the Admiral cleared the air somewhat this year when he pointed out that "profits" are not necessarily what they seem to be, particularly when based on data volunteered by contractors who may exploit the figures as they choose.

"We must have standard accounting practices so that the government can learn what it actually costs to make an article and what the actual profit is," Rickover told the House Committee on Banking and Currency.

"The way it is today, industry can change their accounting practices at will and in any manner they wish. And, under the present rules the government can't object and doesn't have the people to check."

Rickover pointed out that profit is only a part of a company's real income. Companies can charge "overhead" costs to the government in ways that help them improve their ability to do commercial work. Additional profits can be hidden in various ways.

"We have no way of knowing whether the cost is proper or whether it covers excess profit, subsidy for . . . commercial work, or both," the Admiral explained in simple language.

"You have first got to find out what the manufacturing cost actually is. Knowing this, you will be able to learn what the actual profit is. Today you don't know the cost or the profit. We only know the total amount we pay. We simply don't know what we are doing . . ."

It was Rickover's estimate that the Pentagon could have saved $2 billion or more a year

through a tightening of the way the cost and profit figures are racked up. This is in excess of what the American government spends annually on either foreign aid or the domestic anti-poverty program.

Under orders from Congress, the Comptroller General of the United States, Elmer B. Staats, is looking into the feasibility of uniform standards. It will be a tough job, and the prospect causes pain not only to industry but to the accounting profession.

Proponents insist a greater measure of uniformity can be achieved. Cynics among them remark that accountants, like lawyers, have a vested interest in keeping their field of expertise so foggy that only an expert can hope to penetrate it.

Testifying in November before the Joint Economic Committee's panel on economy in Government, chairman of which is Senator William Proxmire (Dem.) of Wisconsin, Comptroller General Staats pointed to the ignorance that prevails.

". . . . We know of no complete and comprehensive study that has ever been made," he said, speaking of the General Accounting Office which he heads, "on profits actually realized by defense contractors."

The interest in profiteering has thrown the limelight on one of Washington's little-publicized and neglected agencies, the five-member Renegotiation Board. The Board has been likened to a goldminer digging in a rich lode with a peanut hull.

Congress and the defense lobbyists of the military-industrial complex wanted it that way. Through successive amendments since the board was authorized in 1951, it has been weakened in jurisdiction and in personnel. With Vietnam contracts now flooding in for review, and with the Vietnam defense bulge already greater than the highest point of the Korean splurge, Chairman Lawrence E. Hartwig is getting further behind every day.

In 1953 the Renegotiation Board had 742 people and a budget of more than $5,000,000 whereas now it has only 175, with another 27 authorized reluctantly, and a budget of $3,000,000. In 1955, reflecting the Korean War, the board determined excessive profits of $167,256,288. For 1967 the figure had dropped to only $15,980,214 and in 1968 it was $23,069,748.

A variety of factors contributed to the decline. Federal agencies have sharpened up their buying habits. There were economic recessions. Congress in 1956 raised the "floor" under which the board cannot look, making it $1,000,000 instead of $500,000. This move, like the exemption for commercial articles sold to the government, provided safe refuge for billions in defense transactions.

AN 18-TO-1 RECOUPMENT

Despite exemptions and other curbs so extensive that it looks as if the law were written by the defense lobby rather than by Congress, Hartwig's agency in 1968 reviewed more than 30 billion dollars worth of defense and other federal sales. Looking at reports filed by contractors, it determined that profits were excessive in 46 cases. The board does not make its own audits, which is one reason it can get by with a small staff.

In terms of paying for its keep, the Renegotiation Board has done well. It has spent about $53,000,000 since its inception 17 years ago and ferreted out $975,505,785 in profits considered too high. That was an 18-to-one recoupment. In addition, the board has generated voluntary refunds and price reductions totaling another $1.3 billion.

Hartwig's agency suffers from an uncertain lease on life. This year he urged that the Renegotiation Act be extended indefinitely, but Congress gave it only another three-year lease. As a temporary agency, unsure of its future, the board is exposed to periodic bush-whacking by its enemies and is hampered in recruitment of career personnel.

As it is, the board's relations with industry are gentlemanly rather than aggressive. The act does not spell out what a "reasonable" profit is. There is no contract-by-contract survey. Where it appears the profit on a year's aggregate renegotiable dealings is excessive, the board gets in touch with the contractor. If they cannot agree, the issue may be taken to the United States Tax Court.

The controversy on defense profits is hard for the public to follow. One set of figures offered to show that profits are high is not strictly comparable with another, showing profits are too low. Apples are compared with oranges, and kumquats with grapefruit or watermelon.

One day the headlines may deal with a case in which the Defense Department is paying $312 apiece for plastic knobs that the contractor buys for $1.62. On another occasion, as recently before the Proxmire panel, the numbered citizen hears that the contract for the giant C-5A transport aircraft will run about 1.2 billion dollars more than its targeted three billions.

Military procurement obviously is not what it used to be when the Army Quartermaster advertised for bids on hay, saddles, beef and uniforms. There cannot be much real competition when a super-power shops for super-weapons that only a few industrial giants could possibly undertake—and which, in numerous instances, have never been made before by anybody.

Admiral Rickover complained to Congress that five years ago it was possible to buy the propulsion turbines and gears for an aircraft carrier for about $5,500,000 but today the price is up to about $10,000,000. This is only one item tucked into a nuclear carrier like the Nimitz, which will cost about $545,000,000—more than half a billion—or about 10 times the cost of a World War II Essex-class carrier.

PROFITS BIG FACTOR

For the turbines, Rickover said, the only possible contractors are General Electric and Westinghouse. He said the $10,000,000 turbines would provide $2,000,000 profit, or 25 per cent on cost compared with 10 per cent previously. The difference in profit in five years is about $1,500,000, he reported.

Although this kind of escalation is due partly to labor and material costs, Rickover told Congress, a rise in profits has been a big factor.

Defense Secretary Clifford wrote a letter to Capitol Hill last June in which he explained he found no basis for charges of war profiteering. He said that the Pentagon had been trying to achieve lower overall costs by moving toward contracts that shift the responsibility and risk from government to industry.

In that context, Clifford maintained, it was only fair that improved profit opportunities be provided in return for increased risk-taking and greater efficiency. He said the average "going in" negotiated profit had indeed gone up since January 1964 by 22 per cent, but the profits actually realized had been disappointing.

Unless there is improvement in the future as to profits from the new type of contracts, the Defense Secretary warned, the Pentagon will be under pressure to return to the old, less advantageous, less efficient "cost plus" type of deal. He pointed to a Pentagon-financed study by Logistics Management Institute, showing defense concerns are not doing as well as commercial concerns.

POLITICAL HAY

In September, Senator Proxmire, whose panel is looking into defense profits, wrote Clifford that he, Proxmire, had examined the available evidence and "arrived at a conclusion the opposite of yours." He charged the Pentagon with paying higher profits across the board, not just on high-risk contracts. He dismissed the Defense Department's LMI study as based on "unverified statements" of defense contractors.

Proxmire cited Rickover against the Defense Department and also threw into the struggle a study by Murray L. Weidenbaum, professor of economics at Washington University in St. Louis. Weidenbaum's findings, contrasting with those of LMI, were that defense contractors are making higher profits than their commercial brethren.

Defense contractors typically show a relatively low profit rate on sales, Weidenbaum said, but their return on investment is high because they have large infusions of government-supplied capital. The value of government-owned equipment in the hands of private industry more than doubled in the last few years, rising to $14.7 billion in 1967.

There is political hay to be made, of course, in attacking war profiteers whether real or imaginary. Assistant Secretary of Defense Thomas D. Morris defends the "prudent and skillful management job" done by defense managers and defense contractors. He says defense procurement involves 15,000,000 purchase actions a year, 65,000 defense personnel, and 24,000 companies with more than 3,000,000 workers.

"Fairness, integrity, quality and economy are the watchwords of those who manage this vast and complex process," Morris says. Contracts are policed by the Defense Contract Audit Agency, which has about 4,000 people—all civilians—and costs the government some $43 million a year.

What the layman has to conclude, after listening to those who argue that profits are too high and those who say they are too low, is that somebody has to be wrong.

It may be that the Nixon Administration will bring with it, in addition to an even greater enthusiasm for complex military hardware than its predecessor, an effort to find out whether industry gets a fair profit—no more and no less. However, veteran students of the military-industrial complex are not betting on it.

TRIBUTE TO HON. PAUL F. SCHENCK

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 23, 1969

Mr. MATSUNAGA. Mr. Speaker, those of us who had the opportunity of serving with the late Paul F. Schenck will long remember him for his warmth and sincerity and for the sense of dedication which marked his outstanding public service.

I had the privilege, on several occasions, of discussing with our former colleague legislative matters in the area in which he was so knowledgeable as a member of the House Committee on Interstate and Foreign Commerce, and he was always most cooperative and generous with his time and counsel.

The State of Ohio and the Nation have lost an outstanding citizen, and we in the House have lost a great friend.

I would like to join with my colleagues in expressing deepest sympathy to Mrs. Schenck, to the other members of the family, and to the people of the Third District of Ohio over the loss of this distinguished American.

NIXON'S OPTIONS IN VIETNAM

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. FISHER. Mr. Speaker, under leave to extend my remarks I include an article written by Lt. Gen. Ira C. Eaker, U.S. Air Force, retired, which appeared in the January 23 issue of the San Antonio Express. Entitled "Nixon's Options in Vietnam," the author advances some thought-provoking comments and raises some pertinent questions.

General Eaker is a widely recognized authority on military strategy and on the subject of airpower. His views are worthy of careful scrutiny.

The article follows:

NIXON'S OPTIONS IN VIETNAM

(By Ira C. Eaker)

Two campaign promises, to secure peace in Vietnam and reduce crime in the United States, appear to have been largely responsible for the election of President Nixon.

One of his primary concerns and tasks will now be to eliminate or drastically reduce the vast expenditure of U.S. blood and treasure in Southeast Asia—50,000 casualties and $30 billion last year.

These appear to be the President's options in Vietnam:

He can admit that our effort there has failed, begin at once the withdrawal of U.S. forces and abandon the South Vietnamese and our Asian allies to their certain and cruel fate. But this would not be consistent with his promise to obtain an honorable peace. There is nothing in Mr. Nixon's background to suggest that he is indifferent to or tolerant of Communist aggression. The members of his Cabinet and his principal advisory group are remarkably free of appeasers.

The new President can continue the policy of the Johnson administration: Remain on the defensive, defend the South Vietnamese from invasion from the north and from the Viet Cong as best we can through the limited application of force, while sparing North Vietnam from attack and hoping to achieve an acceptable settlement at the Paris peace table.

Nothing which has occurred in Paris or in Vietnam since the peace talks began lends any hope that an honorable peace can come from this option. More than 7,000 U.S. troops and 10,000 South Vietnamese have been killed since the Paris negotiations began.

It should now be evident to the most hopeful and sanguine that Ho Chi Minh agreed to send his team to Paris to stop the bombing of North Vietnam until our November election, when, he believed, antiwar sentiment would force the withdrawal of U.S. troops from Vietnam. There is not the slightest evidence that he and his Russian and Chinese allies have abandoned their plan to unite Vietnam under a Communist government.

Next, Mr. Nixon can follow the example set by President Eisenhower in Korea. Gen. Eisenhower convinced the North Koreans that they must discontinue their invasion of the south and negotiate a settlement or he would use our vastly superior resources to destroy their capacity to continue the conflict. There is another Korean example pertinent now in Vietnam. We trained and equipped South Korean forces at maximum effort and supplied them with all modern weapons.

There can be no honorable withdrawal of U.S. forces from Vietnam until South Vietnamese armed forces and the provincial police have been adequately trained and equipped to deal with the North Vietnamese invaders and the Viet Cong.

We have furnished the South Vietnamese no modern weapons except M16 rifles, and this began only last year. They cannot defend themselves until their ground forces have artillery, rockets, helicopters, transports, tanks and supporting tactical air forces. They must also have naval forces adequate to patrol their extensive waterways and defend their long coastline, vital functions now being performed by the U.S. Navy.

There will be no solution in Vietnam until our leaders and our people understand and accept reality about conditions there. The National Liberation Front is not a political party like Democrats or Republicans in this country. The NLF, the VC political leaders, are criminals. In the Tet offensive they attacked every provincial capital, murdering more than 30,000 unarmed civilians.

If the American Communist Party, with arms supplied by Russia, began hitting our villages at night with rockets, murdering mayors and police, kidnapping our young men for forced labor and young women for forced prostitution, there would be no demand in this country to admit them to our government or treat them as a reputable political party. Yet that is exactly what we are asking of the South Vietnamese.

Strangely, it appears that the solution to international crime, like the Red invasion of South Vietnam, and domestic crime, may be the same: Certain and prompt punishment with penalties more severe than the criminals are willing to pay.

FAITH IN A STRESS SITUATION

HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. SCHADEBERG. Mr. Speaker, recently a good friend of mine, Rear Adm. James W. Kelly, Navy Chief of Chaplains, reported on a very moving experience which I believe should be shared by every Member of Congress.

The text of his remarks concerned the reaction of members of the crew of the *Pueblo*, who were, appropriately enough, greeted upon their release from captivity by a Navy chaplain, the first free American they had laid eyes on after months of Communist torture. What these brave American boys had to say and how they reacted is beautifully and movingly set down by Chaplain Kelly. In reading it my own faith in American courage and the strongly held belief in God among our youth was lifted to new heights. I am confident it will do the same for any good American who takes the time to read Chaplain Kelly's moving account of the incident. I pray each Member of Congress takes time to do so.

The material referred to follows:

FAITH IN A STRESS SITUATION

(A report to the American churches on religious experiences of *Pueblo* crew, by Rear Adm. James W. Kelly, Navy Chief of Chaplains)

"The uniform is beautiful! The cross is beautiful!"

These were among the first words spoken by the *Pueblo* crew when they met Navy Chaplain Marvin E. Snyder, Jr., at the base camp near Panmunjon on the day of their release, Dec. 23, 1968. Most of the men expressed their joy of seeing the chaplain with a broad smile; some were moved to tears. They described their release as a "miracle." It was "an answer to our prayers." "This is a happy day. We are going back to our wonderful country."

Commander Snyder, a Protestant chaplain, and Lieutenant Commander Edward A. Hamilton, a Catholic chaplain, were part of the Escort Team which met the *Pueblo* Crew upon release and stayed with them until they were admitted to the U.S. Naval Hospital, San Diego, Cal.

The chaplains have given me a thrilling account of the religious experiences of these men, and have reported that almost to the man Protestant and Catholic Crew members during their confinement had moved in the direction of a deeper religious commitment, greater faith, and habitual prayer life. Their morale, patriotism, and their respect for their commanding officer and loyalty to one another were an inspiration. This is a report of some of their religious experiences.

One of the *Pueblo* Lay Leaders (person who assists his command in religious ministrations), Lt. Stephen Harris, told how he had given up efforts to have worship services before the capture of the *Pueblo* since never more than two showed up. But as one man said of his captivity, "All we had left was religion."

Some of the men said their memories of Sunday School days were dim, but they worked together to come up with a reasonably accurate list of the books of the Bible. Such familiar Scriptures as the 23rd Psalm were written out and shared. One mentioned that he had trouble remembering the Ten Commandments but with help came up with them. It seems everyone prayed openly before one another, although they had to avoid being seen in acts of worship by their captors.

They had no Bibles or religious materials. No worship services were permitted. They were told, "The Russians shot God down with a rocket!"

They were reprimanded for thanking God for their food (potato soup, rice, and turnips). They were told, "These are the gifts of the Korean people." One man when called out of the mess hall for saying grace said, "I was thanking God for His blessings." He was informed, "This is a mess hall, not a church. You can't pray here." When one man made a wooden cross for his room it was kicked about by the guards, he reported, then later taken away from him.

Missionaries and ministers were held up to scorn by the North Koreans. They presented a picture of a priest sicking his dog on a child and another of a missionary branding a small boy in the forehead with the word "thief" for stealing an apple. The *Pueblo* men were told that every cross in Korea was an antenna for sending espionage messages.

A petty officer related, "I left religion out of my life when I joined the Navy. I have a Japanese wife, and two lovely children who just love Sunday School, but I haven't helped my wife to become a Christian or encouraged the children. It is going to be different now." These sentiments were echoed time and again by these men.

There were other indicators given to the two chaplains of the spirit of the men during their captivity and of their efforts to keep their sanity. One man made his own "Monopoly" game with available materials. At night they played "Movie Hour." A man would endeavor to relate a movie he had seen. Others would piece in details. Soon they became very skilled at reconstruction as they probed their memories. This became an interesting diversion.

According to one of the men, efforts to drive a wedge between two Negro crew members and the others were as unsuccessful as were the efforts to destroy their faith or sell communism. This man said that his Negro

roommate was called aside and told what a superior job he did in cleaning the building. He saw through efforts to "butter him up." When Martin Luther King was assassinated, the same man was taken aside and given sympathy for the terrible treatment which the American Negro was said to suffer. But his roommate related that the Negro lad stood up for his country and asserted that Negro and white alike enjoyed wonderful freedom in our country, probably even exaggerating the degree of equality which the Negro enjoys in America.

Everyone seemed to be asking about a worship service following their release. An Army Jewish Rabbi was made available to the two Jewish members of the *Pueblo* Crew. Protestant Divine Services were conducted by Chaplain Snyder and a Catholic Mass by Chaplain Hamilton at the 121st Army Hospital at 7:00 p.m. and 7:30 p.m., respectively, on the day of the release. Almost every man attended and some must have attended both services. One or two were involved in medical procedures and were not present.

The following day a joint Protestant-Catholic Christmas Eve Service was held with Army Chaplain Morgan of the hospital joining our two Navy chaplains in the service. Every man attended. RADM Edward M. Rosenberg, USN, the officer in charge of the *Pueblo* Escort Team, had made a very favorable impression on our two chaplains by his personal concern for the *Pueblo* Crew and by his sincere interest in religion. He offered to participate in the service as did LT Harris of the *Pueblo*. A Red Cross worker sang a solo. Admiral Rosenberg said of the service, "That is one wonderful Christmas Eve Service I will never forget." He was moved to tears during the worship, as were others.

It may be appropriate to mention the loyalty and admiration of the men for their commanding officer. As Captain Bucher entered one of the dining areas where Chaplain Snyder was visiting with the men as they ate, there was a spontaneous standing ovation for their skipper.

Perhaps the religious experience of the *Pueblo* Crew during the long eleven months of their captivity can be summed up by saying that every effort to take away their faith in God only caused them to move in the direction of God. Every effort to subvert their faith only caused them to re-affirm it. I am certain that the men of the *Pueblo* would want to give full credit for this to Almighty God.

A TRIBUTE TO "CYE" FEATHERLY

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. HANNA. Mr. Speaker, I wish to call to the attention of my colleagues the retirement of an outstanding public servant, C. M. "Cye" Featherly. For 20 years "Cye," as he is affectionately known, served as a county supervisor of Orange County.

During those two decades of distinguished service, this dedicated public official helped guide our county through an era of unparalled growth and development. The wise counsel furnished by this good man has been of inestimable value to the people of Orange County.

I count it a distinct privilege to have had the opportunity to work with "Cye" Featherly over the past years, and know that I echo the sentiments of all the area's residents when I wish him well.

HON. ROBERT A. "FATS" EVERETT

HON. RAY BLANTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BLANTON. Mr. Speaker, I wish at this time to respectfully pay tribute to Congressman Robert A. "Fats" Everett, whose untimely death January 26, has left a sorrowful void in these halls of Congress. He was loved, respected, and esteemed by his colleagues, his constituents, his family, and friends. He was indeed a friend to all, and this tragic loss will be shared by all.

I respectfully request that the eulogy delivered at the funeral rites of Representative Robert A. Everett by the Reverend Scott Johnson, of Union City, Tenn., be incorporated into the proceedings of the House of Representatives this day, January 30, 1969. It is my feeling that this message so aptly portrays the character and achievements of the late Representative Robert A. Everett.

The eulogy follows:

"Fear thou not for I am with thee. Be not dismayed for I am God. I will strengthen thee, yea I will help thee. Yea I will uphold thee with the right hand of my righteousness, for I the Lord thy God will hold thy right hand saying unto thee fear not, I will help thee." (Isaiah 41.)

A week after assuming the Pastorate here, I received a letter from Congressman Everett pledging his continued Church support and offering his personal assistance day or night. This characterized Mr. Everett's life. Unselfish service and untiring helpfulness.

The news media termed it a rash that two years ago hospitalized our beloved Congressman. Keenly aware of my pastoral responsibilities, I proceeded to write Mr. Everett in jest regarding his rash, yet assuring him that we had genuine concern for his physical well-being. Three days later, I received a letter thanking me for my concern. However, the burden of his communication had to do with his clarifying my salutation. For you see, I had addressed him "Congressman Robert Ashton Everett." He requested I call him "Fats," as did all his friends.

This, too, characterized his life, humility and an absence of pride. He refused to change a life-long name among the titles of deserving and recognized honors. To his beloved family and innumerable friends, the nickname "Fats" described not so much his physique as it pictures his heart.

Magnanimous was his soul in its burning zeal to help others. Here he harvested his deepest satisfaction and his highest joy, be it for widow, teenager, governor, or clergyman.

The Angle of Death touched with angelic softness our beloved Fats a little past the noon hour of his life. However, the early hour failed to rob him of a rich and abundant life. He was to taste early the responsibilities reserved for those of more mature years. Here, at this altar in his early 20's, he was ordained as an Elder, the youngest in the Church's history. The year he received his college diploma, he was elected to the court of his native county. Yes, life with its vision filled his vessel early, enabling its outpouring to realize comfortable completeness.

Our jovial giant, our Representative and Legislator, no doubt looks down upon his assembly with approving smiles and celestial joy, for here are gathered his beloved family, his staff, his distinguished colleagues, and his cherished fellow men.

The youth who aspire to heights of political achievement in public service will in wisdom study the life of this great political figure. His was an envious position, coveted by all who seek the opinion of their fellow men at the polls. The answer may or may not be unique. Fats, early in life, sought voters out which he could cultivate as friends, whereas too often, others seek friends out of which they can cultivate voters.

Yesterday, while we mourned his passing, it was as if the angels shed their soft snowflake tears to blanket in white the purity of his native soil. I like to think of this world as a park filled with frozen lakes for skating, playgrounds, trees and grassy lawns, museums and swimming pools. We, like children, are privileged to spend a day in this great park. The time we are privileged to spend is not the same in length, in light, nor in beauty. Some days are long and sunlit; others are cloudy and stormy, as in a winter's tale. Some are able to stay only a few short hours. Some must go home at noon while the sun is still shining. For each of us, the moment comes when the Nurse Death takes us by the hand and quietly says, "It's going time now, my Love . . . come, come with me."

This our beloved one now has answered that summons. For him, the menace of the world has hushed. The fervor of life is over, and his work is done. One need not eulogize his life to you who have known him. His life tells its own story. The friendships expressed here demonstrate his influence. Though he never married, through kindness, helpfulness, encouragement and love, he gathered about him a family synonomous with his stature and his big heart.

Some come to the end of life filled with remorse and regret. "Take my wasted years and bury them with me," said one. He had misused his life and furthered no great cause of human welfare, and buried his abilities in cheap, selfish security. Of such the Master said, "Thou wicked and slothful servant," and instructed that he be cast into outer darkness.

The sweetest words which one can ever hear and the most beautiful benediction that concludes life, the most coveted epitaph, was Christ's farewell, by these words spoken by Jesus when He said, "Well done, thy good and faithful servant, thou hast been faithful over all things. I will make thee ruler over many. Enter thou into the joy of thy Lord."

This one we honor led an unselfish, devoted life. The world has been made better for his having lived. Surely the congratulatory hand of life's all-wise Judge reaches out with the accompaniment, "Well done." Death comes to him as a friend. We often wish in a childish wonder why God created the universe, and Death comes to all of us.

We too often feel that Death is an enemy of life, and not a friend, but this is not right. It is the knowledge that our years are limited that makes them so precious. Plato was right when he declared that infinite life on this earth for us human beings would not be desirable even if it were possible. Who would want to live a never-ending existence on earth, through endless years of struggle and revolution, pain and worry, conflict and labor, with no possibility of escape? What drudgery of day would never end? If you toil through the cold bitter damp day looking forward to the evening shadows, time moves so slowly it seems the day would never end. Then, when evening finally came, how welcome. What peace and embracing rest, what satisfied relief, what a wonderful friend.

Death came as a wonderful friend to this one. The best is yet to be. Death is only a new beginning. It is like going to bed on a

bleak night and waking with the sun always shining. Victor Hugo, the French author wrote, "When I go down to the grave, I can say like many others, I have finished my day's work, but I cannot say I have finished my life. My day's work will begin the next day." The tomb is not a blind alley; it is a thoroughfare. It closes on the twilight, and opens on the dawn.

A giant pine, magnificent and bold, stood staunch against the sky, and all around shed beauty and grace and power. Within its folds, birds safely reared their young. The velvet ground beneath was gentle, and the cooling shade gave cheers to passersby. Its towering arms, a landmark, stood erect and unafraid, as if to say "Fear not, my life's love." It fell one day, where it had dauntly stood with loneliness and void, but men who passed paid tribute and said,"To know this life was good; it left its mark on Thee." Its work stands fast, and so it lives such life no bonds can hold, this giant pine, magnificent and bold.

For Fats, life's gavel has struck its final adjournment. It was a great and productive session. The rush and fervor of life is over; the office phone comes to rest in its cradle.

However, "He is not dead. Why should we weep because he takes an hour of sleep? A rest before God's greater morn, answers a new world is born, a world where he may do the things he failed in here, where sorrows, stains, and disappointments yield to joy, where cares and fears cannot destroy. He is not dead. He hurried on ahead of us to greet the dawn, that he might meet the loved who left us yesterday. We are bereaved, but weep not. Hail him where afar he waits for us on some bright star. He is not dead. Beyond all strife at last he wins the prize of life."

PFC. RUDOLPH PEARSON

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. LONG of Maryland. Mr. Speaker, Pfc. Rudolph Pearson, an outstanding young soldier from Maryland, was killed recently in Vietnam. I wish to commend his courage and honor his memory by including the following article in the RECORD:

PEARSON, CITY GI, DIES IN VIETNAM—MEDIC KILLED WHILE TRYING TO RESCUE SOLDIER

Army Pfc. Rudolph Pearson, 26, of Baltimore, died January 13 when he was hit by a fragment from a bobby trap in Vietnam, the Defense Department reported yesterday.

Officials informed his family that Private Pearson, a medic, was killed while attempting to rescue a wounded soldier.

A native Baltimorean, he attended local schools and continued his studies at home with LaSalle University extension courses.

Drafted in March, 1968, he trained at Fort Sam Houston, Texas. He was sent to Vietnam in September where he was stationed with the 9th Infantry Division.

SURVIVORS LISTED

A brother, Clarence L. Pearson, said that recent letters from Private Pearson indicated he "was not in favor of the war."

In addition to his brother, survivors include his mother, Mrs. Sarah Pearson; his father, Levi Pearson; two brothers, Levi, Jr., and Raymond Pearson; two sisters, Miss Dorothy Pearson and Mrs. Shirley Richardson, all of Baltimore. Two more sisters, Mrs. Emma Rogers, of Catonsville, and Mrs. Frances Anderson, of Washington, also survive.

CHATTANOOGA'S PROUD CHAMPIONS

HON. W. E. (BILL) BROCK

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BROCK. Mr. Speaker, the value of sportsmanlike competition and pride in achievement is important in building character. The champion basketball team of Chattanooga's Riverside High is an example of this. Recently, the Washington Daily News carried a UPI story hailing this outstanding group of athletes and their coach, Mr. Dorsey Sims. The success story of the Riverside Trojans is a case of hard work and good sportsmanship combining to strengthen self-respect and build a better community. I include it in the RECORD, as follows:

[From the Washington (D.C.) Daily News, Jan. 24, 1969]

CHATTANOOGA RIVERSIDE HIGH: A KEY TO ONE TEAM'S SUCCESS: PRIDE AND DEFENSE

CHATTANOOGA, TENN., January 24.—"We don't wear long hair, we don't ball up the fist. We just go out there and beat your brains out and you know we're black."

Using black pride and coaching skills picked up from watching the pros on television, outspoken Dorsey Sims has turned 14 Negro youths from Chattanooga Riverside into the best high school basketball team in Tennessee.

"We enjoy being the best," says Sims.

"We work hard at it. Our students here want to be a part of the best."

A TRADITION

Being the best is getting to be a tradition as far as Riverside basketball is concerned. The Trojans, defending state champions, have rolled up 45 straight wins and are 16–0 this season.

Since Sims came to the school three years ago, Riverside has won 93 and lost only 15.

"We don't make a lot of ruckus," the 36-year-old coach says. "Our boys are well disciplined and get haircuts. But they're proud."

Pride and defense, says Sims, are the two reasons Riverside is a winner. "Pride is something you've got to feel. Our boys feel it. They just don't believe they can be knocked down."

Riverside is an all-Negro high school, but has been competing for several years with both white and Negro athletic teams in the State in accord with a ruling by the Tennessee Secondary Schools Athletic Association. Sims believes his squad has an advantage over the white teams.

"The Negro athlete has something to prove. In a black athlete, appreciation runs a little deeper. Once he gets a taste of success and the bright lights he wants to keep on winning."

Sims, who was a quarterback in college, has little prior basketball experience. "I went to coaching clinics, read books and studied the pros playing on TV. Then one day it all began to fall into place," he says.

DEFENSE "KEY"

"Defense is the key. Our defense goes for the other team's strong point. We try to bust up their bread and butter." The tactic works well for the Trojans.

However, Riverside also knows how to score and is averaging more than 70 points per game this season. The Trojan gunners have hit as high as 82 per cent of their shots from the field.

Trojan basketball is crowd pleasing and draws as many as 5,000 fans for a game, white fans as well as Negroes. "People come to see us play not because we're black," says Sims, "but because we play good basketball.

"Our boys do some fantastic shooting and ball handling for high school. And we don't put anybody to sleep with the stall.

"Everybody expects us to win," the coach says, "but we're not getting fatheaded. If you get fatheaded you get beat."

THE HEART OF AMERICA

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. KUYKENDALL. Mr. Speaker, under permission to extend my remarks in the RECORD I would like to include a great and inspiring speech delivered before the Memphis Optimist Club by Mr. Frank C. Holloman, director of the division of fire and police in the city of Memphis.

Mr. Holloman is an outstanding advocate of law enforcement with equality and justice. He is a proud American, a courageous citizen and public servant who reminds all of us of our greatness as a nation and challenges us to meet the challenges forced upon us by apathy, permissiveness, and a willingness to sit by and watch our most sacred institutions destroyed.

Mr. Holloman's remarks follow:

THE HEART OF AMERICA

(By Frank C. Holloman, director, Division of fire, and police, Memphis, Tenn.)

I am sick and tired—and all of us should be sick and tired—sick and tired of a "Fat Cat" society, which has never had it so good, economically and materialistically, refusing to become involved and concerned with the concerted efforts now being made to destroy our American way of life;

Sick and tired of non-involvement of citizens who watch women raped, men assaulted, people drown, old people bleed to death before their very eyes without raising a finger and who practice every trick to escape jury duty, court appearances in the interest of justice and otherwise avoid civic duty and decent behavior;

Sick and tired of litter on the streets, violations of traffic laws, and everyday public discourtesies which reflect a lack of citizen discipline;

Sick and tired of parents and others who refuse to practice self-discipline and fail to impose discipline on those for whom they have a parental or moral responsibility;

Sick and tired of the complacency and apathy reflected in the failure of citizens to register and to vote and who permit, without protest, their elected represenatives in the executive, judicial and legislative branches of government to represent themselves and not the people:

Sick and tired of the attitude of business-as-usual, while the great heritages of America are being pulled down on our heads;

Sick and tired of compromise as practiced by individuals, and by national leaders as reflected by the capture of The Pueblo and its crew on the high seas and the subsequent failure to forcibly effect its release;

Sick and tired of the prevalent disrespect for authority and its teaching to the youth of America;

Sick and tired of the screams of police brutality while there is no concern for police fatality;

Sick and tired of national leaders who decry that "some preach fear, fear of ourselves, as twenty years ago they preached

fear of alien communism. The threat they say is the criminal stranger among us: Crime in the streets" while every thinking American knows it is the threat of the criminal among us that would destroy America today just as the alien communist of yesteryear would have done but for those preachments;

Sick and tired of national political leaders who claim "law and order" is a bad phrase and is only used by many to conceal their opposition to Civil rights advances and "cannot be had by a slogan or a stick";

Sick and tired of people who cry for law and order and safe streets but blanche at the mention of the cost to provide law enforcement officers a decent income, and law enforcement agencies adequate personnel and equipment to win the battle of crime in the streets, and in the homes of America;

Sick and tired of Supreme Court and other Court decisions that give all the rights to the accused and few, if any, to the accuser and society and on technicalities turn loose on society rapists, murderers, thieves and burglars;

Sick and tired of ridiculously low appearance bonds, or no bonds at all, for confirmed criminals who benefit by being repeatedly released to continue their depredations on society and law abiding citizens;

Sick and tired of courts that give criminals a slap on the wrist for "resisting arrest" when police officers put their lives on the line and in many instances lose them;

Sick and tired of abuses in the parole and probation systems which permit hardened criminals to be released to victimize society by do-gooders who think all criminals are merely misguided victims of our social order;

Sick and tired of extortion and blackmail practiced by a small criminal minority through the use of fear and intimidation under the cloak of any type of cause;

Sick and tired of intolerance in the name of tolerance, whatever the cause;

Sick and tired of a small percentage of a minority that preaches the destruction of the greatest democracy in all history by burning, looting and sniping, while no nation in history has ever given its people a standard of living better than few ever thought possible, while millions starve to death in other countries;

Sick and tired of white minority groups who think and preach that the color of one's skin determines if he is a first class or second class citizen, and would deny equal opportunity to all—regardless of race, creed or economic status;

Sick and tired of rag-a-tag, dirty, filthy and foul-smelling hippies and yippies who refuse to accept any responsibilities in our society and who preach that one should obey only the laws with which he or she agrees;

Sick and tired of so called freedom of speech or intellectual freedom that decries decency and advocates filthy four letter words as proper expression of "ideas";

Sick and tired of filthy, lascivious and smutty movies and books which are flaunted before the youth of our communities and nation and permitted to stay there by a permissive and complacent public;

Sick and tired of government hand-outs and give-away welfare programs which encourage and perpetuates laziness and rewards lack of industry and refusal to work and earn by the sweat of the brow;

Sick and tired of national church organizations who judge without facts the actions of law enforcement officers and condemn police brutality as a sweeping judgment of all police officers, then proceed to condemn American military efforts against communism in Southeast Asia, and assume a position as labor organizations in involvement in purely labor disputes;

Sick and tired of churches acting as social/clubs instead of agencies for religious revival in America, and who draw a circle to include the respectable of the community—but exclude the sinners, the drunks, the prostitutes, the thieves and the "undesirables" who might contaminate the congregation;

Sick and tired of parents and adults condemning and criticizing the teen-agers of America in an effort to assuage their own delinquencies, when it is obvious the hope of America lies with our teen-agers, who in general, are better than we were at that age and are better citizens than we are today;

Sick and tired of a small percentage of the teen-agers who give all teen-agers a bad name, and the vast majority of teen-agers who permit a small percentage to get away with it;

Sick and tired—sick and tired—of the general unconcern of so many for the future of our great Country and who refuse to roll up their sleeves and go to work to restore it to what it was when our forefathers handed it to us;

Sick and tired of godlessness and materialism, which are eating away the very moral fiber of America;

Sick and tired of the flag of America being defiled, spit upon, burned and disgraced—and people who pledge allegiance to it who really don't know what they pledge, or really mean it;

Sick and tired of America being in the gutters and sewers of indecency, expediency, unmorality, dishonesty, lawlessness and crime when she should be in the stars of morality, integrity, honesty and decency where she belongs as "One Nation Under God;"

Sick and tired of an America that forgets God—because God might forget America.

On a recent jet plane flight, I was captivated with the wondrous beauty of America. Super-highways appeared as narrow ribbons and highways and roads as shimmering threads; small communities as groups of Pearls as white house-tops reflected the sun. Lakes and rivers looked to be expanses of diamonds reflecting the brilliant sunlight. The green patches of cultivated fields blended with the brown uncultivated pastures as they framed themselves into squares and rectangles. The green of the woods and forests reached up to the deep blue of the sky as if to splash these natural colors in defiance of the man-made color schemes. What splendor—what beauty—what charm—I thought of the face of America! The strains of "America, the Beautiful" occupied the attention of my memories. For moments I was captivated by the beauty of my country—my nation—*My America.*

I thought of my nation—not one of streets, highways, architectural wonders, lakes, forests, plains, mountains and deserts—but rather as a warm, breathing being—a mother—yes, the motherland. A being with a heart, a soul, and blood coursing through her veins. A being of churches, PTA's, civic clubs, people of all races: Negro, Whites, Poles, Italians and Greeks—a nation of all religions: Methodist, Catholic, Jewish, Baptist and Presbyterian. A being of individuals with pride, decency, liberty and freedom. A being of people fiercely jealous of her sacred heritages of integrity, morality, honesty and truth. A warm being of Captain Colin Kelly's, Abraham Lincoln's, Thomas Jefferson's, Unknown Soldiers, Henry Clay's and Patrick Henry's. A war being with ancestral pioneers who fought, bled, died, sweated and wept, to carve out of a wilderness a Nation of liberty, freedom and justice to all. I thought of a nation that breathes and sighs, that laughs and cries, that shares and cares, that is humble in victory—defiant in war.

And then in the silence of it all, I abruptly was brought to realities as I remembered what I had left on earth—a nation of lawlessness, permissiveness, unmorality, expedience, dishonesty, complacency and compromise. I remembered that ours is a nation of 3¾ million serious crimes being committed each year, with crime increasing some 20% a year, and 9 times as fast as our population. I remembered that ours is a nation of filth, smut, lasciviousness and indecency as reflected by the movies, books and paperbacks flooding our society and homes and directed towards the minds of our youth. I remembered the compromise of our nation that permitted one of our ships to be captured on the high seas by a 5th rate nation while we stood by without rescuing it and its crew, but rather wrung our hands and tried to "diplomatically" arrange a ransom for its, and their, return. I remembered a nation whose churches do not draw a circle to include the poor, the evil, the sinful, the social outcasts. I thought, as I looked—the face of America has not changed—only her heart has changed.

What has happened to my nation—what has happened to her people—where are the citizen disciplines and prides—where the courtesies and the decencies—where the old-fashioned patriotisms?

I thought of Benjamin Franklin's statement as he proudly walked out of the Constitutional Convention and said to the gathered crowd "you have a Republic, if you can keep it."

And then as I thought—I remembered the youth of America in whose hands the future of our Nation rests. I knew them—the vast majority—who are better citizens than we were at their age, and who are better citizens than we are today. I knew they dreamed of an America of decency, morality, integrity, honesty and truth. I knew they dreamed of "One Nation, under God," and a nation not in the filth and dirt and lawlessness and crime and indecency, but a nation in the stars where our God is. And I knew, as I smiled, that there is where our Nation belongs and that these young people will reach for the stars and will hold the stars with one hand and will reach with the other hand and pull America up where she belongs.

Through the smoke and mist of a nation staggered with crime and lawlessness, unsafe streets and riots, I could see that the flag was still there and will once more proudly wave in the breeze. And I knew that my generation will somehow shake itself of its lethargy, its complacency, permissiveness, compromise, apathy and unconcern and put its arms on the shoulders of our youth—and march proudly together again beneath the banner of the greatest and grandest Nation of all history—America—"One Nation Under God!"

LEES OF THE WINE

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. SISK. Mr. Speaker, a great American newspaper, the Washington Evening Star, has recently on its editorial page cited a product of my State. I will refrain from any comments at this time as I feel the Star very appropriately states the case. Accordingly, at this time, I would like to share the editorial with you and my colleagues:

LEES OF THE WINE

As it was in so many other ways, 1968 turns out to have been a disastrous year for wine-making in Europe, according to reports from the Common Market's cellarage division. The sun didn't shine enough, there was too much rain, grapes rotted on the vine and there will be no great Burgundies or Hocks of 1968.

That, however, is only the bubble at the brim of the beaker of bitter wine being quaffed by the industry over there. The

Frenchman, the sturdy foundation of the vintner's art, could always be counted on to put away 147 quarts a year. Last year, he was down to 124 and sinking steadily. French youth, a Common Market official has sadly noted, are either hooked on soft drinks or going "right into whiskey."

Beyond the Alps lies Italy, and the Italians have discovered you don't need grapes to make wines. Under current prosecution are almost 200 ingenious purveyors of 50 million bottles of water, acids, sugar and artificial coloring under the name of vino. That kind of thing shakes public confidence and Italians are moving over to beer as a mealtime beverage. The end was in sight when a few years ago, the traditional straw cradle for the wine flask was replaced by plastic. Clearly, if you can get away with plastic on the outside of the bottle, you can on the inside as well, and that's what's happened.

Not to make capital of others' misfortune, but still that does leave our native American wines of California and New York untouched by scandal or stormy weather, still made from real grapes and steadily gaining in patronage. There is not an ordinary wine in Europe that can't be equalled in America and occasionally our wines rise to something approaching greatness.

If present European trends continue, America may yet become an exporter of wine to old-fashioned Europeans who cannot drink plastic and will not drink beer.

GOV. AVERELL HARRIMAN

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. HANLEY. Mr. Speaker, I want to take this opportunity to join with my many colleagues here today in paying our deep respect and homage to a great American, and one of the finest statesmen ever produced by the United States—Gov. Averell Harriman.

For over two generations, Averell Harriman has been in the forefront of American life. He has served in the Presidential Cabinet; he has served as Ambassador to England; he has served as Ambassador to Russia; he has served as Ambassador at Large; he has served as the chief negotiator in Paris; he has served as Governor of New York. In short, Mr. Speaker, Averell Harriman has spent the whole of his adult life serving his fellow Americans—and he has done so well and unstintingly.

As he retires from public life, I want to offer him the heartfelt thanks of all the people of New York's 34th Congressional District. More than that, though, I want to make a request of Governor Harriman—that he not retire completely. It is my fondest hope that he will write his memoirs, that he will maintain the vigorous pace he has kept up for so many years, and that he will continue to appear in public and to speak out on the vital issues which confront America and the world.

It is given to few generations to know the likes of Averell Harriman and to be the beneficiaries of such wisdom and dedication. We wish him Godspeed in the days and years ahead.

A KINDER VERDICT ON L. B. J.

HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. ALBERT. Mr. Speaker, under leave to extend my remarks, I include in the CONGRESSIONAL RECORD a recent editorial from the London Economist, one of the earliest efforts to appraise the policies and record of the Johnson administration, only 5½ days after the President left office. The perspective of less than a week, of course, is limited but already the soundness of the administration's policies, particularly from the broad view, shape up well under rational and objective judgment. Doubtless many such assessments will be made, particularly as time brings many of the Johnson administration efforts to fruition. This first post-administration analysis may well foretell a historical judgment which will place the Johnson government among the greatest and most responsible in modern history. The article is as follows:

A KINDER VERDICT ON L. B. J.?

LONDON.—On Monday Lyndon Johnson passed into the hands of the historians he is so worried about, and the historians will be kinder to him than his contemporaries have been. There have been very few American Presidents—Harry S. Truman is the only other one in this century—who have so plainly had to wait until they were out of office before they could hope for an objective assessment of their Presidency.

There is no mystery about the reason for this. Mr. Johnson's weaknesses, which are obvious ones, are largely weaknesses of style, of manner and of tactics. It is these things that have scratched the nerve-ends of the men who have had to work with him, and write about him. He would have been judged more generously if he had been blander, or wittier, or more self-deprecating, or more transparent; in fact, if he had been almost anything except the leathery, convoluted and ruseful old Texan he is.

The result is that many of his contemporaries have failed to do justice to the aims which he set himself, and which to a fair extent he has achieved, because of their obsession with the manner in which he went about it. It has been the judgment of men too deep among the trees to see the wood. Mr. Johnson will have to wait for the men of the 1970s to deliver a more detached verdict; and their verdict is likely to be that he was a much better President than most people yet realize.

The gods were good to Mr. Johnson on his way to power. They gave him, in Texas, the best sort of springboard into national politics for a man of his populist temperament; in the Senate, they gave him the ideal forum for his particular type of political skill; and in 1963, with the assassination of John Kennedy, they gave him the key to the White House in the only way in which that key might have come to a Southerner. But once he had got to the top the gods withdrew their favor.

The mid-1960s have been an abominably but unavoidably difficult period for the United States. This was the period in which the countries of Western Europe had recovered from the destruction of the second world war well enough to produce at least one sustained rebellion against the American leadership of the 1940s and 1950s. As it happened, the rebel was Gen. Charles de Gaulle, but if he had not tried it somebody else probably would have. This was the period in which the much greater revulsion in Eastern Europe against Russia's far more brutal domination of that half of the continent pushed the leaders of the Soviet Union back into a neo-Stalinist conservatism, and thereby made a Russian-American understanding harder to achieve. The mid-1960s brought the challenge by Southeast Asia's Communists to the point where the United States either had to fight on the mainland of Asia or accept its exclusion from most of the area.

Above all, these years saw the slow emancipation of the Negroes in America itself come to its moment of crisis: the moment when the lid had been unscrewed just enough for passive resistance to turn itself into a violent assertion of rights. All these things would have happened whoever was President of the United States. It was Mr. Johnson's bad luck that he was there when they happened.

The historians will almost certainly decide, that the main decision of Mr. Johnson's foreign policy was the right one. He saw that the combination of a pugnacious China and an increasingly quiescent Russia, which is how Russia looked until last August, required two quite different policies for the two parts of the Communist world. President Kennedy had half-seen this, but he had not carried it through to its logical conclusion. Kennedy's preoccupation with de Gaulle's threat to the unity of the Western alliance led him into a search for a nuclear partnership with Germany that would probably have ruled out the hope of an understanding with the Soviet Union for a long time.

Mr. Johnson saw the danger, and acted accordingly. He decided to ignore de Gaulle's rebellion, in the belief that it would eventually collapse out of its own weakness; the events of the last year suggest that his belief was sound. He decided that an agreement with Russia was more important than giving satisfaction to the Germans, and dropped the plan for a fleet of nuclear-armed submarines with the Germans aboard. The full flowering of this new policy came in October, 1966, when Mr. Johnson in effect offered to accept the status quo in Europe in return for Russian co-operation in other matters. He could not foresee then that the liberal movement in Eastern Europe, and particularly in Czechoslovakia, was going to produce a panic-stricken relapse into obscurantism in Russia itself. It did, and the success or failure of his policy now depends on how long the new obscurantism in Russia lasts.

Yet is remains true that Mr. Johnson's policy is the only way in which the West can actively encourage Russia's return to some kind of normality. If Russia's leaders realize that before it is too late, President Nixon may gather the crop that Mr. Johnson sowed.

But the other side to the search for an understanding with Europe's Communists was resistance to the overt expansionism of the Asian Communists. It is clear that Mr. Johnson and his advisers made a number of tactical miscalculations when they sent an American army to Vietnam in 1965. They overestimated what the American advantage in firepower could achieve in a terrain like Vietnam's. They therefore underestimated the length of time North Vietnam could go on fighting.

Their long-term aim was the creation of an American-Asian community that could balance the power of China as the American-European community has balanced the power of Russia in the last 20 years; but they found themselves fighting in Vietnam before they had worked out how such a community was to be constructed in the very different environment of backward and bickering Asia.

That is why Mr. Johnson left office not knowing whether the second half of the foreign policy will survive him. The next couple of years will decide that. But at least Mr Johnson has kept alive the possibility that the United States will be able to play more than a spectator's part in what happens on the southern periphery of the Asian Communist world. It is still possible that South Vietnam will emerge from the war under a non-Communist government. The United States has established a position in Thailand which it may be able to use even if South Vietnam falls.

The effort has cost the Americans a great deal, and it has cost Mr. Johnson the Presidency. But if he had not made the effort, and if South Vietnam had collapsed in 1965, the probability is that much else in Southeast Asia would be in the melting pot today, and that the Russians as well as the Chinese would be in there stirring the pot. His choice in 1965 lay between two appalling options. The one he chose still seems, on balance, likely to be the less appalling in the long run.

In his Asian policy, and in his dealings with Russia, Mr. Johnson has pursued the logic of the policies started by his immediate predecessors. What he has done in the United States itself has deeper roots. History will probably decide that Mr. Johnson has not been a great innovator, but it will have to recognize his talents as the Great Completer.

The America he has had to deal with is a country in transition between the last stages of the old sort of industrial society and the first stages of a new kind of society, which will be as different from the industrial society we have known in the 19th and 20th Centuries as this industrial society was from the rural societies that preceded it.

Mr. Johnson deserves to be remembered as the man who made it possible for the tail-end of the American population to catch up with the benefits of the industrial society while the vanguard was pushing on into the new world ahead. The communities of the left-behind—above all, the Negro poor—have now been provided with laws, if not always much more than the bare laws, that give them a chance to narrow the gap that separates them from the others. In this sense Mr. Johnson has been the latest, and perhaps even the most successful, one of the great reformers of the American liberal tradition.

LOBBY AGAINST MY PEOPLE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. RARICK. Mr. Speaker, many forces were at work yesterday to deny my people their party seniority and supposedly to embarrass me.

Indicative of the vendetta promoted to single me out as a cause celebre by the extreme left is a wire misdirected to my office, which I submit for inclusion in the CONGRESSIONAL RECORD, as follows:

PHILADELPHIA, PA.,
January 28, 1969.

Hon. ——,
House Office Building,
Washington, D.C.:

The United Auto Workers Community Action Programs Council feel very strongly that Representative John R. Rarick of Louisiana should be denied his seniority at the rollcall vote Wednesday, Jan. 29, 1969.

WARREN T. CORBIN,
Director, Community Action Program.

SALUTE TO THE SCOUTS

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. NATCHER. Mr. Speaker, it is once again my very high privilege to pay tribute to the Boy Scouts of America who, on February 7, will begin their national week of celebration. I must admit that it is hard for me to put into words the enormous pride and affection I feel for this organization which for almost six decades now has provided constructive outlets for the diverse and always magnificent energy of the American boy.

The theme for Scout Year, 1969, is "Scouting rounds a guy out." The Boy Scout movement was founded with this policy in mind and its basic purpose and outline has remained unchanged. This is not to say that the program is or has ever been inflexible. I know of no other organization more adaptable or more sympathetic to the needs of youth and for that reason it is an intensely personal experience for a boy, I know. I was a Boy Scout. It is an experience that one retains. It is an experience that is relived, especially on the day when a young Cub, marching in his first parade, casts a sideways grin at his proud family on the sidewalk. I know about that, too.

The boy sees Scouting as a game of fun, adventure, and fellowship. His world becomes an exciting and important world of hikes and trails, tents and ropes, messkits and sleeping bags, songs and jokes, campfires and smoke, plus the best burned potatoes and limp bacon this side of Heaven.

Adults, too, look upon Scouting as a game—but as a game with a purpose. With this in mind Scout leaders strive to develop character, health, mental alertness and manual skills, teamwork, self-reliance, and the desire and ability to help others. Thus the boy is prepared for his responsibilities as a man.

The lesson of citizenship is early learned and when his Nation calls, the boy—the Scout, can assume responsibilities far beyond his years. During periods of crisis the full resources of Scouting are placed at the disposal of our country. The Scout is ready. He has responded to every request made by his Government in the past from salvage collections to victory gardens, and will answer again when called.

The activities of the Boy Scouts are familiar to all of us. We know about the hikes, the jamborees, the collection drives, and wildlife conservation. But these activities, and they are fine ones, do not alone round the guy out. What then is the success of Scouting? I sincerely believe that it is giving the Scout a code. It is teaching him about a thing called honor. It is teaching him fair play, respect for authority, and the other ingredients of good citizenship. As a result the Scout symbolizes the highest ideals of American living. The boy who spends his hours in Scout work will not be the one who is caught throwing rocks at passing cars or school windows. Nor will he be a part of a street gang looking for trouble. Scouting has taught him values and discipline—Scouting has rounded him out.

Four million boys in our country are committed to the principles of Scouting. Truly the Boy Scouts of America are one of our biggest assets and on the eve of their 59th year I wish them continued good fortune and success.

PROPOSED AMENDMENT OF SECTION 6(A) OF THE NATURAL GAS ACT

HON. OMAR BURLESON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BURLESON of Texas. Mr. Speaker, I have today introduced a bill which would amend section 6(a) of the Natural Gas Act, to require the Federal Power Commission, for ratemaking purposes under sections 4 and 5 of that act, to give effect to changes in the purchasing power of the dollar, in determining the utility plant and related reserve for depreciation components of the rate base of natural gas pipeline companies.

This bill is identical with the one which I introduced on August 2, 1967, except that, as we are now in 1969, the requirement that the Federal Power Commission give effect to changes in the purchasing power of the dollar would run from and after December 31, 1968, instead of from and after December 31, 1966. This makes it abundantly clear that the current bill, like its predecessor, seeks no retroactive adjustments for the natural gas pipeline industry for the damage done to it thus far by inflationary trends not properly allowed for in the ratemaking processes of the Commission. Instead, the bill merely establishes an approach to appropriate adjustments for the industry for inflation in the future.

I shall not undertake, at this time, to reiterate at length the detailed explanation of this proposal, nor the reasons for it, which are set forth fully in the CONGRESSIONAL RECORD, volume 113, part 16, pages 21110–21112. But I deem it desirable briefly to call to the attention of the Congress and the country the following facts: The period of almost a year and a half since I last introduced this proposal has brought forth a wealth of new factual developments which further substantiate the need for the proposed legislation. The facts which I presented on August 2, 1967, ran only through calendar 1965. Those which I shall now present run 2 full years later, through calendar 1967. Within a month or 2 at longest, this record of the facts can and will be brought forward through calendar 1968.

Just to capsule the importance of these recent developments, the rate of consumer price inflation averaged annually 3.3 percent during 1965–68, 3.5 percent during 1966–68, and was 4.2 percent from 1967 to 1968. Yet the Federal Power

Commission still refuses to make any allowance for inflation in its treatment of prices received by the gas pipeline companies; in fact these prices are lower now than they were in 1965 or 1968.

The natural gas pipeline industry, with investments of many billions of dollars, employing many thousands of people, and servicing the whole Nation with a vital commodity at unusually low competitive costs, has been for some years, and now is, confronted by ever-increasing economic and financial difficulties.

Comparing the period 1960–67 with the previous period 1953–60, the average annual growth rate in the net physical volume of sales by the major pipeline companies has declined from 8 to 5 percent, even though our national economic growth in real terms was almost twice as high during the later period as during the earlier period.

Held back by adverse trends in income and other factors, the annual volume of investment in plant and equipment by the major natural gas pipeline companies registered virtually no change from 1960 to 1967 while U.S. industry at large increased this type of investment at an average annual rate of 8.1 percent during the same period of time.

The average annual increase in net income after taxes, among the major natural gas pipelines, declined from 11.4 percent during 1953–60 to 4.9 percent during 1960–67. In sharp contrast, during the later period, the average annual increase in profits after taxes was 8.5 percent for all U.S. industries, 9.1 percent for total manufacturing, and 9.7 percent for public utilities, transportation, and communication.

Reflecting the reaction to these unfavorable trends, on the parts of prudent and knowledgeable investors, the common stock prices of the natural gas pipelines have lagged substantially behind those of the public utilities, the combined stock average, and the capital goods stocks average.

Another factor bearing down oppressively upon the industry has been the tremendous upward spiral of interest rates, with only minor interruptions, since 1952. This has had an unusually severe impact upon the gas pipeline industry, because traditionally and continuously its bonded indebtedness shows an unusually if not uniquely high ratio to its capital and surplus, and to its total assets. It is estimated that, from 1953 through 1967, rising interest rates alone have imposed additional costs of far above $600 million upon the industry.

Squeezed on all fronts and relieved on none, the industry, after meeting fixed costs, has not had enough left over to pay equity investors a fair competitive rate of return, and to retain enough earnings—in addition to its borrowing capacities—to invest adequately. Thus, the industry has not been achieving enough fundamental expansion of primary investment to bring to the maximum number of industrial and household consumers the great cost benefits which gas offers. In 1966—I shall supply later data when available—the average fuel cost per season for the average home which used gas was lower by from 20 to 61 percent than the cost of the three competitive fuels in Brooklyn, N.Y.; lower by from 32 to 75 percent in Detroit; lower by 12 to 53 percent in Washington, D.C.; lower by 22 to 30 percent in the case of two of the three competitive fuels in Seattle; lower by 33 to 57 percent in Memphis; and lower by 38 to 71 percent in Atlanta.

Basically, there has been and still is one towering reason for these adverse developments, so unfavorable to the national interest. The Federal Power Commission has related allowable rates of return to a rate base composed principally of the depreciated original cost of plant and equipment used and useful in serving the public, without allowance for changes in the purchasing power of the dollar. But this concept of regulation developed and has validity only when there is general expectancy that the purchasing power of the dollar will remain reasonably stable. But actually, locking at the Consumer Price Index which is the most meaningful measurement of the decline in the purchasing power of the dollar—the use of industrial or wholesale price indexes would not essentially alter the picture—the average annual advance in the Consumer Price Index has been 1.9 percent during 1948–68, 1.9 percent during 1958–68, 2.6 percent during 1963–68, and 3.5 percent during 1966–68, and was 4.2 percent from 1967 to 1968.

The vast preponderance of American enterprise has been able to adjust itself to this inflationary trend, and to live under it. We all know that, if dollar incomes had not been able to adjust themselves to price change, economic stagnation and depression would have resulted. But the pipeline companies have not been permitted by the Federal Power Commission to make this adjustment. From 1960 to 1967, their prices declined at an average annual rate of 0.8 percent, even while the average annual rate of advance in prices was 0.2 percent for public utilities in general, 0.7 percent for all U.S. industries, 0.8 percent for total manufacturing, 0.7 percent for industrial prices, and 1.7 percent for consumer prices. From 1967 to 1968, there was a further slight decline in gas prices, while consumer prices rose 4.2 percent.

Let me conclude with just a few examples to round out the picture. In 1968, the total operating income of the major gas pipeline companies stood at $717.5 million. It has been professionally estimated that this total operating income was $177 million, or almost 20 percent, below the total needed to enable these companies to deal equitably with investors, attract sufficient investment capital, expand plant and equipment adequately, and provide optimum service to an optimum number of individual consumers. It is further estimated that, by 1970, if current regulatory practices continue and the average annual decline in the purchasing power of the dollar is held to only 2 percent a year—which is the best any of the experts expect—the operating income received by the major pipeline companies in 1970 will be $244.5 million short, or more than 22.4 percent short, of the level required for these sound purposes in that year.

The proposal contained in the bill would have a very small impact upon prices paid by consumers. To illustrate, if the Consumer Price Index showed an average annual rate of increase of 2 percent for 10 years, the cost of gas per season for the average home in a number of representative cities examined, under the adjustment formula provided in the bill, would increase only 5.9 percent over the 10-year period, representing an average annual increase of less than 0.6 percent. In the 10th year, the average cost per week to the residential consumer—spread over a year of 52 weeks—would be only from 6 to 17½ cents higher—depending upon the city—representing an average increase in weekly costs from year to year of only 0.6 to 1.75 cents in the various cities.

On the other hand, if the Consumer Price Index should be stablilized over the next 10 years, the bill's proposal would by its very terms not be invoked, and would have no effect upon price levels.

The bill I am now introducing is, as I explained more fully on August 2, 1967, a genuinely conservative approach to the correction of these difficulties.

I urge that this bill be scheduled for committee hearings without delay and that it be acted upon favorably by the committee and the Congress at the earliest possible date.

A TRIBUTE TO WILLIAM AVERELL HARRIMAN

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. BOLAND. Mr. Speaker, the President, of the United States can hardly pay greater tribute to a man's abilities than by requesting his services repeatedly and in varying highly responsible capacities. This tribute has been paid—and justly so—innumerable times to William Averell Harriman. No man since President John Quincy Adams has held so many Government positions. Mr. Harriman's career has been long and impressive. His name has been familiar in Democratic Party councils since the early days of the New Deal. The son of railroad baron E. H. Harriman, young Averell became an investment banker and successful businessman after earning his B.A. at Yale in 1913. While serving in 1933 as chairman of the board for Union Pacific Railroad, he was recruited to Government service by Roosevelt aid Harry Hopkins. Since that time, he has distinguished himself admirably in the service of four Presidents. His diplomatic experience spans the entire cold war period, making him an invaluable source of experience.

This experience began with a high position in the National Recovery Administration, and a role in the lend-lease negotiations with Great Britain in 1941. He soon became Minister and later Ambassador to both the Court of St. James and to Moscow. During the late forties, he accompanied President Roosevelt to Yalta and Teheran, and Truman to Potsdam. From 1950 to 1951, he served as special assistant to the President, a position assumed after a 2-year term as

Secretary of Commerce. Mr. Harriman's concern with peace and the post-war development of Europe account for his early participation in the birth of the United Nations, and for his position as Ambassador Extraordinary and Plenipotentiary to Europe under the Economic Cooperative Act.

With the change of administrations in Washington, Mr. Harriman directed his career to national and then State politics. From 1951 to 1953 he served as Director of the Mutual Security Agency, and in 1954 was elected to a 4-year term as Governor of New York.

On behalf of the Kennedy administration, Harriman conducted the delicate Geneva negotiations which led to a cease-fire in Laos. He served as a Presidential observer during the Sino-Indian border war and the Kashmir dispute. In 1963, he headed the successful test-ban treaty negotiations with the U.S.S.R. At the same time, he served as Assistant Secretary of State for the Far East, 1961–63, and then as Under Secretary of State for Political Affairs in 1963–65. In 1967, Mr. Harriman received the distinguished honor award.

The brilliance, style, and remarkable achievements of Mr. Harriman have made him something of a legend in Washington. At 77 he is a match for most men half his age. His enthusiasm and stamina enable him to undertake difficult assignments on short notice. Endowed with the ability to demolish his opponent's arguments with terse, trenchant statements, he has earned himself the affectionate title of "the crocodile."

On the occasion of his retirement after more than 30 years in the service of his Government, I should like to pay tribute to a man whose contribution to American world politics is virtually unmatched.

THE POWER OF PRAYER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. COLLINS. Mr. Speaker, the first amendment to the Constitution states:

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

On June 17, 1963, the Supreme Court of the United States, however, saw fit to usurp the powers of the Congress, oppose the specific instructions of the framers of the Constitution, and revoke a fundamental right of every American.

One of the most precious freedoms, the freedom of religion, has been callously swept aside by the Supreme Court. This freedom—so very significant that the Founding Fathers placed it as the cornerstone to the Bill of Rights, has been crushed by the voices of nine men. Nine men whose ears are unable to hear the clear, resonant voice of America. Nine men who stand directly in the path of American principles and the wisdom of our Founding Fathers.

Mr. Speaker, as I stand here today, I feel the strong influence of religious freedom in every action of this body. Our session was opened today—just as it is opened every day, with a prayer by our Chaplain. A prayer to inspire and guide us as we strive to find solutions to the Nation's problems.

Mr. Speaker, as you direct activities of this Congress, you stand under the marble arch with the words emblazoned in gold for all to see—In God We Trust.

As I stand at the rostrum, I take strength from the statue of Moses as he looks down upon me and the Members of this House. From Moses, we received the code that has guided civilization.

On January 9, Astronauts Borman, Lovell, and Anders addressed a joint session of Congress following the successful completion of the dangerous and historic mission of Apollo 8. Mr. Speaker, you stressed on that most momentous occasion that "the prayers of countless millions of persons were with them—the astronauts." While the Apollo 8 crew recorded many firsts in space history, Commander Borman saw fit to emphasize before the Congress, and in the presence of the nine Supreme Court Justices, the strength and inspiration that the crew gained from the reading of the Bible while in orbit.

The lesson is clear. Let us resolve today that our youth who are in attendance at public centers for primary, secondary, and higher education have their first freedom under the first amendment to the Constitution reinstated. As the U.S. Congressman for the Third District of Texas, I have sworn to uphold the Constitution of the United States of America—and I cannot stand idly by and see our Constitution go unheeded. One body of government, and one body only, has the right and duty to legislate for these United States. That body is the Congress—a body of, by, and for the people of these United States.

As a member of the House Education and Labor Committee, I feel it most imperative that all those who would learn in America—must have the basic freedom to learn of the God in whom we trust.

With God's guidance, we built this Nation, and through prayer and God's blessings we are going to build for a stronger America for our children's future.

THE RESPONSIBILITY REMAINS—CONFRONT IT—DON'T RUN

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. ADAMS. Mr. Speaker, I recently had called to my attention an editorial that appeared in the Western Breeze, which is the paper of the Western High School located at 35th and R Streets, NW., here in the District of Columbia. The editorial was written by Alan Baldinger, a student at the school, and demonstrates the growing concern of our youth about the problems facing the Nation's Capital.

I share some of the concerns expressed by Alan and would like to offer the editorial entitled, "The Responsibility Remains—Confront It—Don't Run" for inclusion in the RECORD.

THE RESPONSIBILITY REMAINS—CONFRONT IT—DON'T RUN

The recent national elections will bring many new Senators and Congressmen to work in the District of Columbia. These people have been elected to serve as responsible leaders and decision-makers for the next two to six years. We would, therefore hope their first decision concerning the whereabouts of their residence—and schools for their children—is carefully made. If they are to improve and propose solutions to the many problems of the Federal City, then their living within the city, itself, is as much a requirement as it is a responsibility.

We are continually reminded that public service demands facing the challenge. Therefore, by removing one's self from the situation—such as seeking "refuge" in Washington's suburban communities—will not prove anything but failure to meet the duty of a public servant. Plenty of ink has been put to paper about our public schools and the poor image they generally reflect. However, if the new Congress intends to raise this image, sending their children to "county and private" schools will certainly not be very constructive.

We hope Mrs. Agnew, who stated in the summer she would prefer sending her children to the Montgomery County Schools because "the schools there are excellent", has had a change of mind. Governor Agnew was not elected to "take from" the system but rather to "put into" the system. It is the people who help to make good public schools.

Surely, Vice-President Elect Agnew is willing to lend his prestige, energies, and talents in this direction. Only by investing his children can he help make D. C. schools "excellent" for us—and himself.

Any one of us can choose a school that might already have an "excellent" image—justifiably or unjustifiably. We want to involve ourselves in our own and make it an "excellent" one, too. Perhaps all it needs is the support of those who "run away" to look for perfection elsewhere.

Governor Agnew was elected by the people on a platform to help cure urban ills. Here he has an excellent place to start. We hope Mrs. Agnew changes her mind. We don't need to seek something someone else has built—but rather someone who can stay home and add to our own structure.

The point here is that responsible leaders must not run away from those problems which are "everyone else's but theirs". It is, above all, their job not to criticize but to confront.

ARMY TELLS BOY ABOUT HIS FATHER

HON. RICHARD WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. WHITE. Mr. Speaker, every Member of this House has occasion, many times, to call upon our military services for many acts of assistance regarding members of the Armed Forces. I am sure answering these many inquiries often becomes an onerous task, but it is a task which our armed services meet with skill, dedication, and humanity.

An inspiring human story concerning the Army's attitude toward a question, not from a Congressman, but from

a 13-year-old boy, is told in today's issue of the Washington Post, in the Federal Diary column by Willard Clopton, Jr., and Mike Causey.

For the information of my colleagues and others who may find inspiration in the Army's approach to a schoolboy's question, I would like to insert the story in the RECORD at this point:

ARMY TELLS BOY ABOUT HIS FATHER

(By Willard Clopton Jr. and Mike Causey)

Next time junior tosses out a what-did-you-do-in-the-war-Daddy question, be careful not to confuse your service record with that of Sgt. Alvin York. Your offspring can, and just might, check your story.

Such an inquiry arrived at the Pentagon not long ago. A grateful father credited the Army's quick response to it for saving his image. This is what happened:

A letter addressed "U.S. Army, Washington" came into the Pentagon mailroom. It was from a 13-year-old Belleville, N.J., boy. He said he had learned that his father had lied about his wartime exploits, and he didn't know what to do about it.

The boy, whose first name is Michael, said his father had always told him he worked on the Alaska highway during the war. Michael thought that was pretty great. He told his friends and classmates.

Then one day at school, the question of the Alaska highway came up. Michael told the young substitute teacher about his father's wartime service, and got a horse laugh from the teacher.

The Army was busy fighting during the war, the teacher advised, and didn't have time to build roads in Alaska. He said that civilian contractors had built the highway, and implied that the father was probably picking up cigarette butts at some Army post during the hostilities.

Michael was crushed, and put the freeze on his bewildered father.

Finally, Michael wrote the "U.S. Army" and asked what was going on. Instead of getting lost in the bureaucratic paper mill, the letter wound up on the desk of Maj. Gen. Kenneth G. Wickham. He's the Army adjutant general. Wickham told his aides to check it out.

The civilian-military team pulled the Alaska file, and started looking for a private who worked up there 26 years ago. They found him.

Wickham then sent a letter to Michael, suggesting that he read a book on the Alaska highway. He said that Army records showed that Michael's father was where he said he was when he said he was, and referred to the "great accomplishment of the men, including your father, who built the Alaska highway."

The General closed his letter by saying:

"I'll also hope that with this information in hand, you will agree that your father did not lie to you. I think that an apology to him will not be too embarrassing for you."

Not long afterward, Michael's father wrote to say that all was well. He thanked the general and the correspondence and records team for taking time to run down a problem that could have been treated as trivial.

PRESIDENT NIXON: STRONG SUPPORT FOR SCIENCE

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. HOSMER. Mr. Speaker, President Nixon has already taken some significant steps which will provide a great deal of encouragement and reassurance to the Nation's scientific community. I recall that during the campaign, Mr. Nixon had some forceful statements to make about what role scientific research and development would play in his administration.

He said:

Research and development should be among the highest priorities in any national budget, and that is where it will be in the next Administration.

I think his actions since the election, and particularly in the past 10 days, have proven that he does indeed hold a high regard for and deep interest in research and development.

First, he appointed the distinguished president of California Institute of Technology, Dr. Lee DuBridge, as his Scientific Adviser. I have already had a chance to chat with Dr. DuBridge since his arrival in Washington and I am confident that this eminent scientist will have a creative and forceful impact on the scientific posture of the Nixon administration.

Second was the President's decision to ask Dr. Glenn T. Seaborg to continue as Chairman of the Atomic Energy Commission, a post he has so ably filled since 1961. I am personally delighted at this decision because, as ranking Republican member of the Joint Committee on Atomic Energy, I have come to know Dr. Seaborg well over the past 8 years and have the highest regard for his ability, vision, and leadership.

And in asking Chairman Seaborg to continue his public service, President Nixon gave him a full-speed-ahead order on one of the most exciting scientific projects yet proposed in the atomic energy field. I refer, of course, to the proposal to create a new deepwater harbor at Cape Keraudren in western Australia. I do not think I need remind the scientific community how refreshing it is to see a national administration move so decisively ahead on a major scientific program.

In less than a week following the Australian Government's formal request for U.S. cooperation on the Cape Keraudren project, the AEC's Plowshare program to develop peaceful uses of nuclear explosives is moving ahead with an excitement and a sense of urgency that only positive leadership from the White House can generate. And I might add as a long-time supporter of the Plowshare program, this is indeed a welcome change.

I can only compare this quick response to the reply I received from the former administration's Budget Bureau on January 17—3 days before President Nixon took office. They were responding to a letter I wrote President Johnson on December 27 regarding the Cape Keraudren project.

Their reply was that the proposal was "worthy of further study" but "premature." And this despite their acknowledgment that a former request from the Australian Government was expected in a matter of days.

It is significant, I think, that President Nixon has proved that despite bureaucratic bungling and Washington redtape, the Federal Government still has vitality and the ability to move quickly when it has a mind to.

I am certain, Mr. Speaker, that the first 10 days of the Nixon administration are a source of great encouragement to the scientific community, which makes such a significant contribution to our national well-being.

The Washington Evening Star carried a fine story on Dr. Seaborg, which follows:

NIXON RETAINS SEABORG AS CHAIRMAN OF AEC

Dr. Glenn T. Seaborg, chairman of the Atomic Energy Commission since 1961, will continue in that position in the Nixon administration.

Seaborg conferred with President Nixon late yesterday and told reporters afterward that the President had asked him to stay on and he had agreed to do so.

His present term as an AEC member expires on June 30, 1970.

Meanwhile, the White House announced that the President is nominating George B. Hansen, former Idaho congressman, as deputy undersecretary of agriculture for congressional relations.

Hansen served two terms in the House, from 1965 through last year. He was defeated as a Republican candidate for the Senate from Idaho in November.

Nixon also nominated Fred J. Russell of Beverly Hills, Calif., former president of the Weiser Lock Co. and owner of numerous apartments and real estate projects, as deputy director of the Office of Emergency Preparedness.

MEETS SECURITY COUNCIL

The President was meeting with his National Security Council today, for the third time within a week, as he seeks to develop policies in various areas of international concern.

The NSC meeting today was called primarily for discussion of how soon the new administration should seek Senate ratification of the nuclear nonproliferation treaty.

Seaborg said the President told him he would visit the AEC headquarters in Germantown, Md., probably some time in February, for a full briefing on the entire range of the commission's program.

During their discussion yesterday, Seaborg said Nixon expressed great interest in development of atomic energy for peaceful uses, particularly in such projects as Plowshare.

INTERESTED IN HARBOR PLAN

He said the President also asked him to do everything he could to accelerate a project for using atomic explosions to build a harbor in Northwest Australia and test the feasibility of using nuclear explosions to dig a new canal across the isthmus of Panama.

Seaborg explained that the Australian harbor project would use a row of five nuclear explosives, buried about 200 feet underground, to blast out a narrow harbor needed to get access to minerals in the interior.

He said it would serve a double purpose in that it could be used as part of the program of test to determine the economic feasibility of using nuclear explosions in construction of the new canal.

PRAISE FOR JAYCEES

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. SCHWENGEL. Mr. Speaker, I have long been a backer of the U.S. Junior Chamber of Commerce. During my early

business career I was very active in the Davenport and Iowa Jaycee organizations. In fact, it was my pleasure to serve as State president of the Iowa Jaycees. This wonderful organization does a splendid job of providing leadership opportunities for our young people, and at the same time involving them in the problems of the community in a meaningful way.

The Times-Democrat recently carried a guest editorial by Mr. Robert Wulf, president of the Davenport Jaycees. In his editorial he does a fine job of outlining the goals of this organization. Under unanimous consent I include his editorial in the RECORD, as follows:

A YOUNG MAN ON THE GO

In conjunction with National Jaycee Week, Jan. 19–25, our guest editorialist today is Robert Wulf, president of the Davenport Jaycees. He is a design engineer employed by the Kartridg Pak Co. and is representing the Davenport Jaycees at the Ten Outstanding Young Men of America Congress in Syracuse, N.Y. Wulf, 32, is married, has two children and lives at 2832 Kelling St., Davenport. He is a graduate of Davenport Central High School and Northwestern University, Evanston, Ill.

A young man steps forward and, raising his right hand, states he will uphold the beliefs of the organization expressed in its creed.

We believe:

That faith in God gives meaning and purpose to human life;

That the brotherhood of man transcends the sovereignty of nations;

That economic justice can best be won by free men through free enterprise;

The government should be of laws rather than of men;

That earth's great treasure lies in human personality;

And that service to humanity is the best work of life.

He has just joined the Jaycees, a unique organization where the only requirement for membership is that he be between the ages of 21 and 36. As a member of the Davenport Jaycees, totaling 250 young men, he will also belong to the state organization with a membership of 12,000, the national organization with membership of 300,000, and the international organization with a total membership of 400,000 in more than 90 countries in the free world. But what is this organization? What will happen to this young man in the years to come?

A Jaycee chapter exists for one primary purpose—to offer leadership training to young men in all walks of life, through serving his community, state and nation. The new Jaycee immediately is given the opportunity to learn by doing. During his career as a Jaycee he will be working long and hard on projects for the betterment of his community. In Davenport he may be working with youth in constructing a soap box derby car, conducting a gun safety clinic or hosting children from the Fairmount School at a picnic and tour of the Children's Zoo. He may conduct a community survey, host a foreign student, deliver toys for Jaycee Santa, arrest a traveler for a night on the town, or promote hiring the handicapped. Whether it be assisting with a mental retardation program, working on neighborhood rehabilitation, the Miss Iowa Pageant or any of about 75 other projects, he will be busy with other members of the organization gaining experience in leadership. This young man is on the go; youth, rather than a handicap, is his biggest asset.

Jaycees may at times embark upon controversial projects, one that other organizations pass by, because the Jaycees would rather rock the boat than miss it.

As the Jaycee progresses in the organization, he will be asked to take on more responsibility, to seek higher office, to introduce projects and ideas and through this he will be in contact with civic and industrial leaders. He will be seeking self-improvement through experience.

During all this, he and his family will gain knowledge. He will learn the meaning of free enterprise, self-government, human rights, service to humanity and the dignity of man. He will learn because as a Jaycee he believes in these things and will work to make them a part of his community.

If you are a young man between the ages of 21 and 36 we would like to have you join us. Just send a card to the Davenport Jaycees, 404 Main St. If you are under 21, we're waiting for you. If you have passed the age of 36 we hope we didn't miss you. If you believe in the six tenets of our creed, and you're proud of continuing community progress, back the Jaycees. Help us to help the community. The Davenport Jaycees thank you for your support.

NEW JERSEY NEWSPAPER URGES TAX REFORM, HUDSON DISPATCH PRAISES DANIELS TAX REFORM BILL

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. DANIELS of New Jersey. Mr. Speaker, on the opening day of this session of Congress, I introduced legislation to plug tax loopholes and provide some kind of relief for America's overburdened middle-income taxpayers.

Mr. Speaker, I am encouraged by the support I have received but especially so from the support I have received from residents of the 14th Congressional District of New Jersey. Within the last few days this cause received a major boost as a result of a very fine editorial in the Hudson Dispatch of Union City, N.J. I include this editorial which was published on January 17, 1969, at this point in the RECORD.

The editorial follows:

RESHAPING THE TAX FORMULA

What the 91st Congress will do about reforming the nation's tax structure, eliminating many glaring inequities will hold the close attention of the ones most affected—the middle income citizens. Current events compel the suggestion that they not raise their hopes too high.

This country's fiscal structure is riddled with anomalies. It's a peculiar situation that develops when a government hands down guidelines on prices and salaries to industry and in the next breath imposes heavier taxes, continues a reprehensible tax surcharge and tops it off with doubling the presidential salary and substantially increasing the take-home pay of the federal legislators. It is also somewhat "nutsy" for an outgoing president to present a budget for a fiscal year that will not begin until six months after a new chief executive is inaugurated.

It requires no great intellect to recognize the need for reform. The present tax code, for instance, is replete with exemptions in favor of the very rich and against the hard-pressed middle income taxpayer who has become somewhat heartened by the prospects of some changes by the Nixon administration. He doesn't object to paying his fair share of taxes but rightfully protests paying more than persons with far greater incomes. Peculiarities in tax statutes make it possible for those in top income brackets to pay little or no taxes.

Cognizant of the disparities in taxing formulas, Congressman Dominick V. Daniels, of Jersey City, has reintroduced legislation which will provide a "break" for the middle-income person.

By coincidence his thinking matches that of the incoming administration's advisers. Both agree on the need to tighten provisions which permit wealthy persons to avoid paying taxes by contributing to charities or investing their income in tax-free government bonds. The oil depletion allowance will also come under scrutiny. A reduction of the 27.5 percent allowance is proposed. Mr. Daniels would make it a standard 15 percent figure for oil and other minerals. The allowance, under fire for a long time, was intended to encourage development of the U.S. petroleum industry. It was allowed to subtract the 27.5 percentage from gross earnings when calculating taxes. Abuses have creeped in that make continuance of the practice questionable.

In granting the allowance, however, something in kind might be considered for the class that represents the nation's backbone. It would not be amiss to ease the burden of single persons, married couples and the elderly by either increasing the $600 exemption for dependents or giving special deductions for education and medical costs.

NIXON ADMINISTRATION URGED TO REVIEW BUDGET ESTIMATES

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. ESCH. Mr. Speaker, I noted with interest the directive from the Bureau of the Budget to all members of the Nixon administration to review budget estimates and to recommend appropriate changes. Mr. Mayo urged all Department heads to "set priorities," and it is in that connection that I address the House today.

I am seriously concerned that the budget recommended by outgoing President Johnson sets priorities too low in the area of education. While we all recognize the need to hold down the level of Government spending, I believe it is wrong to make cuts in the areas where funds are needed most urgently. It is unwise, I feel, to cut back on those educational programs which are designed specifically to help those who are in the greatest need.

The budget recommended by President Johnson just 5 days before his retirement would force a serious curtailment of our commitments to expand our vocational education program and to assist the most needy students in obtaining a college education. It might eliminate some of our most effective efforts to improve teaching in the classrooms and laboratories of both schools and colleges.

I call upon Secretary Finch to give careful consideration to the cuts made in four specific educational programs and urge that the Department of Health, Education, and Welfare give a higher priority to these vital programs.

Throughout the past few months, there has been great emphasis on the need for increased vocational-technical education to assure that every student is prepared to take his place as a constructive member of society. Yet the Johnson budget actually recommends a reduction in per pupil Federal support for vocational education. This is highly inconsistent with our national goal of full educational opportunity for all our citizens and would be a step backward in our fight for equality.

Johnson recommended an expenditure for the educational opportunity grants—scholarships for the very neediest and disadvantaged students—which would result in a severe reduction of the number of such students who could be helped to enter college next year and in the fall of 1970. I think this is a good program because it holds out hope to those who otherwise would not even consider going to college, and it encourages the colleges to actively seek out such students. These opportunity grants—together with the work-study program, which would be given only a very modest increase—help to make good our boasts of an open society of truly equal opportunities, and I feel that we should think long and hard before we throttle back funding for them.

Our principal program for assisting needy students is the direct loan program under the National Defense Education Act, which was initiated by President Eisenhower. For several years the Johnson administration has sought to cut back these loans—which are administered directly by colleges and universities—in favor of federally insured loans made by banks and other private lending institutions. While the insured loans are extremely useful, their availability tends to fluctuate with the money market, decreasing as interest rates on more attractive risks increase. Yet despite the current tight money situation, President Johnson again recommended a cut in national defense student loans of more than $30 million. I think this is unwise.

Finally, the Johnson budget completely eliminates the Federal programs to help schools and colleges obtain instructional equipment—title III of NDEA and title VI of the 1965 Higher Education Act. I doubt that the Congress will go along with this recommendation. If there is one place where we can see educational improvement from Federal expenditures, it is in modern, adequate equipment and materials in our classrooms and laboratories.

In short, to follow the Johson budget would force a serious curtailment of our commitments to assist the most needy students in obtaining a college education, and it might also eliminate some of our most effective efforts to improve teaching in the classrooms and laboratories of both schools and colleges. I recognize the urgent need for economy in Government, but I am hopeful that we can find better ways of economizing than by cutting back programs essential to progress in education.

ON PROPAGANDA FRONT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. DERWINSKI. Mr. Speaker, we are hopeful that an end to military activities in Vietnam can be reached and that explosive situations such as in the Middle East can be handled with effective diplomacy to avert an outbreak of war.

However, despite the efforts to avoid hot wars, we must realize and recognize that the cold war will continue.

The Communists are obviously intending to continue their efforts at world conquest and it is especially important that the United States develop, through the U.S. Information Agency, an effective counter effort to Communist propaganda.

The noted international columnist of the Copley Press, Dumitru Danielopol, has made a thorough study of the propaganda front and thus, his column of January 18 in the Elgin, Ill., Daily Courier-News takes on special significance, and I include it in the RECORD as follows:

INTERNATIONAL SCENE: ON PROPAGANDA FRONT

(By Dumitru Danielopol)

WASHINGTON.—"I can report proudly that the exhibits, broadcasts, telecasts, films, books, pamphlets and periodicals produced by the U.S. Information Agency are now regarded as models by professionals engaged in the arts and crafts of persuasion," said Leonard H. Marks, director of the agency in his valedictory report to Congress.

It sounds great. It sounds as if America was winning the global propaganda war.

The only trouble is, it isn't so.

To the Americans who have traveled abroad in the last few years, the Marks report will read like the "tales of the Brothers Grimm." Too much of it is nothing but a clumsy attempt to whitewash a USIA operation that too often is inept, incompetent and inefficient.

How can Marks call his operation a "model" when the American image abroad has sagged to its low ebb in history?

In his report Marks chose to disregard criticism at home and abroad against his agency.

"The image of the U.S. abroad has obviously worsened in recent years," Lloyd S. Free, director of the Institute for International Social Research, told a congressional subcommittee last summer. "We are on the verge of a public relations debacle . . ."

The presidential directives to USIA are to help achieve U.S. foreign policy objectives by . . . influencing public attitudes of other nations," Marks wrote.

Anyone traveling through Europe knows that we are far from attaining this goal. On the contrary, while the United States was losing friends and prestige, the Soviet Union has been gaining strength even among our allies. Moscow has even begun to recover from its black eye.

In Paris, the French elder statesman, Ambassador Andre Francois Poncet, said: "Your propaganda . . . is zero."

"We are just not selling America," I wrote on Sept. 17, 1966, after an extended tour of Europe." USIA officials themselves admit failures in Western Europe . . . It is about time President Johnson awoke to the fact that his points are just not getting across . . ."

What kind of man or woman goes to work for USIA?

"A very special kind of individual," says Marks. "In his makeup are elements of missionary, teacher, publicist, diplomat . . . rugged individualist and loyal organization man."

Not everyone would agree. USIA has many highly competent people, but is also plagued with low caliber workers who fail to comprehend their mission, or simply ignore it.

Many of them have been outspoken in their opposition to our Vietnam policy—a policy they are paid to explain and defend.

One high official who came to the agency from a highly successful business career inspected USIA posts overseas and returned in disgust. He told friends that he would only retain less than half if USIA was a profit-making organization.

Despite Marks' self-serving essay, the new Nixon administration should make a thorough review of the USIA and similar operations like Radio Free Europe. It would be interesting, for example, to find out why competent writers and editors from Eastern European desks have been set aside—because of their anti-Communist opinions—while Communists from those countries have been hired to broadcast from American stations.

THE HONORABLE JESSE P. WOLCOTT—A LONG AND PRODUCTIVE CAREER

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. PATMAN. Mr. Speaker, all of us who served with the Honorable Jesse Wolcott were saddened by the news of his death on Tuesday.

Jesse Wolcott, of course, served for more than 20 years on the Banking and Currency Committee and those of us on this committee are particularly familiar with his long and productive role in the House of Representatives. And, of course, we on the Banking and Currency Committee had the opportunity to follow Mr. Wolcott's career after he left the Congress and joined the Federal Deposit Insurance Corporation.

Mr. Speaker, Mr. Wolcott and I came to the House about the same time and we both served together on the Joint Economic Committee as well as the Banking and Currency Committee.

Although we did not always see to eye to eye on legislative matters, I had the deepest respect for his dedication and hard work. His contributions to the Banking and Currency Committee and to Congress as a whole are well known.

He certainly was one of the most influential members of the Banking and Currency Committee and as my colleagues know, he served as chairman of that committee in the 80th and 83d Congresses. He also served as chairman of the Joint Economic Committee.

Mr. Speaker, I join my distinguished colleague from Michigan (Mr. HARVEY)

in paying tribute to Jesse P. Wolcott who served the Seventh District of Michigan so well and for so many years.

Mr. Speaker, I place in the RECORD an article which appeared in the Washington Evening Star Tuesday, January 28, telling of Mr. Wolcott's death and of his long and illustrious career in the House of Representatives:

JESSE P. WOLCOTT DIES—IN CONGRESS 26 YEARS

Former Rep. Jesse P. Wolcott, 75, a Michigan Republican who served 26 years in Congress and six years as chairman of the Federal Deposit Insurance Corp., died today at his home, 3707 Thornapple St., Chevy Chase. He had been ailing since early in 1965.

Wolcott retired from Congress at the end of his 13th term in 1957. He was then appointed director of the FDIC by President Eisenhower and served as chairman until January, 1964.

Born in Gardner, Mass., Wolcott went to work at the age of 11 in a chair factory, of which his father was superintendent. He went to Detroit when he was 18 and attended Detroit Technical Institute and the Detroit College of Law, paying his way by working parttime as an electrician and as a drummer in several Detroit dance bands.

SERVED IN FRANCE

After serving 28 months in France as a lieutenant during World War I, he went to Port Huron, Mich., and entered law practice with Burt Cady, then chairman of the Michigan Republican state central committee. He was elected to his first term in 1930 as a "mighty wet" Republican after defeating in the GOP primary prohibitionist Louis C. Cramton, a House veteran of 18 years with powerful backing from the Anti-Saloon League and other dry forces.

Wolcott was chairman of the House Banking Committee in the Republican-controlled 80th Congress in 1947-49 and again in the 83rd Congress of 1953-55, when he also headed the Senate-House Committee on the Economic Report.

Immediately after World War II, he played a major role in handling legislation that provided the basis for transition from strict wartime economic controls to the more lenient regulations of a period marked by shortages of housing and various consumer goods.

HONORED IN 1946

He received the Colliers' Congressional Award in 1946 "because of his remarkable poise and sanity in a year characterized by extreme positions and frenzied propaganda" during the transition from war to peace.

He also was an early proponent of efforts to fight pollution in the Potomac River.

He was a member of the Army-Navy Club here and was district governor of the Lions Clubs of Michigan from 1952 to 1956. He was a Michigan state commander of Veterans of Foreign Wars in 1926-27. He also was a member of the Knights of Pythias and a Mason.

He leaves his wife, the former Grace Sullivan, a son, Jesse P. Jr. of Rockford, Ill., and five grandchildren.

UKRAINIAN INDEPENDENCE DAY

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. WYDLER. Mr. Speaker, this is a memorable day for Ukrainians everywhere, for it was on this day 51 years ago that they took their destiny in their own hands and proclaimed their national independence. So many world-shaking events have occurred since that time that we are apt to forget that important event. It is true that many revolutionary and convulsive developments have altered many things in this world, including man's view of these events, but man himself has remained unchanged, especially in his appreciation of freedom and in his willingness to fight and die for it. This is well illustrated in the modern history of the Ukrainian people.

The Ukrainians have endured the oppressive yoke of Russia's ruthless regime, both czarist and Communist, longer than any other people. For more than 300 years they have suffered under Russian tyranny and unfortunately they are still suffering. But through indescribable hardship and oppression they have steadfastly clung to their national ideals. Even at the risk of their lives they have succeeded in keeping these ideals alive. In the year 1918, when they saw their chance of attaining their independence, they proclaimed it and set up the Ukrainian Republic. Even though they were to lose this most cherished and richly deserved prize in the fall of 1920 under the onslaught of the Red army, their Independence Day remains a solemn national holiday. Today I am indeed happy to join my many Ukrainian-American friends in the observance of Ukrainian Independence Day, and in the hope that the day of ultimate freedom of the Urkainian people from their Communist oppressors will not be long in coming.

SOUTHWEST ALABAMA FARMER'S COOPERATIVE ASSOCIATION

HON. WALTER FLOWERS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. FLOWERS. Mr. Speaker, pursuant to a request made by my distinguished colleague (Mr. ANDREWS) chairman of the Subcommittee on Legislative Appropriations, the Comptroller General has this week rendered his report on the Southwest Alabama Farmer's Cooperative Association.

SWAFCA, as it is commonly referred to, was created for the purpose of providing vegetable markets and farm services for low-income—predominently Negro—farms in 10 Alabama counties, including five—Hale, Greene, Perry, Marengo, and Sumter—located in the Fifth District which I represent. This cooperative has been heavily funded by several Government agencies—including the Office of Economic Opportunity—in sums totaling almost $2 million.

The Comptroller General's report—even allowing for the guarded language used by the auditors—presents a glaring example of taxpayers' money thrown to the wind. This cooperative was ill conceived in the beginning. It has been mismanaged throughout its 2-year history. It has been totally unsuccessful in raising anyone's standards of living—except perhaps those of some of its own officers, directors, and employees.

On two separate occasions, the Office of Economic Opportunity overruled grant vetoes imposed first by Alabama's late Gov. Lurleen B. Wallace and subsequently by our present Gov. Albert P. Brewer. The Comptroller General's report certainly establishes the propriety of both of these vetoes and, in fact, points out beyond the shadow of a doubt that the only accomplishment of this organization from conception to date has been its ability to waste the taxpayers' money in the most expeditious manner possible.

Just a few of the glaring examples of mismanagement which were pointed out in the report include the following:

SWAFCA officials failed to obtain and make available fertilizer and seed on a timely basis to its member farmers. As a result, the member farmers were not able to produce the quality and quantity of produce demanded by the market.

SWAFCA field representatives took some $54,700 in cash, ostensibly to pay members for produce. However, the audit only accounted for some $31,200 in executed purchase orders.

SWAFCA's former manager diverted $85,000 into an unauthorized bank account.

SWAFCA purchased farm machinery which was inoperable—or which required more technical skill to operate than SWAFCA representatives possessed—thus causing considerable delay and waste in processing member-produced goods.

SWAFCA attempted to operate without any technical personnel as required by law.

SWAFCA was authorizbed to purchase 10 trucks at a cost of some $20,000 for the purpose of delivering the members' produce to the market. Instead, SWAFCA officials purchased three trucks not as suitable for this purpose for a total cost of $29,000.

SWAFCA's president signed blank checks which were apparently left in the checkbook to be filled out by whoever happened to have access to the checkbook.

Perhaps most outrageous of all, SWAFCA claimed a membership in excess of 2,000 farmers, but the Comptroller General's auditors were able to verify the membership of only 242 persons.

Any appropriations to the Office of Economic Opportunity should receive the most careful scrutiny before passage. There are many areas and uses for Federal funds, but we as a Nation cannot afford to permit further waste of our resources, as has been the hallmark with SWAFCA.

AGRICULTURAL WORKERS AND THE NATIONAL LABOR RELATIONS ACT

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. PODELL. Mr. Speaker, I have this day introduced a bill to extend coverage

of the National Labor Relations Act to agricultural workers. I suggest that equity, fairness, and a decent respect for the opinions of mankind make imperative immediate action on this bill.

For too many years, agricultural workers have been denied the simple, democratic right to bargain collectively through unions of their own choosing. The ancient but false argument that unions of agricultural workers would destroy the family farm never had any substance. Yet the myth of the family farmer remains even though such a farmer is as obsolete as the dodo bird, destroyed, in fact, by the vast agricultural complexes who perennially trot out the family farmer as a reason for denying to agricultural workers rights granted to industrial workers a generation ago.

It is a part of the uneven record of progress in our Nation that we are more compassionate over the fate of the migratory bird than we are over the plight of the migratory farmworker. The notion that the farmworker has not earned the right to bargain collectively through unions of his own choosing is as obscene and as immoral as peonage and slavery. It is high time that we brought to these people the fresh breath of freedom and equality.

This is a right which cannot long be denied. The United Farm Workers Organizing Committee has already signed contracts with 12 vineyards. All of these will enjoy the benefits of stable labor relations and decent labor conditions. These vineyards will enjoy these benefits despite the fact that their competitors are engaged in cruel, ruthless, and inhuman exploitation of their fellowmen. This House can no longer remain insensitive to the poverty, depravations, and indignities that are the daily lives of the agricultural workers.

I am taking the liberty, Mr. Speaker, of bringing to the attention of our colleagues an article entitled "The Bitter Grapes" by Jimmy Breslin, published in the New York Post on December 6, 1968.

The text of Mr. Breslin's article follows:

THE BITTER GRAPES

The snow came out of the dark afternoon sky and whipped across the sprays of Christmas lights covering the fronts of the department stores on Fifth Av. There was organ music somewhere and chimes ringing softly and the world's best dressed people walking in the snow and the lights and the faint music. It was the first day of the Christmas season in New York and it was beautiful and of course it was so wrong.

It was right in Brooklyn, on Fourth Av. and 21st St., with the wind coming off the bleakness of the docks just down the block. The snow was the first snow Lori Huerta, 16, ever had seen. She was wearing a red blouse and dungarees and she shivered while the thick snowflakes covered her black hair and shoulders. Her brother, Emilio, 11, put his hands in his pockets against the cold. The two old Filipinos with them bent their heads against the wind. The four were going to picket a supermarket selling California grapes, and they wore the buttons of Cesar Chavez' United Farm Workers Union, but the snow had them confused.

"We went into this supermarket yesterday," the girl said, "and I said, 'Sir, we're from California and we are striking against the people who grow the grapes you're selling. Sir, we ask you not to sell them.' The manager said, 'Oh, they're not California grapes, they're Michigan grapes.' "

"Michigan grapes," the boy said. "They don't have grapes in Michigan. We told him."

"So then he said they were from Arizona," the girl said.

"Yeah," the boy said. "There are no Arizona grapes now. Only grapes from California. So now we're going to picket. Yeah!"

The two old Phillipinos nodded. One was Emilio Pajemola and the other was Freddie Caleo. They are sad-faced, soft-mannered men. Starting in the 1930s, they worked at grapes in the fields of California. In 1965, when Cezar Chavez stepped out of the fields to lead one of the great labor fights, they followed him. The California growers refuse to negotiate with the union. They bring in illegal workers from Mexico, over 200,000 in the San Joaquin Valley alone last fall. To fight this, Chavez has sent little groups of union people to the major cities where table grapes are bought. The boy and the girl and the two old Filipinos standing in a snowstorm on a street corner in South Brooklyn, are one of the groups. The boy and the girl came here with their mother, Dolores Huerto, a union vice president.

"What was the most money you ever made picking grapes?" the men were asked.

"I make $1500 the last year before I joined the strike," Pajemola said.

"That's all?"

"No more, no compensation, nothing if you get sick. When you are sick, the boss says to you, 'That's too bad, I'm sorry to hear that.' And then he goes away and you are not paid."

"How do you live?" he was asked.

"The camp. Wood buildings. Too low for a person to live. Only animals should live there."

"Yeah!" the boy said. "Even prisoners in a war get treated better."

The other old man, Calleo, said, "The floor is dirt and the rains make mud of the floor. You sleep in mud."

"They take from your check the cost of the place to live," Pajemola said.

"What kind of food do you get?" they were asked.

"Here, you eat the food, you don't think," Pajemola said. "But it's different when you don't have to eat. In California, sometimes people have no food."

He took out a meal book which allows him to eat at the Seafarers International Union Hall. The union has been supporting the strikers, who came to New York on a $5 per day allowance from the United Farm Workers.

"What do the people say to you when you picket a store?" they were asked.

"They don't know what it means," the girl said. "They see only a few of us and they don't know. We give them leaflets and we tell them please not to buy grapes. We have thousands of people on strike in California. Families are separated because they don't have enough money to live together."

"Let's go picket!" the boy said.

"Let's just sit in the car first so I can get warm," the girl said.

The four of them went to a station wagon that had a sign on top of it saying, "Don't Buy California Grapes."

They must be a strange sight, a little group like this coming into a neighborhood in a big city and starting a little picket line about grapes from California. But John Steinbeck wrote "The Grapes of Wrath" almost 30 years ago and it is one of the few truly meaningful novels ever written in America and in California they still grow grapes of wrath. Anybody in a city who buys grapes sins against the meaning of the season. For the only thing the days of Christmas stand for are the boy and the girl and the two old Filipinos who got into the station wagon and went to picket a supermarket in the cold afternoon yesterday.

CECIL POOLE

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. COHELAN. Mr. Speaker, Mr. Cecil Poole is currently the U.S attorney for San Francisco. His name had twice been submitted for appointment to the Federal district court to sit in the city of Oakland, Calif. President Nixon has now seen fit to remove Mr. Poole's name from nomination. The regrettable failure of the Senate to act on Mr. Poole's nomination, and the further action of Mr. Nixon in withdrawing the nomination have clouded the character and ability of Mr. Poole.

Furthermore, the actions of Mr. Nixon and certain Members of the Senate have left considerable suspicion in the minds of many people that Mr. Poole's nomination has been held up because Mr. Poole is a Negro.

I believe that it is the duty of Mr. Nixon to resubmit Mr. Poole's nomination and for the Senate to consider that nomination free from any discrimination. Any other course will leave a cloud on the reputation of a most talented and able lawyer and will leave the even more distasteful thought that racial discrimination is practiced in the U.S. Senate.

These views are stated in a recent editorial in the Los Angeles Times, which I would like to insert at this point in the RECORD for the benefit of the readers of the RECORD.

I would also like to include an article from the Washington Post on the same subject.

The material referred to follows:

[From the Los Angeles (Calif.) Times, Jan. 24, 1969]

POOLE CASE SHOULD BE RESOLVED

Issue: U.S. Atty. Cecil Poole is a Negro and Democrat. Are those sufficient reasons to block his nomination as a federal judge?

Cecil Poole, U.S. attorney at San Francisco, was renominated for a federal judgeship by President Johnson before he left office.

Unfortunately President Nixon Thursday saw fit to withdraw that and other nominations made by his predecessor.

In the interest of justice Mr. Nixon should now resubmit Poole's name. More than that, he should take whatever affirmative steps are necessary to see that roadblocks which prevented consideration of Poole's name when it was first presented last May are now removed.

The Senate Judiciary Committee failed to consider Poole reportedly because of opposition from Sen. George Murphy (R-Calif.). The senator said he neither approved nor disapproved of the first nomination, but forwarded to the committee objections from constituents. Poole was left under a cloud as a result.

When President Johnson sent the Poole nomination to Capitol Hill a second time, Murphy reiterated his opposition and he was joined by other senators.

Since Poole has an impressive record of government service and has been endorsed by the American Bar Assn., the impression is left that confirmation was blocked simply because he is a Negro and a Democrat. If the objection were based on other grounds, the opposition should be required to lay its case on the table.

As matters now stand there is a blot on Poole's reputation. There is also a blot on the Senate Judiciary Committee and the Senate "system."

President Nixon could ameliorate what is plainly an unsatisfactory situation by guaranteeing Poole his "day in court."

Poole is entitled to such a hearing. And the public is entitled to know exactly what motivates the opposition to his becoming the first Negro west of the Mississippi to reach the federal bench.

[From the Washington (D.C.) Post, Jan. 29, 1969]

REVIEW OF L. B. J. NOMINATIONS CREATES PROBLEMS FOR NIXON

(By Laurence Stern)

Whether or not President Nixon realized it, he may have created a prickly political dilemma for himself by withdrawing en masse last week the 485 nominations he inherited from his predecessor, Lyndon B. Johnson.

One of the names that ranked high on the list of prospective appointees was that of a fellow Californian, Cecil F. Poole, United States Attorney for the northern California district. Poole was nominated for a Federal judgeship by President Johnson eight months ago and the appointment has languished ever since in the Senate.

What gives the case its political piquancy is that Poole, if appointed, would have become the first Negro Federal judge not only in the new President's home state but anywhere west of the Mississippi.

Poole has amassed an impressive array of support in the long-frustrated quest for appointment. Former Attorney General Ramsey Clark dscribes him as "most exceptional" and maintains "there is no better qualified lawyer in the country" for the job.

He was endorsed by the American Bar Association's Committee on the Federal Judiciary. Both of San Francisco's newspapers, as well as the Los Angeles Times and California's McClatchey newspapers have given strong editorial support to Poole's appointment.

Though a Democrat, Poole won the immediate support of Thomas H. Kuchel, California's former Republican senior Senator. Several Republican members of the state's Congressional delegation have quietly supported the San Francisco lawyer along the tortuous trail. And his cause has enlisted the backing of prominent Senate liberals outside the State, such men as Philip A. Hart (D-Mich.), Edward W. Brooke (R-Mass.) Edward M. Kennedy (D-Mass.), and Joseph D. Tydings (D-Md.).

His personal credentials are also impeccable: He was in the top 10 per cent of his class at the University of Michigan law school and won his master's degree at Harvard Law School—two of the Nation's toughest academic training grounds for lawyers.

The Poole appointment has foundered on the opposition of one man, Sen. George Murphy (R-Cal.), who refused to concur in the President's choice. Although Murphy has failed to discuss his role in the original nomination of Poole last May, members of Congress who followed the case insist that the California Republican sent his blue appointment slip back to the Senate Judiciary Committee unsigned. This is the Senate Club's equivalent of the "thumbs down" gesture used on early Christians by Roman potentates.

One theory is that Murphy wants to be able to name his own man to the judgeship position in the new Republican Administration. A harsher view held by some Californians on Capitol Hill is that Poole's confirmation is being held up because he is black.

Murphy did acknowledge that he passed on to Judiciary Committee Chairman James O. Eastland (D-Miss.) complaints from California against Poole's conduct of the U.S. Attorney's office. One such complaint centered on the nominee's release of five Oakland draft demonstrators in December 1967. They were arrested by U.S. marshals for failure to carry draft cards. Poole later explained that the demonstrators were properly registered and that there was no evidence they were wilfully violating the law.

After his original nomination of Poole expired with the departure of the 90th Congress, President Johnson resubmitted the nomination to Congress last Jan. 9, along with four other appointments to the Federal judiciary.

This time Murphy and Sen. Strom Thurmond (R-S.C.), a member of the Judiciary Committee and the pillar of Richard Nixon's Southern strength in the Republican convention, announced that they would oppose the nominations. The South Carolina Republican said the new President should fill all judgeships and all other vacancies in Government.

Mr. Nixon clearly agreed. His decision to withdraw all outstanding nominations, including those of Poole and the four other judgeship nominees, prompted former Attorney General Clark to accuse the new President of not keeping his word. Whichever version of the dispute is correct, the political reverberations will not die soon.

"It's an absolute and total tragedy not only to Cecil Poole personally but to our society," says Rep. Phillip Burton (D-Calif.), a fellow San Franciscan and a friend of the former nominee. "It's small wonder that young blacks figure that things are rigged against them. Here's a Negro who has played the game according to the established rules and gets dinged for no apparent reason. I'll tell you, it makes it damned hard to face those kids."

Richard Nixon, the epitome of white middle-class America, rankled some Negroes by his failure to follow the symbolic procedent of his Democratic predecessors. He has not nominated a black man to the Cabinet.

Nevertheless early this month the new President told a group of Negro leaders in New York that he proposes to do more for Negroes than any other President, perhaps Mr. Nixon's only excursion of the year into extravagant statement. It certainly can be argued that there has not been a decent lapse of time in which to judge the intentions of this Administration on participation by qualified Negroes.

That is why the fate of Cecil F. Poole is being followed so intently, by so many.

PFC. LEE R. BRUCE, JR.

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. LONG of Maryland. Mr. Speaker, Pfc. Lee R. Bruce, Jr., a fine young man from Maryland, was killed recently in Vietnam. I wish to commend his courage and honor his memory by including the following article in the RECORD:

PASADENA SOLDIER, 20, OF VIET COMBAT BURNS

Army Pfc. Lee R. Bruce, Jr., 20, of Pasadena, died January 11 from burns received in combat in Vietnam, the Defense Department reported yesterday.

Drafted into the Army in May, 1968, Private Bruce was trained in guerrilla warfare at Fort Polk, La. He was sent to Vietnam in October and was a member of the 9th Infantry Division, stationed in the Mekong Delta.

His wife, Mrs. Berry W. Bruce, said her husband's chief complaint was the delay in mail from home. He wrote about it in a letter received by his wife six days before he was killed, saying, "Something is really wrong back in that world."

Born in Baltimore, Private Bruce moved with his family to Anne Arundel county 16 years ago. He attended Northeast High School in Pasadena and was employed for a time by the Glidden-Durkee division of SCM Corporation.

In addition to his wife, survivors include a 6-week-old son, Lee R. Bruce, 3d; his parents, Mr. and Mrs. Lee R. Bruce, Sr.; two sisters, Mrs. Carlo Reitober and Mrs. Kenneth Smith, and a brother, Edward A. Bruce, all of Pasadena.

THE RETIREMENT OF CLARENCE T. LUNDQUIST, ADMINISTRATOR OF THE WAGE AND HOUR DIVISION OF THE DEPARTMENT OF LABOR

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. PUCINSKI. Mr. Speaker, during the past few weeks, we have all been saying goodby to a number of persons who had become familiar and friendly faces in the Washington area.

My good friend and an able public servant, Clarence T. Lundquist, has retired as the Administrator of the Wage and Hour Division of the Department of Labor after serving 33 years with the Government.

Clarence Lundquist joined the Wage and Hour Division in 1938—the first year of its existence. He started as an investigator in the Chicago area and had become by 1955 the Deputy Administrator of the Division.

For the past decade, Clarence Lundquist has been the energetic and indefatigable Administrator of the Division. His leadership and expertise has been of immeasurable assistance to me and to the Education and Labor Committee upon which I serve. President Johnson stated quite accurately that Clarence Lundquist "exhibited a combination of talents which mark few individuals."

Clarence Lundquist knew how to get things done and the outstanding record of his service is eloquent testimony to that fact.

Mr. Speaker, I am including in my remarks a letter from President Johnson regretfully accepting Mr. Lundquist's resignation. I join the former President, as well as the many, many friends of Clarence T. Lundquist in wishing him well in his future endeavors. The letter follows:

THE WHITE HOUSE,
Washington, December 18, 1968.

HON. CLARENCE T. LUNDQUIST,
Administrator, Wage and Hour and Public Contracts Divisions, Department of Labor, Washington, D.C.

DEAR MR. LUNDQUIST: It is with regret, but also with understanding, that I accept your resignation from the Federal service, effective January 4, 1969. I know the mixed emotions you must have felt in making your decisions, for I shared those emotions in reaching my own decision to return to private life.

You and I arrived in Washington during the same exciting, challenging decade. We both have seen a great deal accomplished for our Nation's citizens. And I believe we

both can say with pride that we have contributed to the building of a better country.

Your dedication and hard work over the past 33 years have been exemplary. You have exhibited a combination of talents which mark few individuals. That you channeled those talents to serving your fellow citizens is all the more admirable.

I extend to you my sincere appreciation for the job you have done. May you be equally successful in your future endeavors.

Sincerely,

LYNDON B. JOHNSON.

NORTH KOREA'S SAVAGERY BARED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. ASHBROOK. Mr. Speaker, a little over 15 years ago a Senate subcommittee of the Committee on Government Operations issued a report titled, "Korean War Atrocities." The report stated in part:

The evidence before the subcommittee conclusively proves that American prisoners of war who were not deliberately murdered at the time of capture or shortly after capture, were beaten, wounded, starved, and tortured; molested, displayed, and humiliated before the civilian populace and/or forced to march long distances without benefit of adequate food, water, shelter, clothing, or medical care to Communist prison camps, and there to experience further acts of human indignities.

The report further observed:

Communist massacres and the wholesale extermination of their victims is a calculated part of Communist psychological warfare. The atrocities perpetrated in Korea against the United Nations troops by Chinese and North Korean Communists are not unique in Communist history, nor can they be explained away on the grounds that inhumanity is often associated with so-called civilized warfare.

The ordeal of Comdr. Lloyd Bucher and his men illustrates graphically that the Communists of North Korea still employ the weapon of terror to reach their ends just as the Soviet Union did in its August 1968 invasion of Czechoslovakia.

David Lawrence, the nationally syndicated columnist, strikes the same theme in his column, "North Korea's Savagery Bared," which appeared in the Washington Post of January 27:

Training in how to torture prisoners is part of a Communist technique and has long been used to frighten citizens who show the slightest signs of disobeying the edicts of the dictatorship regime.

The mistreatment of the *Pueblo's* men is but the latest in a long list of cases which prove beyond reasonable doubt the basic inhumanity of communism. It is one of the greatest enigmas of our times that men in high places can still treat Communist regimes as though they belonged to that circle of free and respectable nations throughout the world.

I insert the above-mentioned column by David Lawrence in the RECORD at this point:

NORTH KOREA'S SAVAGERY BARED

The North Korean government stands before the world today as guilty of brutality and savagery in the treatment of the crew taken from the American naval ship Pueblo, and held as prisoners for 11 months. Behind this regime are the Communist governments in Moscow and Peking.

Will nations which believe in humanitarianism—even when they take into custody individuals from enemy forces—allow the incident to go unnoticed? Will the protests come from far and wide so that the principles of civilized practice in dealing fairly with prisoners will be widely publicized?

Why do the Communist governments tolerate vicious tactics by their own puppet states? Do they think that they themselves escape responsibility?

The story told by Cmdr. Lloyd M. Bucher last week to a naval court of inquiry might have been regarded as commonplace in the jungles of Africa. But most of the people throughout the world have hitherto assumed that the Soviet government would not have permitted the men who manage its enslaved countries to risk the worldwide publication of the way Communists sometimes handle prisoners.

The Communist extremists believe in torture, and they exact "confessions" for the purpose of publicity and propaganda. One thing that would frustrate such tactics would be for the United States government to announce that any Americans hereafter seized by the Communists anywhere have been authorized to "confess" or admit anything they are asked to say by their captors. This would render these documents immediately valueless as propaganda, and perhaps would save prisoners from such cruelties as the Pueblo's crewmen experienced.

But it wasn't only the American sailors who were subjected to the savage and inhumane ordeals. A South Korean who had previously been taken prisoner was strapped to a wall, after having been tortured. He was shown to Cmdr. Bucher, who testified last week as follows:

"He was alive. But he had been through a terrible ordeal. He had a compound fracture of the arm and the bone was sticking out. He had completely bitten through his lower lip. . . . It was hanging down. His right eye had been put out. His head was hanging down and a black substance from the put-out eye was dripping down.

All this was done to warn Cmdr. Bucher what might be his own fate and that of his crewmen. He had already been close to death with a revolver at his head. Finally, when he refused to submit, he was beaten into unconsciousness. After several days of such harassment, Bucher was informed that all his men would be shot unless he agreed to sign a "confession." He did so because, he says, he felt that North Korean officers were "animals" who would not hesitate to carry out the threat.

Training in how to torture prisoners is part of a Communist technique and has long been used to frighten citizens who show the slightest signs of disobeying the edicts of the dictatorship regime.

The rest of the world can do much to teach the Communists that this doesn't help them gain either the respect or the cooperation of other nations. International law requires that prisoners be given humane treatment.

North Korea has not proved that the Pueblo was inside her 12-mile limit, but certainly it will be hard for anyone to show that veering a mile or two from the prescribed line deserves the punishment accorded to the men on the Pueblo. What they saw from a 13-mile position as contrasted with 11 miles or even three—which has been the customary territorial limit—was surely nothing that could threaten the safety of North Korea to the point where such stern measures were necessary.

Some day North Korea will need the friendship of free peoples as it emerges from an era of tyranny and despotism, but between now and such a time the American people will be wondering whether any of the sensible human beings north of the 38th parallel will care enough about their own future to persuade the North Korean government to correct the wrong which has been done. Will the proper punishment be administered even belatedly to the officials who have portrayed their country before the world as a nation of savagery and inhumanity?

MIDDLE EAST DEVELOPMENT PLAN

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Marshall McNeil which appeared in the January 29, 1969, edition of the Washington Daily News:

MIDDLE EAST DEVELOPMENT PLAN

(By Marshall McNeil)

In a last-minute gesture to Israel, ex-President Johnson took the first step toward the imaginative but practical Eisenhower-Strauss plan to promote peace between the Arabs and Jews.

Congress and the Nixon Administration, nevertheless, have a chance now to advance this water-and-power proposal of former President Eisenhower and Adm. Lewis L. Strauss. The plan is given a big push in the report just filed with Mr. Nixon by his special emissary to the Middle East, former Gov. William W. Scranton of Pennsylvania.

Mr. Scranton, obviously with the long-standing Eisenhower-Strauss plan in mind, said a massive nuclear-powered undertaking to provide desalted water for irrigation and industrial power would help both Arabs and Jews develop their resources and "go a long way toward solving a very bad situation."

These plants would be financed in part by private interests, with the United States providing the technology and perhaps the nuclear fuel.

Mr. Eisenhower and Mr. Strauss—and now Mr. Scranton—see this project as a means of promoting economic co-operation between the Arabs and Jews, feeling that peace in the trouble area must be founded on such mutually helpful and economically sound projects to produce food and energy.

The Senate last year gave its unanimous approval to the idea.

But Mr. Johnson carried in his last budget message these two sentences:

"Legislation is proposed to authorize U.S. participation in a large-scale desalting plant to be constructed in Israel. This project will significantly advance the development of desalting technology."

He sent draft bills to Congress to carry out his proposal, and these have been referred to committees.

Premier Levi Eshkol announced to a political meeting in Jerusalem last week that Mr. Johnson had written him of his request to Congress for a $40 million grant and an $18 million loan to construct the desalting plant on the Mediterranean coast of Israel.

The project, as proposed by the Johnson Administration after joint studies by the Israeli and American governments, does not require production of power. It entails, with the use of conventional fuels, production of 40 to 50 million gallons a day of sweet water whose price might preclude its use for irrigation.

Clearly, from Mr. Johnson's budget statement, his Administration was interested in the Israeli project as a means of testing the

technology of the desalinization experts of the Interior Department. They believe a big prototype plant is needed, the one that had been projected just off the California coast having failed to materialize.

The plant would, of course, do some good for the desalting art and for Israel.

But men like Mr. Eisenhower and Mr. Strauss, with bigger vision, are convinced that thru the use of nuclear energy, which would also provide electricity, large quantities of low-cost water could be produced cooperatively by the Arabs and the Jews in a region that needs water, food and power so badly. In such a joint business venture—in which there is a good chance for eventual profit making—they see a new and durable foundation for peace.

In his inaugural President Nixon consecrated "my office, my energies and all the wisdom I can summon to the cause of peace among nations." With those who are willing to join with us, Mr. Nixon also said, "let us co-operate to . . . strengthen the structure of peace, to lift up the poor and hungry."

Congress applauded this.

Now, together, the President and Congress have the chance to act upon his words, enlarge upon the Johnson offer, make it compatible with the Eisenhower-Strauss proposal, all in behalf of peace in the Middle East.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. STEIGER of Wisconsin. Mr. Speaker, on January 3 I introduced legislation to establish a National Commission on Libraries and Information Science, H.R. 908.

I am proud to note that this proposal was formally endorsed today by the American Library Association Council at its meeting here in Washington.

For the benefit of my colleagues, under unanimous consent I include the full text of the ALA resolution as part of my remarks:

RESOLUTION TO SUPPORT RECOMMENDATIONS OF THE NATIONAL ADVISORY COMMISSION ON LIBRARIES

(Proposed by the ALA Committee on Legislation for adoption by the ALA Council January 30, 1969)

Whereas, the Report of the National Advisory Commission on Libraries is the result of comprehensive study into the current status and future needs of the Nation's libraries and of extensive citizen hearings; and,

Whereas, the Commission's Report, received by the President of the United States October 15, 1968, is the most far-reaching statement of library needs and goals ever enunciated by an official body of the Federal Government; and,

Whereas, this document presents a perceptive appraisal of the immediate and future requirements of all types of libraries to enable them to serve more effectively as vital, relevant institutions for all the people, and proposes responsible and realistic objectives to overcome current inadequacies and develop library services to their full potential; and,

Whereas, the National Advisory Commission on Libraries has recommended "That it be declared National Policy that the American people should be provided with library and information services adequate to their needs, and that the Federal Government, in collaboration with State and local governments and private agencies, should exercise leadership in assuring the provisions of such services"; and,

Whereas, the necessity for coordinated, long-range planning and evaluation to determine feasible ways of meeting the new and growing demands of library users is widely recognized;

Now, therefore, be it resolved, that we, the Council of the American Library Association, do hereby endorse and support the statement of National Policy and the establishment by Congress of a permanent National Commission on Libraries and Information Science as a continuing Federal planning agency.

AMBASSADOR W. AVERELL HARRIMAN

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. GIAIMO. Mr. Speaker, it is an honor and a privilege to join my colleagues today in paying tribute to America's "Ambassador of Ambassadors," W. Averell Harriman. As we all know, Ambassador Harriman has recently returned home from his latest, and I might add, I hope not his last, assignment abroad. I think it is appropriate that we take this opportunity to note some of the highlights of his distinguished and brilliant career in the service of his country, and to say thank you for all he has done for present and future generations.

W. Averell Harriman is a man who has served his country well for over three decades. He has served in times of depression and times of prosperity. He has served in times of war and times of peace. In good times and bad he has never refused to serve and has always given unselfishly of himself, so that others might enjoy a better America.

Ambassador Harriman is a man who exemplifies the high ideals of public service in the American tradition.

Ambassador Harriman began his illustrious public career in 1933, when he became a member of the Business Advisory Council for the Department of Commerce. After 8 years as a domestic New Dealer, he received his first international assignment when, in 1941, he was sent to England as President Roosevelt's special representative. Since that time Mr. Harriman has served as Ambassador to the U.S.S.R., Ambassador to Great Britain, Secretary of Commerce, Special Assistant to President Truman, Director of the Mutual Security Agency, Governor of New York, Ambassador-at-Large, Secretary of State for Far Eastern Affairs, and Under Secretary of State for Political Affairs. Ambassador Harriman has also served as special envoy and U.S. Representative to international conferences and meetings, too numerous to mention.

Ambassador Harriman's accomplishments are legend, but one of his greatest contributions to world peace was the role he played in negotiating the 1963 Test Ban Treaty, prohibiting nuclear tests in the atmosphere.

Mr. Speaker, I could not conclude my remarks without mentioning the magnificent job Ambassador Harriman has done in moving the Paris peace talks to a point where substantive negotiating could begin. He has shown the vigor and stamina of a man half his age. He has persevered where others might have failed. Without him, these vital negotiations might never have progressed at all. I think that when peace becomes a reality in Southeast Asia, we can look to Averell Harriman as the man who played a most important roll in its achievement.

Upon his recent return from Paris, Ambassador Harriman was welcomed by over 200 of Washington's most prominent personalities. Someone suggested that this was the Ambassador's "Last Great Hurrah." Great yes, but let us hope it was not the last for "Ave" Harriman, who has been called back from private life to Government service so many times before.

Mr. Speaker, I know that history will look favorably on Averell Harriman, for Averell Harriman has favorably shaped history.

REPORT TO CONSTITUENTS

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. ANDREWS of North Dakota. Mr. Speaker, it is my custom, from time to time, to send reports to my constituents concerning my activities in the Congress, along with my views on events of interest to them which have taken place in our Nation's Capitol. At this time I would like to ask unanimous consent to have the following report inserted in the RECORD:

JANUARY 1969.

At the start of this, my first report to you in this Session of Congress, I want to express my gratitude to the voters of the East District for your support last November. You have my pledge to continue to work hard to retain the trust and confidence you've placed in me as your Representative.

Much of the action this first month in Congress has centered around making committee assignments, President Johnson's State of the Union Message and budget recommendations for fiscal 1970, and, of course, participation in the Inaugural of our new President: Richard Nixon.

The budget message the out-going President sent Congress is an interesting document, both for what it contains and for what has been glossed over. We all read the newspaper headlines indicating a $3.4 billion surplus for fiscal 1970. The headlines didn't say that this "surplus" was the result of an unparalleled feat of fiscal juggling. Actually, a $6.8 billion deficit was set out in the Federal Funds section, which includes all of the activities of government with the exception of trust funds. This deficit is "covered" by a surplus in trust funds of $10.2 billion, monies specifically collected for and dedicated to such purposes as Social Security benefits and highway construction, which under the law will be more than needed two or three years hence in providing the benefits of these programs. In order to show a temporary surplus, President Johnson recommends borrowing from these trust funds. The money would

have to be repaid, of course, with interest, and in the meantime it would constitute an increase in the Federal debt—a strange situation indeed for a so-called "surplus" budget, postponing in a sense, but actually making worse our nation's fiscal problems. After we receive budget amendments from the Nixon Administration, our Appropriations Committee will have to make necessary modifications so that we do approach a more balanced budget to avoid continuing inflation and high interest rates.

Most political analysts feel that the new Administration will not have to call for much new legislation, but rather overhaul those laws already on the books to make them more responsive to the needs of our people. Because of this the attention of Congress will be turned more to appropriations and the budget than ever before.

The one year extension of the Farm Program should give Ag. Secretary Hardin sufficient time to develop a new farm plan by going to farmers themselves for comments, suggestions and ideas. Later in the year, Committee hearings can be scheduled and final Congressional action taken by early 1970. In the meantime, everyone will have had a chance to study it, make recommendations for improvement and point out inequities before it is enacted into law. Certainly, this is the best way to develop such important legislation.

While the full facts may never be released to the public, the tragedy of errors surrounding the capture of the U.S.S. *Pueblo* is being revealed bit by bit and it is clear some "higher-ups" failed to provide the ship proper equipment and protection for its ill-fated voyage. It has also been revealed that of eleven principal weapon systems purchased by the Pentagon in this decade only two performed up to standard. Meanwhile, practices initiated by McNamara had allowed the poorest performers in the aero-space industry to enjoy the highest profits. This makes us all realize how important sound policies in the Pentagon are to the security of our nation and the peace of the world. It is gratifying to me that a man I have known for many years, Mel Laird, an able, inquisitive, straight-shooting and very practical Midwesterner is our new Secretary of Defense. We are all wishing him success in a most difficult job.

PROCLAMATION OBSERVING THE 50TH ANNIVERSARY OF THE BIRTH OF CZECHOSLOVAKIA

HON. JOHN JARMAN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. JARMAN. Mr. Speaker, I would like to call the attention of my colleagues to the following proclamation issued by Gov. Dewey F. Bartlett, of Oklahoma, observing the 50th anniversary of the birth of the Republic of Czechoslovakia:

PROCLAMATION

Whereas, the Fiftieth Anniversary of the birth of the Republic of Czechoslovakia will be observed on October 28, 1968; and

Whereas, countless Americans of Czech and Slovak descent will remember this day for the important part they played in helping to win the independence of Czechoslovakia out of the carnage of World War I by their support of Professor Thomas G. Masaryk's liberation movement, of the war effort of the United States, and of President Wilson's sincere desire to attain freedom and democracy for the peoples of all nations; and

Whereas, these same Americans are proud of the remarkable peace time record that Czechoslovakia established as a progressive democracy, closely identified with the principles of the democratic political philosophy, which was originated and developed in our own United States of America; and

Whereas, these people and their nation today and under the heel of oppressor nations, yet their courage and devotion to the principles of freedom and democracy still burns brightly as a beacon of hope that Czechoslovakia will once again stand as a free country among other free and independent peoples of the world; and

Whereas, in spite of the most recent grievous tragedies to which the Czechoslovak nation has been subjected, we are sincerely hopeful that, in keeping with its past history and traditions, the Czechoslovak nation will again emerge victorious from its present struggle for freedom and independence;

Now, therefore, I, Dewey F. Bartlett, Governor of the State of Oklahoma do hereby proclaim Monday October 28, 1968, as Czechoslovak Independence Day in Oklahoma.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Oklahoma to be affixed.

Done at the Capitol, in the City of Oklahoma City, this twenty-fifth day of October, in the Year of Our Lord one thousand nine hundred and sixty-eight, and of the State of Oklahoma the Sixtieth Year.

DEWEY F. BARTLETT,
Governor.

JOHN ROGERS,
Secretary of State.

L. L. CALLAWAY,

THE CASEY-PEPPER GUN CRIME BILL

HON. BOB CASEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. CASEY. Mr. Speaker, the criminal use of firearms continues to be a growing national disgrace—and the efforts made here last June in the Gun Control Act of 1968 are going to have little, if any, impact.

Today, my distinguished colleague from Florida, Representative CLAUDE PEPPER, joined with me in introducing a bill which can end the disgrace of crimes committed with firearms.

Our bill has a unique approach. Unique, that is, in that it has not been followed by Congress in recent years. It would, first of all, set stiff mandatory penal sentences for use of a firearm during the commission of your major crimes of violence. The sentence would be 10 years on first offense, and 25 years on any subsequent offense. This sentence would be specifically prohibited from being suspended, or assessed to run concurrently with any sentence imposed for the commission of the crime, or probation being granted.

But equally important is the provision which would empower State courts to enforce provisions of the bill.

You may recall that during House debate on the Gun Control Act of 1968, when the Casey amendment was before the House, this provision was offered as an amendment by my colleague from Florida. The chief objections to my amendment to impose stiff mandatory prison terms for illegal use of guns were that it would overload the Federal courts, the law enforcement agencies, the Federal prisons, and possibly require a defendant to undergo two trials—one for commission of the crime in a State court, another on use of the firearm in a Federal court.

My colleague cut through the heart of that argument with his brilliant amendment to give State courts power to enforce this provision, and it caught the opponents flatfooted.

The strongest argument put forth was that the members of our distinguished Judiciary Committee needed time to study this provision. Some expressed doubt Congress had the constitutional authority to give this power to the States, and they asked that it be defeated.

Mr. Speaker, research has proven there is ample precedent and ample authority for enactment of this provision, dating all the way back to 1794. It is only in recent years that the Congress has given exclusive jurisdiction to the Federal courts in many cases.

Never in our history has there been a greater need for a new approach to criminal law and law enforcement. Gun crimes are no longer a local or a State problem—but nationwide in scope and impact, and should be dealt with on a nationwide basis.

Here, in the District of Columbia alone, armed robberies during the month of December jumped 452 percent over December 1965. We have seen financial institutions here robbed at the unbelievable rate of nearly one a day.

Nationally, our violent crime rate since 1961 has jumped nearly 80 percent. And yet, we have 25,000 fewer inmates in State and Federal prisons today than we had in 1961.

Surely, the answer to this problem should be obvious. Criminals are free, continuing a career of crime, preying on society. And the answer is just as obvious—crackdown hard on those who use guns to rob, rape, and murder.

Our bill will do just that, and I urge my colleague to give it careful consideration and to join with us in every effort to end the national disgrace of gun crimes.

HON. FREDERICK C. BELEN RECEIVES DISTINGUISHED SERVICE AWARD

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. MILLER of California. Mr. Speaker, recently, the U.S. Army awarded to Frederick C. Belen, former Deputy Postmaster General, its Decoration for Distinguished Service, which is the highest award it can bestow on a civilian.

Mr. Belen recently retired from Government service after an outstanding career. I have had the privilege of being able to call him a personal friend for

many years, going back to when he was counsel and I was a member of the House Post Office and Civil Service Committee. Many Members will remember the excellent record he established in that capacity.

His abilities were recognized by President John F. Kennedy who in 1961 nominated him to be Assistant Postmaster General, Bureau of Operations, and later by President Lyndon B. Johnson who nominated him to be Deputy Postmaster General in 1964.

During his term of office with the Post Office Department, Mr. Belen made significant contributions to the operation of that Department including the initiation and development of the ZIP code as well as many other innovations. This required his making visitations to facilities in all parts of the country to make firsthand observations of Post Office operations.

Having himself served in the Armed Forces in World War II and knowing the importance of mail to the morale of our servicemen, Mr. Belen visited postal facilities in Vietnam to make a personal inspection of mail handling procedures and to determine the needs of our military personnel serving there. As a result of these visits, automated equipment was installed by the Post Office Department which replaced a time-consuming mail sorting process and resulted in faster mail service to servicemen no matter where they were stationed or how often they moved.

The citation which accompanied the decoration reads as follows:

As Deputy Postmaster General, Post Office Department, the Honorable Frederick C. Belen rendered exceptionally distinguished service in support of the Department of the Army. By his dynamic leadership and indomitable spirit he successfully managed to provide our servicemen and women stationed throughout the world with the most complete and efficient postal service in the history of this nation. Their high morale stands witness to his outstanding success in this vital area of communications. His devotion to duty and country reflect the highest credit upon himself, the Post Office Department, and the United States of America.

I am happy to bring to the attention of my colleagues in the House the fact that this honor has been conferred upon a man who worked here with us for many years. I am sure that all Members join in offering congratulations upon his receiving this award and in extending best wishes for continued success in his future endeavors.

ANOTHER WAVE OF TERROR IN THE MIDDLE EAST

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. EILBERG. Mr. Speaker, all civilized men devoutly hope for peace with justice and honor in the Middle East. But yet another wave of terror seems about to break over those troubled shores.

The Iraqi Government has hung as spies 14 men, nine of them Jews. There is no doubt that this brutal act was aimed at retribution and warning to Israel.

I am shocked and dismayed at this continuing disregard for humanitarian sense and sensibility shown by Israel's enemies as I continue to view with alarm the cynical exploitation of Middle East tension by General De Gaulle.

One thousand rabbis this day have petitioned the Honorable William P. Rogers, Secretary of State seeking an end to this new barbarism in the Middle East.

It is with pride that I note that 36 colleagues have joined me in a statement sent to Mr. Rogers supporting the rabbis' resolution and urging his office and energy in bringing an early and swift end to the death and bloodshed in the Middle East.

I include for the RECORD both this statement of support, its signers and the rabbis' resolution, as follows:

LONGWORTH HOUSE OFFICE BUILDING,
Washington, D.C., January 30, 1969.

HON. WILLIAM P. ROGERS,
The Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: We have read the attached resolution and subscribe fully to the positions taken therein. As members of the United States Congress, we urge you and the Executive Branch to do everything possible within the context of the proposals stated to bring an end to Arab terrorism and killings in the Middle East. We stand ready to back you up in any action taken to accomplish the above stated purposes.

Sincerely,

JOSHUA EILBERG, JOSEPH P. ADDABBO, WILLIAM A. BARRETT, MARIO BIAGGI, EDWARD G. BIESTER, JR., JONATHAN B. BINGHAM, FRANK J. BRASCO, DANIEL BUTTON, JAMES A. BYRNE, HUGH L. CAREY, FRANK M. CLARK, R. LAWRENCE COUGHLIN, THADDEUS J. DULSKI, LEONARD FARBSTEIN, HAMILTON FISH, JR., DANIEL J. FLOOD, JAMES G. FULTON, JACOB H. GILBERT, WILLIAM J. GREEN, SEYMOUR HALPERN, FRANK HORTON, EDWARD I. KOCH, ALLARD K. LOWENSTEIN, MARTIN B. MCKNEALLY, WILLIAM S. MOORHEAD, JOHN M. MURPHY, ROBERT N. C. NIX, RICHARD L. OTTINGER, BERTRAM L. PODELL, BENJAMIN S. ROSENTHAL, WILLIAM F. RYAN, JAMES H. SCHEUER, SAMUEL S. STRATTON, JOSEPH P. VIGORITO, LAWRENCE G. WILLIAMS, LESTER L. WOLFF, GUS YATRON.

RESOLUTION TO THE SECRETARY OF STATE

This delegation of rabbis, representing more than 1,000 rabbis serving the Jews of the Eastern Seaboard, from New York to Washington, present the following resolution to the Secretary of State, the Honorable William P. Rogers, for his serious consideration:

"Whereas, the State of Israel has been forced into three wars during the 21 years of its existence despite its continuous efforts to seek and to offer peace;

"Whereas, a consistent stream of vicious acts of terrorism has flown from the Arab lands surrounding Israel before and since the war of June 1967;

"Whereas, ruthless and useless acts of murder have been committed over and over again exacting the lives of children on a summer tour, shoppers in a Jerusalem market, passengers at a Tel Aviv bus depot, travelers in an Athens airport, and many others;

"Whereas, the government of Iraq has catered to the lowest animalistic instincts of their citizens by lynching 14 people, nine of whom were Jews, as a spectacle for gleeful, cheering, frenzied mobs.

"Whereas, the Russian and French governments have seen fit to further encourage and inflame the Arabs in their openly declared aim of annihilating the State of Israel, and by so doing, wiping out America's only reliable friend in the mideast;

"Whereas from a political, moral, and spiritual standpoint, it is the duty of this country to stand up for the basic rights of life and liberty;

"Therefore, we the rabbis of these states applaud the Secretary of State's recent response to such inhuman acts. However, being fearful of the dreadful signs which forebode a continuation of such murders, we ask the United States government to make the most weighty representations to the Unitd Nations and to those countries which maintain relations with Iraq that they utilize every diplomatic, humanitarian and moral means to dissuade the government of Iraq from continuing its barbarious course so alien to the highest concepts of humanity and justice.

"We hope and pray to Almighty God that the thousands of Jews still under Arab domination will not be added to the six million Jews already plaguing the world's conscience because of its hesitation to act in their behalf."

UTAH LEGISLATURE PROTESTS ENLARGEMENT OF ARCHES AND CAPITOL REEF NATIONAL MONUMENTS

HON. LAURENCE J. BURTON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BURTON of Utah. Mr. Speaker, I received notification today of adoption by the Utah State Legislature of a resolution protesting President Johnson's enlargement by last-minute Executive order of two national monuments in Utah. Earlier this week I addressed the House on this same subject, also in protest, and introduced a bill that would prohibit future actions of this type. At that time I expressed my firm conviction that the enlargement of the monuments—Capitol Reef and Arches—should have not been done by Executive order, but rather by the orderly processes of congressional enactment. The Legislature of the State of Utah is in agreement with that position, as evidenced by the joint resolution, the text of which follows:

H.J. RES. 5

A joint resolution of the House of Representatives and the Senate of the State of Utah memorializing the President of the United States and the Congress of the United States to restore to the public domain certain lands withdrawn by Presidential proclamation for national monument purposes

Be it resolved by the Legislature of the State of Utah:

Whereas, the immediate past President of the United States in the final hours of his administration withdrew approximately 264,000 acres of public lands and included them in Arches and Capitol Reef National Monuments without any opportunity for proper hearing; and

Whereas, the area withdrawn is known to contain valuable minerals and has good potential for the development of substantial reserves of oil, gas, uranium and other minerals as evidenced by the fact that more than 200,000 acres in the immediate area are un-

der oil and gas lease and extensive exploration for other minerals is now being conducted; and

Whereas, the lands withdrawn contain large areas valuable for grazing; and

Whereas, state lands checkerboard the area of the lands withdrawn, and these state lands are isolated by the withdrawal; and

Whereas, the withdrawal has deprived the state of Utah, its industries and people of access to valuable resources both in the lands withdrawn and state lands affected; and

Whereas, the state of Utah is largely dependent for its economic growth upon the multiple use of its natural resources: Now, therefore, be it *Resolved, by the Legislature of the State of Utah,* That we oppose the action of the former President of the United States in withdrawing these valuable lands without providing the opportunity for parties concerned to be heard: be it further

Resolved, That the President of the United States and the Congress of the United States take such action as necessary to restore these lands to the public domain, so they are available for multiple use until all issues involving their inclusion in national monuments have been fully considered.

THE MESS IN THE MERCHANT MARINE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BOB WILSON. Mr. Speaker, attention in recent weeks has been focused on our Nation's poor stature in all areas of ocean research and development. Charles F. Duchein, president of the Navy League of the United States, made an excellent presentation on our national ocean posture before the Commonwealth Club of California in San Francisco several weeks ago and I would like to share his thoughts on oceanography in general, and the development of our merchant marine in specific, with my colleagues. The text of his speech is as follows:

THE MESS IN THE MERCHANT MARINE

Isn't it high time we stopped talking about the mess in the merchant marine and started giving a positive American touch to our crucial situation at sea?

What needs to be done is to build up our maritime posture to a preeminent world position. The Soviet Union's new oceanic vision dictates a vastly accelerated build-up of our merchant fleet. Instead, we tamper with the long term prosperity of this nation through or neglect of what I am convinced can be the chief stimulator of the national economy—the foundation for future prosperity.

Our fast moving 20th Centry industry depends increasingly on strategic materials carried from overseas in ships. The burgeoning trade along the sea lanes of the world affords the most inviting possibility for economic growth in our history. But you and I know we now carry only a fraction of even our own trade. The tragedy is we are not capitalizing on the exploding lucrative world markets—we continue to talk when positive action is called for. While we talk about the mess in the merchant marine, we ignore the positive action our government must take to get back up on the maritime step.

My message today is not to decry this "mess in the merchant marine" nor to try to fix the blame. Instead, I choose to highlight the tremendous oceanic opportunity unfolding. As part of the educational process, as a first step we need to know more about the economic situation of the sea. We must delve deeply into the complexity of the U.S. waterborne transportation industry. There are high stakes involved in bulding up our overall oceanic strength and we need to know the facts.

I say, let's get on with it, let's start building a merchant fleet that will be the pride of every American—that's my answer to the mess in the merchant marine.

In simple terms, during the period of my presidency of the Navy League, the American merchant marine slipped down the totem pole of our own trade carrying from 7.3% to a mere 5%. As this slippage was taking place, the American merchant marine declined from 1900 ships in 1950 to 1100 ships in 1968. During this same period, the Soviet fleet mushroomed from 1.9 million tons to 1400 ships of 10.4 million tons.

Deplorable as this comparative record seems, the implications are tremendous. Frankly, based on hard economic facts, as a business-man I see a long-term bullish trend in the maritime market. For example, an authoritative Harbridge House study concluded that while carrying a fraction over 7% of our trade, the United States saved a billion dollars yearly in gold flow from the revenue of this trade. It doesn't take a mathematics major to see what this would mean toward gold flow reversal if we carried 50% of our trade.

Economically, this is an index of what carrying trade can mean if we go after the market. This tantalizing fact has not escaped Mr. Nixon. This is precisely why he has made the revitalization of the merchant marine "highest priority economic task." But while the President-elect knows this economic fact of life, few Americans do. And their lack of interest, understanding and concern, to my mind, is the chief reason why we are in such serious trouble.

The problem boiled down to basics is an educational one. Yes, educational—and the aggressive merchandising of the American maritime product. We might well take a page out of the bold aerospace industry's promotional book to regain a number one world maritime position.

Speaking of modern methods of merchandising, Jack Gilbride, President of Todd, and a good friend of mine, and I must say one of the most progressive American shipbuilders, is telling the nation through a fine program of educational communications—"you can't walk on ¾ of the earth's surface." How strange that the American people and their government, at this late hour, need such elementary oceanic education; but, unfortunately, they do. No, you can't walk on the water. But there is gold in the oceans of the world—and strength—and security. Actually, Americans are just beginning to grasp the fact that the modern gold rush of today is toward the new, the challenging last world frontier—the oceans. Talk to your stock broker if you are not convinced that what I am saying is accurate—your fabulous Californian gold rush of '49 is now exploding to the entire world of water.

Whether it was slothful thinking, sporadic strikes, the indifference of the decision-makers in our government, the failure to comprehend the vital importance of the merchant fleet brought about the present plight. Whatever it was and it was many things, bold imaginative plans are needed now.

In terms of the American touch, the almost flawless flight to within 60 miles of the moon by the Apollo 8 shows there is still plenty of vitality in the American people—when they are pressed. I watched the launch at Cape Kennedy; what a marvelous experience! While catching my breath as I stared at the rocket soaring into space, to myself I humbly thanked Stalin, Khrushchev, Breshnev, and Mikoyan. Who launched Apollo 8? I would say, "unquestionably Sputnik." The Soviets touched a sensitive American nerve—we can't stand a second place position, and that is good. The psychological shock of Sputnik's first spin in space awakened this nation. And Apollo 8, if it did nothing else, showed the tremendous American potential to produce, to create, to think—it showed the strength of our will and our determination and it came at a time when the world was beginning to wonder.

What we need now is some sort of shock treatment; Americans will then demand that we build our merchant marine to the strong, modern, competitive position world conditions dictate. Actually, the Russian revolution at sea provides the same competitive challenge. Though hardly as dramatic, the exploding Soviet maritime strength has far more ominous political, economic and military implications.

Focusing on the Red revolution at sea, the central significance of the competitive merchant marine stands out. How do we stack up? Four out of five of our merchant ships are of World War II vintage. But not Soviet ships—four out of five of their ships are less than 10 years old. While the Soviet Union builds better than 1,000,000 tons of merchant ships each year, 448 ships this year, for example, we build 48. In point of relative priorities, in 1965 the Soviet government spent more than $600 million on merchant ship construction, in the same year we spent a mere $150 million. Her vigorous ship construction program already has given her 10.4 million tons of merchant shipping and 1400 ships, with a projection of 27 million tons by 1980. Having already passed us by the end of this year, unless the trend is reversed, the Soviets in ship count will knock us out of our fifth place position as a merchant power.

What does this maritime morbidity report mean in terms of military readiness? For many months public interest has been sharply focused on Viet Nam. Our merchant marine has done a marvelous job in meeting the shipping requirements for Southeast Asia. Over 98% of the beans, bullets and jet fuel is carried to our military forces there and the merchant marine deserves great credit. But another "hot spot" somewhere else would stretch our ship elastic limit beyond the breaking point. For this reason, watching the Middle East tinder box starting to flare up again is not only a nightmare for our strategic planners, it is a warning to remind us of our global responsibilities and requirements.

The Soviet merchant marine serves as the spearhead of her foreign policy, and even more than her navy reveals her global ambitions. Her pattern of commerce and trade objectives conveys intentions that extend world wide. To protect her planned world trade she will need a global surface fleet—a navy that can project its powers overseas and compete for control of the seas.

How do we shape up in our merchant fleet planning to meet this mounting menace? Current thinking on the U.S. merchant marine is pegged almost exclusively to two points. First the defense needs and second the U.S. import and export trade. The policy position for the latter is "to support and expand U.S. commerce and carry a fair share of U.S. cargo". That's hardly good enough to reap the great rewards of the exploding market.

Perhaps instead of thinking of the U.S. merchant marine, we should think of the "U.S. Maritime Transportation Industry". The goal should be to compete aggressively for world markets for U.S. built ships and for a proportion of the total world ocean shipping—but to do so will take a progressive national maritime policy.

Look for a moment at the U.S. air lines industry. It did not achieve its present position nor is it maintaining and advancing it without government assistance. But the assistance was deliberately aimed at achieving U.S. dominance in air transport world wide.

A framework of sound military planning accentuates the importance of a build-up in shipping. While the Viet Nam experience reinforces the vital statistics for logistical war support, Mr. McNamara, as Secretary of Defense, failed to establish even the rock bottom ship requirements. This specious money saving tactic accelerated the decline of our ocean transport. We've paid the price in Viet Nam. We've seen what it means to be dependent, even to a small degree, upon foreign ships in time of war. With valid defense requirements met, however, the merchant marine will gain a marked impetus toward the posture that is mandatory. The defense interest demands the revitalization of our trade carrying shipping, as the new administration proposes to do. The requirement must be met by ships which bolster the American economy with the revenue reaped from carrying the great volume of American overseas trade.

Congressional leaders like your Representative Bill Mailliard, who comprehend the significance of the sea, are alert to the issues. They already have moved to put the U.S. maritime transportation industry on a solid footing. Their leadership toward establishing a separate Maritime Department is gratifying as a first step in building an enlightened, vigorous maritime voice in our government, as Defense Department organizational trends will confirm.

This positive action is indeed timely, for the Soviet ship construction geared to population growth reveals its strategic goals of carrying a major portion of world trade. Observing Soviet merchant shipping carrying nearly 95% of the war supplies to North Viet Nam gives us an insight into their tactics. After unloading at Haiphong Harbor these ships slip down to Australia and pick up cargo for their return trip to Europe. And they don't have much difficulty getting this cargo, for they under-cut the freight rates of other nations on the order of 15% to 25%. This is their economic package approach to cornering the ocean trade market for Communist shipping.

The Soviet merchant marine is centrally controlled and part and parcel of their government power structure. A single signal from the Kremlin, as we observed in Cuba, turns all of their merchant ships around in a disciplined way that impresses seafarers on all of the seven seas.

Now what does this mean in terms of competitive tactics as an instrument of political and economic penetration? It means that the individual elements of our merchant marine are competing with total economic power of the Soviet Union. And their tactics are rough and tough. If our ship owners and shipbuilders do not receive the help—competitive incentives—from our government, quite evidently they will be driven off the seas. And this is exactly what is happening. Subsidies in the shipping business have come in for considerable discussion in our press and in our Congress. For the most part these are open subsidies of other segments of the economy. We deplore spending money on subsidies and obviously indulging in an oversimplification, we tend to beat labor across the knuckles for forcing this kind of support. Subsidies somehow don't have a good American ring. Semantically, they are poison.

Similarly, Americans don't like to put their money on a "sick horse" and what they are constantly hearing is that our merchant marine, rusty and poorly painted, is going down the drain and dying. You don't buy much stock with that kind of commercial. Not that this is necessarily a Madison Avenue problem, but our self image at sea requires repair. Nor do Americans, as a rule, like to look too deeply into complex problems. In other words, our plight on the oceans is largely a problem of understanding. Growing up with ideas of competitive trade and transportation, every child in England and Japan knows what the merchant marine means to his nation. They see a lot of ships, they learn early in life what these ships mean to their economy. It's in their blood. This is the reason why I say WE have got to start with some grass roots education if this island country is going to capitalize on the economics of the oceans.

Americans simply don't understand how much they are affected by world trade, and what it means to their own pocket books in dollars and cents to compete successfully in trade carrying and ship construction.

The pragmatic economist and most of our scholars and scientists, just as Mr. John Q. Citizen for that matter, and-bound in their thinking and their interests, too, must be lured to look inquisitively at the oceans with objective intellectual interest. Now, what I propose is that we bring the oceans of the world to the American people in a way that invites their attention to what the waters of the world mean in concrete economic terms.

For the past 18 months, I have toured the greater part of this nation and have talked largely about my reaction to the way we have conducted the Viet Nam War in context of global strategy. And I might add that I have been somewhat critical. Had the maritime concept been understood and accepted. Haiphong Harbor many months ago would have been blocked to the Communist ships that have carried the preponderance of arms used against our men in combat. As a consequence, the war would have long since been won or at least we would have talked on our terms, rather than from a pusillanimous position at the peace table confrontation.

What has impressed me most has not been the handling of the war by our political leadership, but the spirit of our American fighting men—the youth of our nation—in the fox holes of this distant battle field.

From the youthful American viewpoint of our forces at sea—there is room for much optimism in the prospect for the oceanic future. Make no mistake, America's destiny is oceanic.

To you, friends, and the maritime leadership of this distinguished group in this delightful world port of San Francisco, I propose for your consideration the following five point program to give our merchant fleet a preeminent world position.

First, and foremost, the formulation of national maritime policy providing positive incentive to gain a competitive maritime position on the oceans of the world. The failure of our government to formulate basic policy is the most critical element in cleaning up "the mess of the past in our merchant marine". The new Administration, with a minimum of delay must provide national policy, undergirded by an oceanic doctrine, to guide our government in the military and merchant marine and oceanic programs of a scientific, technological and educational nature. A platform plank provides for such.

Second is strategy. Our nation must orient its national strategy to the oceans of the world, just as the Kremlin has done in recent years. In so doing, our planners must recognize the valid need, both military and economically, of a modern, competitive merchant marine that confidently sails the seas and carries a preponderant portion of the burgeoning world commerce. To do so will require the construction of many more naval and merchant ships than we are producing at present.

My third point is, therefore, ship construction. America must go after the merchant marine market by building a minimum of 100 ships a year for at least the next decade.

Fourth, oceanic education must be fostered in our school systems to give our youth as good a subject grounding in the seas as they now receive on the land environment. The Sea Grant College program on the college and university level must be pursued with the utmost vigor to mobilize the best minds of this nation; the scientists, the scholars, the student in the pursuit of oceanic solutions to the pressing problems of state. I know I don't have to remind you that in recent history when great powers lost control of the seas, they lost their greatness. Consider Spain after the defeat of the Armada, France after Trafalgar, Japan after Midway, England after the exhaustion of two wars.

My fifth point is a proposal I have previously made for the establishment of a Maritime Manhattan Project that gives the magnitude impetus to the maritime research programs largely neglected of late. My concept follows along the same lines as the Manhattan Project that produced the atomic bomb. Its purpose would be to give a sea based profile to the revolutionary technological advances this nation is capable of achieving—in our 20th Century. Obviously, I am thinking in terms of the swiftest, most modern, streamlined merchant and naval ships, the kind that can compete and maintain a strategic mastery of the environment of the oceans.

A single sentence sums up my proposal, "The security and prosperity of the United States and its allies depend increasing upon the military, economic and political exploitation of the world oceans". If we pursue this program that I propose with vigor, vision and determination, I am confident that our flag will fly with pride world-wide in recognition of American supremacy of the high seas and our mastery of the World ocean. But above all, America will be made more prosperous and secure.

CONGRESSWOMAN SULLIVAN SOUNDS CONSUMER ALERT ON DRIVE IN STATE LEGISLATURES TO WEAKEN CREDIT PROTECTION

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mrs. SULLIVAN. Mr. Speaker, one of the little-noticed provisions of the Truth in Lending Act of 1968—Title I of the Consumer Credit Protection Act—permits the Boards of Governors of the Federal Reserve System, under certain circumstances, to exempt from Federal regulation under this act, and leave up to the States, various classifications of consumer credit transactions where the State laws are at least equal in effectiveness to the Federal statute.

I had no objection to this provision in my bill, H.R. 11601, when it was drafted or when it was included in the final version of the bill signed into law. The purpose of that provision is to encourage the States to improve their consumer credit laws, which cover many, many aspects of borrower-lender and seller-buyer relationships which are not regulated in any way by the Federal statute on disclosure of the true and accurate costs of credit.

There is now a drive underway in the States to pass new consumer credit laws which would, its sponsors hope, achieve exemption of those States from Federal truth in lending. This effort is being led by the National Conference of Commissioners of Uniform State Laws, which, over the years, has drafted many model State laws.

I am deeply fearful, however, that in the process of trying to win a State's exemption from Federal truth in lending

regulations, some States will end up with consumer credit laws on interest rates or legal defenses in credit transactions which would be far worse than the present laws in those States, or, in any event, less than adequate to protect consumers.

Consequently, when I addressed a conference this morning of the Machinists Non-Partisan Political League on the subject of "Consumer Prospects and Problems," I went into this issue in some depth. Following is a summary of my talk:

CONGRESSWOMAN SULLIVAN SOUNDS CONSUMER ALERT ON DRIVE IN STATE LEGISLATURES TO WEAKEN CREDIT PROTECTION

Congresswoman Leonor K. Sullivan, Democrat, of Missouri, principal author of the Consumer Credit Protection Act of 1968, which includes the Federal Truth in Lending law, sounded an alarm to consumers today to watch closely expected attempts in the 50 legislatures this year to pass inadequate or defective state consumer credit laws.

Speaking at a morning session of the three-day conference in Washington of the Machinists Union's Non-Partisan Political League, Mrs. Sullivan said many provisions of a proposed Uniform State Consumer Credit Code are superior in their protections for consumers to existing credit laws in some states, but in other states, some, or all of the same provisions would be a step backward from present strong credit requirements. She mentioned particularly the strong anti-garnishment laws of Pennsylvania and Texas as an example, and urged consumers to "be as diligent—as alert" as the credit industry will be at the state level in seeking credit law changes to their benefit.

"What many of us fear—and what all consumers should be deeply concerned about," the Congresswoman added, "is the possibility that the state legislatures—certainly some of them—will use the Truth in Lending portion of the Uniform Consumer Credit Code, which is substantially similar to the Federal Truth in Lending Law, as a stalking horse to open the way to passage of other credit laws which will weaken, not strengthen consumer protections." States can be exempted from the Federal Truth in Lending Act if they have substantially similar laws and enforcement programs.

SUBCOMMITTEE HEARINGS INTENDED ON UNIFORM CODE

She expressed the view that where the proposed Code goes beyond existing state protections for consumers, credit industry groups in those states will seek to "do everything they can to modify or eliminate those provisions in the state legislatures. Make sure that in return for a state truth in lending law virtually identical to the Federal statute which goes into effect July 1, consumers are not 'buying' less-than-adequate provisions of law dealing with interest rate ceilings, confession of judgment notes, balloon notes, garnishment and many other aspects of consumer credit regulation now exclusively under the states."

Congresswoman Sullivan revealed that she plans to hold hearings early in this session of Congress in her Subcommittee on Consumer Affairs of the House Committee on Banking and Currency on the proposed regulations of the Board of Governors of the Federal Reserve System under the Federal Truth in Lending statute, and also on the provisions of the proposed uniform state law.

In connection with the proposed model state law, she said: "I think our Subcommittee can provide some ventilation of the pros and cons of this issue and give them some visibility here in Washington in case an effort is made to jam new credit laws through the legislatures behind closed doors or in the welter of legislation ground out in the final hours of a session."

PROSPECTS FOR CONSUMER LEGISLATION

Long identified as a consumer champion in the House, Mrs. Sullivan was pessimistic over the status of consumer representation in the Nixon Administration, citing the apparent decision to abandon the office of Special Assistant to the President for Consumer Affairs established by President Johnson with Esther Peterson, and later Betty Furness, in charge. She also noted the sudden sharp increase in FHA-VA interest rate ceilings last Friday by Secretary of Housing and Urban Development George Romney who raised the limit from 6¾ to 7½%. This action, Mrs. Sullivan said, could add 10% to the cost of buying a home, not only through FHA but under conventional financing as well. And she questioned whether the new Secretary of Commerce would use the authority he possesses under the Truth in Packaging Law to recommend legislation to achieve more standardization of package sizes.

"We who believe in the importance of the consumer as a factor in national policy have been given little reason so far (in the Nixon administration) to stand up and cheer, or otherwise become enthusiastic, about the prospects for consumer support and consumer legislation originating in the Executive Department," she continued.

"The first action taken by the new Administration in a field directly related to consumer well-being (the FHA interest rate hike) was certainly not a propitious one. It could lead to an increase of nearly 10 percent in the cost of buying a home."

WILL THE NEW ADMINISTRATION RECOGNIZE CONSUMER NEEDS?

She added that even before President Nixon took office, consumers were shaken by "a good indication of the direction of the new Administration's attitude on consumer issues when the president of the leading organization of Republican women dismissed out of hand the importance of the work done by Betty Furness as being primarily concerned with trying to make all packages in the grocery store look alike.

"It must have been a source of great disappointment, and of some despair, to Betty Furness, as it was to me, that the work of this office was considered of such minor scope. President Nixon has given no indication as yet whether he intends to continue such an office in the White House or to establish some other clearance procedure for coordinating the vast number of activities of government agencies in the consumer field, and in making sure that those agencies recognize the importance of the consumer interest."

Thus, she said, consumers must demonstrate greater activity at all levels of government, federal, state and local. She told The Machinists' political arm that "consumer education is the most effective kind of political education, too."

NO PREJUDGING OF THE PROVISIONS OF THE UNIFORM CODE

As the summary makes clear, Mr. Speaker, I have not in any way prejudged the provisions of the proposed Uniform Consumer Credit Code. Since it is my intention to arrange for hearings by the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency on the pros and cons of the proposed model State law, as well as on the regulations soon to be issued by the Federal Reserve on Federal truth in lending, I want to maintain an open mind and let the facts speak for themselves, as they are developed in the hearing.

My main fear, as I said this morning, is that efforts will be made to jam a series of new consumer credit laws through the legislatures of the 50 States without an opportunity for consumers to know their stake in the various proposals, good or bad. Even if the proposed code were perfect when submitted to the legislatures, we all know that bills have a tendency to come out of the legislative mills completely different from the way they went in, but if all people look at is the title of the bill, they think they are getting the original legislation.

TEXT OF REMARKS AT MACHINISTS NONPARTISAN POLITICAL LEAGUE

For those who wish to go beyond the summary of my remarks this morning on this issue, and on related consumer problems and controversies, Mr. Speaker, I submit herewith the full text of my talk at the conference of the Machinists Non-Partisan Political League meeting at the Machinists Building, as follows:

"CONSUMER PROSPECTS AND PROBLEMS"—TALK BY CONGRESSWOMAN LEONOR K. SULLIVAN, DEMOCRAT, OF ST. LOUIS, MO., CHAIRMAN, SUBCOMMITTEE ON CONSUMER AFFAIRS, HOUSE COMMITTEE ON BANKING AND CURRENCY, AT CONFERENCE OF MACHINISTS NON-PARTISAN POLITICAL LEAGUE, MACHINISTS BUILDING, THURSDAY MORNING, JANUARY 30, 1969

The Machinists' Non-partisan Political League certainly is to be commended for this early start on the year's political efforts. Even though the Congress has just convened and hasn't really gotten down to serious business as yet—we're still in the organizational stage and the committees in the House have just been appointed—and downtown, in the Executive agencies, brand new cabinet officers and their top assistants are still trying to find their way through the maze of their own bureaucracies—the fact is, that it is nearly three months since the last election and there is an awful lot of work to be done before the next one.

Knowing how hard your organization worked for the election of Hubert Humphrey to the Presidency, I am sure you are still in somewhat of a state of disbelief over the outcome; but politics is too dynamic a process to permit extended immobilization. We are faced with the reality that we now have in the White House and in the Executive Department leaders whom most of us here did not favor. Nevertheless, we have the responsibility of giving them our full support on those issues on which we recognize they are carrying out the wishes of the American people, and we wish them well in their tasks because *so much* depends upon their successful carrying out of programs and policies which are important to the country.

But we have already seen numerous instances of changes in direction, particularly in domestic affairs, and where those changes in direction are contrary to our best judgment as to the welfare of this country and of its people, we have a responsibility to speak up, and a duty to make sure that we are heard. Fortunately, there is machinery through the committees of the Congress to maintain close scrutiny over all of the policy changes which are made, and those committees are going to need your help, and the help of all informed Americans, in monitoring the effects of the changes as they occur.

IS THAT ALL—TO MAKE ALL PACKAGES "LOOK ALIKE"?

My assignment this morning is to discuss the prospects and the problems in the consumer field, which is one which I have made my specialty during the past sixteen years in the Congress. From every indication, this is going to be a major battleground during the next four years because the new Administration has indicated *in many ways* that it has a much different attitude from that of the Kennedy and Johnson Administrations about the importance of the consumer in the over-

all economic policies of this country. We received a good indication of the direction of the new Administration's attitude on consumer issues even before Mr. Nixon took office as President. That was when the president of the leading organization of Republican women dismissed out of hand the importance of the work done by the office of the Special Assistant to the President for Consumer Affairs, Betty Furness, as being concerned primarily with trying to make all packages in the grocery store look alike. It must have been a source of great disappointment, and of some despair, to Betty Furness, as it was to me, that the *work* of this office was considered of such minor scope.

President Nixon has given no indication as yet whether he intends to continue such an office in the White House, or to establish some other clearance procedure for coordinating the vast number of activities of government agencies in the consumer field, and in making sure that those agencies recognize the importance of the consumer interest.

I certainly did not expect the new President at his first press conference on Monday to give us a blueprint for every action that his Administration plans to take in the next four years, just as it was not logical to expect a blueprint in the Inaugural Address. But I think we who believe in the importance of the consumer as a factor in national policy have been given little reason *so far* to stand up and cheer, or otherwise become enthusiastic, about the prospects for consumer support and consumer legislation originating in the Executive Department.

SHARP INCREASE IN HOUSING COST THROUGH INTEREST HIKE

The first action taken by the new Administration in a field directly related to consumer well-being was certainly not a propitious one. By a stroke of his pen, the new Secretary of Housing and Urban Development, Governor Romney, has raised from 6¾% to 7½% the ceiling on interest rates on FHA and GI mortgages. A tremendous increase! Governor Romney implied that this will bring out more housing for middle-income and lower-income families. Perhaps it will increase somewhat the volume of investment money going into government-insured mortgages, but I do not foresee from this action any significant increase in the *overall* supply of mortgage money; the result very well may be merely a substantial increase in the interest rates which are paid by those who do buy homes. The immediate consequence of the increase in interest rates for government-insured mortgages is to remove some of the burden of the financing costs from the sellers of government-insured housing and place it instead on the buyers. That is because there is a limitation in the law prohibiting fees larger than 1% to be assessed against the buyer, whereas those who are selling property under FHA or GI mortgages have been paying up to 7 points—up to *7% of the face amount of the mortgage*—in order to give the mortgage companies a higher return through the back door or the side door than the government permits them to receive from the home buyer directly.

But as some additional investment money goes into FHA and GI mortgages, as may very well happen at least temporarily, then those who buy homes through conventional mortgages will probably have to pay an even greater premium in obtaining financing, and this of course applies to the vast bulk of home financing which is available in this country. This action by Secretary Romney would lead to an increase of nearly 10% in the cost of buying a home.

IMPORTANCE OF INTEREST RATES TO AVERAGE FAMILY

There is no question at all that the points charged against the seller of an FHA or VA insured home have constituted a hardship to the family disposing of one home in order to buy another. But I am not at all convinced that a very, very substantial increase in interest rates across the board is going to solve the problem; instead, I am afraid it is going to aggravate the problem even more. The problem cannot be solved by a general increase all along the line, of all interest rates, in an attempt to try to attract investment funds into housing. Housing is still going to have to compete with other forms of investment. What is *basically* necessary is a policy which will *reverse* the trend in interest rates and bring them down without at the same time bringing down the whole economy in a recession. Undoubtedly, this will be one of the first issues to be taken up in the Committee on Banking and Currency after we are organized and begin to dig into the substantive provisions of legislation pending before us. But I am afraid we have been given a tip-off to the trend of Administration policies as they affect the average family, and I am not very happy over the direction this trend already has taken.

There was a time, not too many years ago, when the decisions of the Federal Government on interest rates were of little concern to the average person.

It was hard for him to see the direct connection between the decisions made by the Board of Governors of the Federal Reserve System on the rediscount rate or on the price of government bonds and his own ability to buy a home and pay for it, or buy a car and pay for it, or make other major purchases. The relationship has always been present, but most people just were not aware of it. Now, more than ever, this cause-and-effect relationship must be brought home to the rank and file of your members and impressed upon them so that they do have an understanding of their own stake in these issues. I would say that is one of your major assignments in the political action field over the next two, and, in fact, over the next four years.

NEED TO INFORM CONSUMERS ON THE ISSUES

You have not started a moment too soon in getting organized for future political campaigns and also for the day-to-day discussion of political issues among your members and supporters. Fortunately, in the Machinists' Union you have one of the best labor and general interest newspapers published in this country, and one which has been vigorous and effective in educating your members to the importance of national issues which affect them. One of the best things that you could do at this conference would be to voice your full support for the kind of job Gordon Cole and his staff on *The Machinist* have been doing.

When truly aroused about a consumer issue, the people of this country can accomplish political miracles. But in order to get them aroused, you have to inform them—you have to make sure that they have the facts, and those facts have to be put in their proper perspective and thoroughly explained and clearly evaluated. It is by no means an easy task. You will be bucking some very powerful interests which feel that they prosper by withholding facts or fogging facts which get out to the public.

Just consider for a moment the uproar three years ago over Senator Hart's Truth in Packaging Bill. The consumer was fed-up with the proliferation of package sizes in the supermarkets for competing brands of the same products and even among packages in different sizes of the same brand of a particular product. It was almost impossible for the housewife, trying to buy a week's supply of food in a half-hour's time, to figure out which was the better buy between competing brands or even between two sizes of the same brand. There was often a good deal of outright deception intended to mislead the consumer into buying the larger size at a higher price per ounce than the smaller size. In other instances, using a slide rule, you could figure out that the unit price was exactly the same for the larger size as for the smaller size so there was no advantage whatsoever in buying the larger size, and often a disadvantage, if the product is one which deteriorates after the package has been opened, resulting in waste. Yet, if you remember the debates in the Congress over the packaging law only three years ago, you will recall that this rather innocuous and long-overdue piece of legislation was denounced as a threat to the whole free enterprise system which would lead to dreary monotony in the packaging of consumer goods.

BITTERLY FOUGHT PACKAGING LAW BROUGHT MILD REFORMS

The law has had only modest effect so far, and most consumers have had a difficult time in seeing much change at all. The most important change has been to require in clear and easily readable type a statement on the front of the package giving its actual contents. Another reform brought about by the law has been the elimination of misleading illustrations on the package of the alleged contents. But these reforms are so modest that they have given us nothing more than the consumer always had a right to expect.

We are still a long way from the development of standards for the marketing of most food items and it will be interesting to see if the new Secretary of Commerce pursues the authority he has been given under that law to recommend legislation to Congress to bring about more standardization of product sizes.

If butter can be marketed in one-pound packages, and sugar in five or ten-pound packages, why should not other food items be sold in a similar *straightforward* manner? The previous Secretary of Commerce had some success in persuading processors to reduce the fantastic variety of package sizes for some of their products on a voluntary basis, but that is as far as it's going to go unless the consumer continues to press, to speak up, for more help than he has been given so far. Too often, however, the public is led to believe that the passage of a good law—or even of a weak law with a good title, like the packaging law—will solve his problems. The passage of the law—of any law—is just the start; it is then a question of the implementation of that law, of the regulations issued under it, and of the enforcement of it, and the amount of imagination which the administrators of the law put into their task—and the recommendations they make to Congress for further improvements—which determine how well a problem is really solved.

CONSUMERS MUST LOOK IN MANY DIRECTIONS AT ONCE

A good illustration of that is the Truth-In-Lending Act passed by Congress last year. I think all of you know that this was one of my major activities in the 90th Congress and I believe we succeeded in passing probably the most far-reaching and comprehensive consumer law ever enacted. Truth-In-Lending was just one part of it, although a very important part—the heart of the bill. At the present time, the Board of Governors of the Federal Reserve System is in the final stages of drafting regulations to be issued very shortly for implementation of Truth-in-Lending and these regulations, in turn, will be enforced by a variety of government agencies having responsibility for certain aspects of consumer credit.

Truth-in-Lending for real estate credit will be administered largely by the Federal Home Loan Bank Board, which has jurisdiction over all of the insured savings and loans; and also by the agencies which have regulatory powers over the banks—the Federal Reserve itself; the Comptroller of the Currency, who has jurisdiction over national banks; and the Federal Deposit Insurance Corporation. The Bureau of Federal Credit

Unions will supervise Truth-in-Lending enforcement among credit unions; the Federal Aviation Administration will have responsibility over airline credit, and so on, with the Federal Trade Commission having the largest area of responsibility for enforcement of this law. Each of those agencies will be issuing its own regulations or guidelines for the information of the segments of the credit industry which it supervises, and so consumers will have to learn where to go to get help in case of a question about the application of the law to a particular type of consumer credit transaction. A lot of us are going to have to be looking over the shoulders of the enforcement agencies to make sure they are carrying out the intent of Congress in the administration of this landmark law. The Secretary of Labor, meanwhile, will be drafting Federal regulations dealing with garnishment, while the Department of Justice will be administering and enforcing Title II of the Act which deals with extortionate extensions of credit by racketeering elements.

The Consumer Credit Protection Act is a good law. It was a most difficult battle to get it enacted. But now we face the need for continuing surveillance over the actions taken by the Administrative agencies in carrying it out. So, do not let your people feel that all of the abuses and all of the problems in the consumer credit field have been taken care of because a law has been passed. How well is the law going to work? Is it going to need amendment or improvements? Individual experience will go a long way toward answering those questions. So make sure you know what is happening to individual consumers under that law. And then let us know about it.

KEEPING AN EYE ON THE LEGISLATURES, TOO

However, while many of us have our eyes and our attention riveted on the proposed regulations for the *Federal* Truth-in-Lending Act which takes effect July 1, or for the Federal Restriction of Garnishment Act which takes effect July 1, *1970*, every consumer group in the 50 States should be keeping a very close eye on their own Legislatures, particularly in the next few months. This is something I would like to call to your attention right now. The Truth-in-Lending Act passed by Congress provides that, under certain circumstances, the Board of Governors of the Federal Reserve System *can exempt* from Federal jurisdiction certain classifications of consumer credit transactions *in any State which has a State law at least equal* to the Federal statute in its protection of the consumer. The National Conference of Commissioners on Uniform State Laws, which strongly supported this provision of the Federal Act, has had a special committee at work for several years drafting a *model* consumer credit code for the States and in that model law, as now drafted, there are Truth-in-Lending provisions very similar, if not identical, to the Federal law. This was done with the express intention of having the States retain jurisdiction over consumer credit—a field which has been exclusively theirs up until now. The Uniform Consumer Credit Code is now being submitted to all of the Legislatures. Because the States have many responsibilities in the regulation of the terms of consumer credit, which the Federal Consumer Credit Protection Act does not touch, such as the *rates* which can be charged for various types of installment loans, or on mortgages or on automobiles or other consumer goods, the Uniform Consumer Credit Code is a complete package—a codification of a State's entire catalog of laws dealing with the lender-borrower relations, or buyer-seller relations where credit is involved. The Federal law, as you know, is primarily a disclosure statute—it does not regulate the terms of credit in any way but does provide strong penalties for failure to disclose all of the relevant facts in a credit transaction. The State laws, therefore, go much further into every aspect of credit regulation.

THE CONSUMER GAINS NOTHING BY STATE EXEMPTION FROM TRUTH IN LENDING

I have not as yet made as thorough a study as I intend to make of all of the provisions of the proposed Uniform Consumer Credit Code drafted by the National Conference of Commissioners on Uniform State Laws but it is my belief that, generally, this proposed model State law is an improvement *in many States* over existing laws dealing with consumer credit in those States. For other States, however, certain provisions of the Uniform Consumer Credit Code would be a step *backward*—particularly, in Pennsylvania and Texas and some other States on the issue of garnishment. Also some of the States now have limitations on interest rates or flanance charges which are much more stringent than the proposed model law. If a State now has very *inadequate* consumer credit laws, the Uniform Code might be a great step forward; in other States, as I said, some of the provisions of the Code would be a step *backward*. *That* is what the consumers in each State should carefully study and take into consideration *before* their Legislatures get down to this issue in earnest.

There will be a determined effort made in the next few months, I am sure, to get as many States as possible to take up the Code at their present session. One of the arguments which will be used is that passage of a good State law on Truth-in-Lending would exempt the State from the application of the Federal law. This would undoubtedly appeal to many of the *businesses* in the consumer credit field, for they have traditionally had a lot of influence with the State Legislatures. Consumers, however, should be wary of this particular appeal. The consumer gains *nothing* by this exemption from Federal Truth-in-Lending in his State because if a State already has consumer credit disclosure requirements which are more effective than the Federal law—and Massachusetts is a good example of that—the stronger provisions of the State law would prevail wherever they are not in conflict with the Federal law. This was one of the things that I definitely established during our hearings, when we had consumer officials from Massachusetts before us to tell us about the operation of their very fine truth-in-lending law. They did not feel that a Federal statute would take away, in any respect, the authority they are now exercising in assuring the consumer full information.

I do not want to give the impression that I think the Uniform Credit Code is bad law or that it should be dismissed or rejected out of hand. I *do* think that consumers have an obligation to be *just as diligent* as the *business interests* in their States will be in studying every provision of the proposed Code in making sure that in *their* States, the Code would be preferable to existing law.

Undoubtedly those segments of the credit industry which object to the strong provisions of the Uniform Code will do everything they can to modify or eliminate those provisions in the State Legislatures. So be as diligent—be as alert—as *they* are going to be on this matter. Get out the word to all of your own people, and to the organizations to which your members belong, to make sure that they are represented at the State Capitol when the Legislatures meet and consider this issue. Have them make certain that in return for a strong *State* truth-in-lending law similar to—virtually identical to—the Federal statute which goes into effect July 1, they are not "buying" less-than-adequate provisions of law dealing with interest rate ceilings, confession of judgment notes, balloon notes, garnishment and many other aspects of consumer credit regulation now exclusively regulated by the States.

HEARINGS BY SUBCOMMITTEE ON CONSUMER AFFAIRS

It is my intention to hold hearings of my Subcommittee on Consumer Affairs in the House Banking and Currency Committee on the Uniform Consumer Credit Code either following, or at the same time that we hold hearings on the proposed regulations of the Federal *Reserve* on the Federal Truth-in-Lending Act. There have been some very sharp criticisms voiced about some of the provisions of the Code; there has also been very strong support for other provisions. So I think our Subcommittee can provide some ventilation of the pros and cons of this issue and give them some visibility here in Washington in case an effort is made to jam new credit laws through some of the Legislatures behind closed doors or in the welter of legislation ground out in the Legislatures in the final hours of a session.

THE CHALLENGE OF CONSUMER EDUCATION

There are many areas where consumers must be organized and alert on the State and local level, not just in Washington. Last year, we passed the most comprehensive housing law ever put through Congress of the United States—exceeding anything ever done in the New Deal days or in the Truman Administration or at any time up to 1968. This is a law to make home ownership more practical for the moderate-income family and also for the low-income family.

We have had some experience to go on in some of our cities where nonprofit organizations, such as the Bicentennial Civic Improvement Corporation in St. Louis, have enlisted businessmen and professional people and the clergy and the various voluntary organizations in the community in helping to restore deteriorating neighborhoods by purchasing older homes and rehabilitating them and then finding low-income families to live in those homes, and to buy them, and take care of them and take pride in them. The experience in St. Louis has been dramatic and exciting, and succesful, too, although on a limited scale.

We are trying to expand that experience to the rest of the country through the assistance of special financing arrangements and subsidized interest rates, so that very poor families would pay the equivalent of about 1% interest on the mortgage; others would pay 3%, and so on, depending upon their financial ability to meet the mortgage payments, with the Federal government making up the difference between those rates and the prevailing rates in the community. A program of this nature can work, however, only if the people who are attracted to these homes, and who are given an opportunity to own something of their own, are also *taught* how to undertake the responsibilities of home ownership; are taught how to meet their monthly mortgage obligations, how to budget for taxes and repairs, how to maintain the property and do all of the things that must be done in order to take care of a home. Some of these families need instruction in other things, too: sometimes the wage-earner in the family has to be taught how to hold a job, and almost always the family has to be instructed on how to buy economically and what *not* to buy. What they need is consumer education, and the community must be equipped to provide that kind of education—either through social agencies or through volunteers working with the individual family. That is what we have had in St. Louis and that is what has made our limited, low-income home ownership program there, a success.

CONSUMER EDUCATION IS EFFECTIVE POLITICAL EDUCATION, TOO

Personally, I think consumer education is the most effective kind of political education, too. People learn, through consumer education, that they have rights which are not always respected in the market place but which should be: they learn how to make their

voices heard when they have a legitimate complaint; they learn that the "Establishment", if that's what you want to call it, can be influenced and moved by sufficient voices making intelligent protests directed at specific problems. This is far different from protest merely for the sake of protest; this is channeling protest—legitimate protest—into paths which can lead to effective reform. Labor has always been in the forefront of this kind of effort, and I particularly commend the Machinists Union for its intelligent use over the years of the processes of democracy and of citizen petition. I will work with you in every way I can to advance this process in the coming years.

In my opinion, the big political drive of the next four years must be directed at the problems which confront the average family every day. They are consumer problems, and all of us interested in politics must become specialists and experts in consumer education. Perhaps then—undoubtedly then—the election of 1972 will see a much different result in consumer well-being than the election of 1968.

"DO CONSUMERS BELONG IN THE UNIFORM CONSUMER CREDIT CODE?"—SPEECH BY JUDGE GEORGE BRUNN OF CALIFORNIA BEFORE CONSUMER ASSEMBLY 1969

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mrs. SULLIVAN. Mr. Speaker, this morning I spoke at a conference of the Machinists Non-Partisan Political League on "Consumer Prospects and Problems," devoting much of my talk to the drive in the State legislatures to enact new consumer credit laws in order to win exemption for the State from some phases of Federal regulation under the Truth in Lending Act we passed last year. My remarks to the Machinists appear elsewhere in today's CONGRESSIONAL RECORD. I took no firm position on any of the provisions of the proposed Uniform Consumer Credit Code, but talked about the dangers to consumers if the States act hastily.

After making my talk, I found that Judge George Brunn of the Municipal Court for the Berkeley-Albany Judicial District, Berkeley, Calif., had written a strong attack on specific provisions of the proposed model State law drafted by the National Conference of Commissioners of Uniform State Laws. Judge Brunn's views are worth reading, for he is one of the outstanding students in the United States of the many injustices to the poor under much of our body of lender-vendor law. I am sure some other prominent lawyers and jurists have differing opinions of some provisions of the proposed State code, and would argue passionately with Judge Brunn's conclusions, I think all sides should be heard.

WROTE COMPREHENSIVE STUDY ON GARNISHMENT

The reason I am placing Judge Brunn's hard-hitting speech in the CONGRESSIONAL RECORD is to encourage as much public discussion as possible of the issues involved, prior to action by the State legislatures. I might add that it was a comprehensive and scholarly article by Judge Brunn which provided us two years ago and last year with some of the best ammunition consumer advocates could possibly have had in fighting for retention in the Consumer Credit Protection Act of strong provisions dealing with the frequently cruel practice of wage garnishment. Judge Brunn's study showed a direct relationship between the alarming increase in the number of personal bankruptcies in many States and the degree of harshness of the garnishment laws of those States. The conclusion was inescapable that unless we passed a Federal law restricting the garnishment practice, the Federal courts of many States would become even more clogged than they were already in the morass of collecting or disposing of questionable consumer credit debts through bankruptcy proceedings.

The article by Judge Brunn on the garnishment-bankruptcy relationship was included in full in the printed record of the August 1967, hearings of the Subcommittee on Consumer Affairs of the House Committee on Banking and Currency on the Consumer Credit Protection Act.

TEXT OF JUDGE BRUNN'S SPEECH AT CONSUMER ASSEMBLY 1969

Following, Mr. Speaker, is the text of Judge Brunn's speech this afternoon at a session of Consumer Assembly 1969 devoted to the proposed Uniform Consumer Credit Code:

DO CONSUMERS BELONG IN THE UNIFORM CONSUMER CREDIT CODE?

(Address by Honorable George Brunn* before Consumer Assembly 69; Washington, D.C., January 30, 1969)

At the outset let me do two things; state my bias and answer the question posed by the title to this speech.

My bias is in favor of consumers. It is in favor of rational and fair relationships between consumers and the sellers of goods, services and credit—relations that frequently do not now exist. We must ask whether the proposed code will further such relations or not, and trying to develop an answer will be the main thrust of my remarks. Let me make very clear that I am in no way antibusiness. I believe in the free enterprise system; I am convinced that fair and equitable dealings between buyers and sellers are essential to its preservation. I also recognize the enormous importance of consumer credit and the businesses that utilize and sell it. Very simply, without consumer credit we would not have the prosperity, the high standard of living most of us enjoy today. I am familiar with the consumer credit industry; I have worked on consumer credit problems most of my professional life; at one time I was with a law firm that represented important segments of the industry; small loan companies, banks, retailers. Consumer credit is the life blood of our economy. It now stands at over 100 billion dollars, not counting home mortgages; it has multiplied many times since the end of World War II; it goes up by several billion dollars each year; car owners alone will pay at least two and a half billion dollars in interest charges this year.

That's why the proposed code is the most important piece of legislation I have encountered. It would directly and significantly affect the life of more Americans than any piece of legislation I can recall.

Now to answer the question of the title. Yes, consumers do belong in the proposed code—not because what the code does for them.

The code, now being pushed in most states by the credit industry is an enormously complicated piece of legislation with over two hundred sections dealing with the kind of credit offered by stores and car dealers, such as installment contracts and revolving charge accounts, as well as with consumer loans, especially the so-called small loans (they may actually be pretty big) made by your friendly neighborhood finance company whose advertisements you see everywhere.

A couple of things quickly strike one in reading through the code. One is its unintelligibility and the other is some clues as to its fairness.

Despite the pious statement at the beginning of the code that one of its purposes is "to further consumer understanding of the terms of credit transactions," it is one of the most technical and difficult to understand pieces of legislation I have ever seen, difficult even for lawyers, let alone laymen, far more difficult than existing laws. As one example, let me read you part of one subsection of one section dealing with prepayments:

"(5) This subsection applies only if the schedule of payments is not regular (subsection (6) of Section 2.304).

(a) If the computational period is one month, and

(i) if the number of days in the interval to the due date of the first scheduled installment is less than one month by more than 5 days, or more than one month by more than 5 but not more than 15 days, the unearned credit service charge shall be increased by an adjustment for each day by which the interval is less than one month and, at the option of the seller, may be reduced by an adjustment for each day by which the interval is more than one month; the adjustment for each day shall be 1/30th of that part of the credit service charge earned in the computational period to the due date of the first scheduled installment assuming that period to be one month; and"—we haven't come to a period yet—

"(ii) if the interval to the final scheduled payment date is a number of computational periods plus an additional number of days less than a full month, the additional number of days shall be considered a computational period only if 16 days or more. This subparagraph applies whether or not subparagraph (i) applies."

This is only sub-subsection (a) of subsection (5). There is also a subsection (b) and a subsection (c), which I will spare you. "Further consumer understanding", indeed. The trouble of course is that retailers and finance companies have lawyers who will put this into English for them, but consumers usually do not and cannot be expected to.

Now for some early warning signs—clues as to what the drafters of this code, a finance-industry dominated special committee of the National Commissioners on Uniform Laws, consider a fair balance between the rights of the public and the rights of the credit industry. Let me give you three, out of many that are available:

First, the code, in one of its alternative provisions lets the seller collect attorneys fees up to 15% when he sues and wins. It gives no such right to the consumer if he wins, unless he can prove a violation of the code. This is not only somewhat less than fair but runs counter to many existing installment sales laws.

Secondly, the code has what we might call escalator clauses. The most important relate to interest rates. For instance, you can

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charge 36% on the first three hundred dollars and lower rates on higher amounts. (We'll talk more about these rates later.) If the cost of living goes up, say 10%, the highest rate could then be charged on the first $330. But in the admittedly unlikely event that the cost of living ever goes down, the process would not work in reverse. If, for instance, it should drop 10%, sellers would not be limited to the highest rate to $270—they could still charge it on the first three hundred.

Finally, it is reasonable and many existing laws so provide that if the seller or the finance company violate the law, the agreement is void. The customer may rescind or at least not pay the interest charges. But not the code. Only a small handful of violations by the seller make the code void and even as to most of these the seller has an out if his violation is "unintentional or the result of a bona fide error." In most cases the seller can violate the law and the buyer is still stuck. The buyer has no such loopholes. If he falls behind on his payments, he can be hit with the full panoply of weapons the creditor has—collection tactics, repossessions, suits, garnishment (except as limited in pretty much the same manner as by the truth-in-lending act), and in many situations deficiency judgments. No unintentional or bona fide errors for the buyer.

Let us now take a little closer look at the code and let's begin with small loans. All states except Arkansas have laws patterned after the uniform small loan law—incidentally laws sponsored by the finance industry itself. These would be replaced by the code. Would this replacement be beneficial to the public—particularly to the thousands of middle-class and lower-middle-class citizens who have to borrow from small loan companies?

In this discussion I will be relying heavily on the California statutes, but many other states have similar provisions:

1. First we notice a striking difference in the basic power of the regulatory agency. Let me say by way of background that small loan companies, in return for the privilege of charging high interest, have—with their consent—long been tightly regulated. Under California law and that of many other states, the license of a small loan company can be suspended or revoked for any violation of the law. Under the code this can only be done for "repeated and willful violations." To those familiar with the regulatory process this is a shift from strong enforcement to weak enforcement. This provision is buried in the back of the code, without a word of explanation or even acknowledgment that a shift is being made.

2. Present law forbids the taking of realty as security; the code allows it in loans over $1,000.

3. Present law forbids charges in addition to interest other than official fees and insurance. The code would allow a host of other charges, including delinquency charges, deferral charges, and a vaguely worded loophole allowing "charges for other benefits . . . conferred on the debtor."

4. Present law forbids the small loan company from conducting other businesses on the premises; the code allows it.

5. Under present law the borrower cannot be required to purchase anything in connection with the loan. The code contains no such provision.

6. The present law provides for bonding; the code does not.

7. Present law provides for lower interest where property securing the loan is insured in favor of the lender. The code does not.

8. Unlike present law, the code does not prohibit loan companies from transacting business under a different name.

9. Unlike present law, the codes does not prohibit the loan company from advertising that it is supervised by the state.

10. Unlike present law, there is no requirement to give the borrower a receipt for each payment.

11. Unlike present law, there is no prohibition against the use of incomplete instruments.

The list could be extended, but the point is clear; the code in many, many respects *decreases* the protection of the borrower. And not in a single significant respect does it increase the borrower's rights when he deals with a small loan company, as compared to the law as it now stands in California and many other states. And yet the drafters of the code have the unlimited gall to say that their bill is of benefit to consumers.

Aside from diminishing our rights, the loan provisions do something else: they raise interest ceilings, if not for every state then at least for a good many of them; California, Illinois, Massachusetts, Michigan, New Jersey, New York and Pennsylvania, to mention only some of the larger ones.

Under the code permissible interest rates are 36% on the first three hundred dollars, 21% on the next $700, and 15% on any excess over $1,000. And these rates, under loopholes the code allows, may be increased another 8% in some cases.

In the states I have mentioned, on a three hundred dollar loan, the code would boost ceilings by between 20 to almost 40%, and on a five hundred dollar loan from 15 to 56%.

The same high rate ceilings incidentally apply under the code to installment purchases—and that in many cases would mean a doubling of what is now permissible. To illustrate graphically:

Mrs. Jones buys a refrigerator for $350, paying $50 down, and the balance in twelve equal monthly installments. The maximum interest she can be charged under present California law and the law of many other states is $30. Under the code she could be charged $54 and under the code's fudge factors that could be boosted to as high as $58.32—that's an increase of from 80 to almost 100 percent.

As to revolving credit—those charge accounts with the not-so-nominal monthly service charge—the code boosts interest ceilings from a now prevailing 18% to 24%, again with fudge factors allowing even higher interest in many cases.

For these incredible permitted interest rates—about to be foisted on a people who already pay more interest than any other nation in history, foisted in a way that would, as usual, fall most heavily on the poor and the minorities, but that would also harm every citizen who uses credit—for these incredible ceilings, the drafters of the code and their propagandists have a disarming explanation.

"We don't set rates," they say, "we only set ceilings. Maybe the rates won't go that high. Maybe more people will be attracted to industry and competition will produce lower rates."

This is very small comfort, even if it were true. If rates won't go that high, then why allow it? The drafters of the code have not said one single, solitary word to the effect that present rates don't permit an adequate profit and, indeed, any such claim would be ridiculous. Among the stocks that did best on the New York Stock Exchange last year were banks (up 46% as a group), small loan companies (up 47%) and finance companies (up 69%.) (*Newsweek*, January 20, 1969).

Moreover, we all know that many rates will go as high as the law permits, as, indeed, they have traditionally done. This will especially be true in the ghettos, where the exploited minorities will be victimized even more. It is also true as to small loans. As to the pious hope for increased competition leading to lower rates, it is just that: a pious hope without any evidence to back it up. The last thing in the world the consumer finance industry wants is increased rate competition.

We have seen that as far as small loans are concerned, the code, in return for allowing higher rates, would give consumers nothing and in fact take a great many things away from us. How would we fare in the field of credit sales?

Here the proposed code has a few good things. Like most existing laws in this area it outlaws wage assignments, waivers of rights and confession of judgments. Since those who drafted the code want it to supersede the federal truth-in-lending law adopted by Congress last year, the code picks up many of the federal law's provisions, especially those requiring disclosure and limiting wage garnishments. The code also outlaws the sleezy practice of referral selling—a deceptive, high-pressure selling method where the salesman promises the buyer money for referring other customers.

Like some of the recent state laws, the code gives buyers from door-to-door salesman a right to change their mind, as long as they do it within three days and pay a 5% cancellation fee. Finally, unlike most of the now existing laws, the code would give a state agency the power to enforce the law—in theory, at least, the customer would no longer be entirely on his own.

So far so good. But overall the code's provisions on credit sales do not even come close to striking a reasonably fair balance between the rights of buyers and sellers. They do not come close to dealing with many of the problems in today's marketplace and reading the draft leaves one with the indelible impression that the men who prepared it were either unaware of these problems or deliberately disregarded them. Permit me to give you a few specifics, in no particular order of importance.

1. The code permits the pernicious practice, outlawed by many present laws and favored by auto dealers, of having the customer sign a sales contract in blank or imperfectly filled in. The customer then wakes up and finds his payment terms entirely different from what the salesman had told him.

2. The code permits the seller who installs anything in the home to take real estate as security. In other words, a family can jeopardize its home because of an aluminum siding job or a fire alarm system—articles that are often sold by fraudulent high pressure tactics. Families have in fact lost their homes through such purchases.

3. The code, if I understand it correctly, does not prevent the every-day practice of side note financing. Here the car dealer sends the buyer to the friendly finance company next door to borrow the down payment. The dealer can collect the highest interest rate on the first $300 and so can the finance company. The amount of money on which 36% interest can be collected is doubled. Nor is that all. Where the customer is short of money, the dealer can tell him to borrow it and bring it in tomorrow, writing up the contract in the meantime. On this money, the amount to be brought in tomorrow, the dealer can collect interest over the whole life of the contract. I repeat, over the whole length of the contract. This is a widespread practice that goes on every day. But evidently it doesn't strike those who prepared the code as unfair.

4. The code permits the deceptive practice of balloon payments, though it gives the customer the right to refinance them.

5. The code, at least in one of its alternatives, allows the evil practice of taking away the buyer's rights by the simple device of the seller assigning the sales contract to a finance company—a practice that is extremely common. Under this section, even if the buyer was defrauded by the seller or the seller seriously violated the law, the buyer would have to pay the finance company

unless he, the buyer, notified the finance company within three months of his claim—something buyers are not likely either to know or to do.

No one has spoken more eloquently against this kind of provision than Robert L. Jordan and William D. Warren. Of all people, they are the ones who did the basic drafting of the code for the special committee of the Comimssioners on Uniform Laws. In the Columbia Law Review, Jordan and Warren wrote last year (68 Col. Law Rev. at 435):

"When this kind of provision is studied more carefully, . . . it is apparent that it is much more beneficial to creditors than to consumers. It gives the financial institution the best of all worlds: (a) if the consumer has a defense and notifies the assignee, the latter can then decide whether to keep the paper or send it back to the dealer; (b) if the consumer does not notify the assignee of the defense, the assignee has a strong negotiating position with the consumer, who may be told that he has lost his right to complain; and (c) if the consumer fails to give notice the assignee has a strong position in suing the complaining consumer since the statute seems to allow the financial institution to take free even of fraud and of defenses that the consumer could not have known about at the time of the assignment."

". . . (F)or the poor consumer beset by a ruthless finance company a notice-type statute can be disastrous. The principal consumer complaint about this type of statute is that it requires quick, affirmative action on the consumer's part. The lower the intelligence and the sophistication of the consumer, the less likely he is to comply with the statute by writing out a notice accurately raising his claims and sending it to the assignee within the required time."

Jordan and Warren also note that the possibility that a customer has a defense is merely one of many risks the finance company takes and that the price the finance company pays the dealer for the contract is negotiated with these risks in mind. Finally, Jordan and Warren make the point that:

"It is questionable social policy to allow a financial institution to deal with a disreputable dealer and stand free of the claims that consumers have against the seller. Surely one of the strongest influences on a dealer can be exerted by the financial institution buying his paper. If that financer is subject to the same defense as the dealer, it is more likely to use this influence to insist upon the upgrading of the quality of the dealer's paper."

But Jordan and Warren to the contrary, and the laws of a great many states to the contrary, the code in one of its alternatives, would destroy the fundamental right of a customer: the right to assert a defense. Few things indicate more clearly the industry domination of the drafting committee than the appearance of this vicious, sock-it-to-the-consumer provision.

6. Alas, this is not all. Many present state laws, among them those of New York, Michigan, Pennsylvania and California, prohibit the seller from taking a power of attorney appointing him as the buyer's agent in case of collection or repossession. The code does not. It permits this tricky power of attorney by which sellers can legalize all kinds of threatening or violent collection and repossession practices.

7. The code allows deficiency judgments in all sales over $1,000, that is—for practical purposes—in auto sales, and it is precisely there that the practice is most common. A deficiency judgment is a device that allows the seller to repossess the car from the defaulting buyer, resell it and then sue the buyer for any difference between the resale price and the amount the buyer still owes on the contract. Deficiency judgments, in my experience as a judge and in the experience of many other judges are one of the most widely abused privileges a dealer has. He can and typically does load up his claim with phony repair charges and commissions; he fails to credit back unearned interest; he can and often does resell the car at a price far below its real market value, often to a friend or to someone acting for himself and the buyer in 99 cases out of a 100 is not in a financial position to contest the deficiency judgment suit. I know of cases where buyers have paid the dealer hundreds of dollars on the contract and still the deficiency judgment was almost as large as the original price. It seems to me eminently reasonable to give sellers a choice when the buyer fails to keep up his payments: the seller should be able to sue the buyer or to repossess the car. He should not be able to do both.

But the code doesn't see it this way. It not only allows deficiency judgments for cars and other costly purchases, but it doesn't even make a minimum effort to curb the widespread abuses.

8. In the hugely profitable area of selling the customer all kinds of insurance along with what he buys or borrows, the code contains no meaningful protection. Let me very briefly call attention to just one practice. It is an every day tragedy for a car buyer to be assured by the salesman that he is also being sold complete insurance and then to wake up the day after an accident and find out that he has no liability insurance. Legal aid attorneys have seen these sad cases by the hundreds, usually when the car owner is about to lose his driver's license because he can't comply with the state's financial responsibility laws. Yet the code does not even have a requirement, similar to California's not particularly effective one, that if the dealer doesn't provide liability insurance, a notice in large type to that effect must be included in the contract. The minimum requirement should be that if the dealer doesn't provide liability insurance, a notice in large type to that effect must be included in the contract. The minimum requirement should be that if the dealer sells any auto insurance to the customer he must supply liability insurance and will be held responsible if he fails to do so. Actually the whole practice of selling insurance along with goods is a pernicious one, leading to overcharges, coercion, deceptive practices and useless policies as the U.S. Senate hearings on credit insurance amply documented last year. The code chooses to ignore the problem.

9. The code does not cover pawnbrokers. Pawnbrokers are the credit supply for many of our poorest citizens. But in dealing with pawnbrokers they will not even get such protection as the code provides. Thirty-six per cent apparently is not enough for them.

10. Finally, as to disclosure of interest rates, the code allows dealers and finance companies to follow either the code or the federal truth-in-lending law, at their option. This cute little provision which gives the dealer the choice of whatever regulation is weakest, requires a word of background. The federal law, whose disclosure provisions go into effect July 1, gives states the right to enact their own truth-in-lending laws. As long as the state law is at least as strong, it pre-empts the federal law. In other words, the law passed by Congress won't operate in states that pass at least as strong a law. The credit code is designed to be such a law. As I have noted, it has disclosure provisions very similar to Congress' law. But just in case some state agency writes even stronger regulations than the Federal Reserve Boards, which will enforce the federal act, the code gives the finance industry the out of following the weaker regulation.

The finance industry is in a big rush to get the code enacted in as many states as possible before the truth-in-lending law goes into effect. This is frankly acknowledged by Mr. William J. Pierce, president of the National Conference of Commissioners on Uniform State Laws. Writing to Father Robert McEwen on December 16, 1968, he explains why the commissioners could not honor requests for postponement from consumer groups:

"It was impossible for us to postpone further action on the Code because the federal law requires some type of state legislation, if the states are to act, by July 1, 1969."

Aside from the fact that the federal law doesn't require any state legislation, the point is clear. The financial community would greatly prefer to have truth-in-lending enforced by the states than by the federal government. We may note in passing the irony of pushing a so-called uniform law one of whose major purposes is to destroy uniformity in one major area because some differences in interpretation among the fifty states are inevitable. It is clearly the hope of the consumer finance industry that state enforcement will prove more palatable than federal. Many state regulatory agencies are notoriously dominated by the industries they are supposed to regulate, although federal agencies are not immune. In any event, as far as consumers are concerned there is no rush. We can let the Federal Reserve Board enforce the truth-in-lending law and wait for a credit code—even help prepare it—that meets minimum standards of fairness, as this one does not.

To sum up: this is a very bad code, worse in many respects than many existing laws and better in very few. It has been argued even by some consumer spokesmen, that at least the code provides a "floor" to consumer credit legislation; that it is, in other words, better than nothing. This argument may sound seductive in states that now have little legislation, but it does not stand the light of reason. A quack is not necessarily better than no doctor at all. A bad singer, as those who have attended weddings, funerals, and the openings of baseball games know, can be more painful than no singer. A bad law is not necessarily better than no law. The code would deprive us of many existing rights as to consumer loans, without giving us any new ones. It is grossly inadequate in the field of sales. And to boot, it would allow much higher interest rates, in some cases double what we are now paying.

The history of the nineteen sixties has in part been the history of the rising voice of consumers. On all levels we have begun to speak—and act—with greater clarity and strength. The consumer credit code represents a last ditch effort to head us off before we get any stronger. Its sponsors hope that we will be too dumb to understand the law, too unsophisticated to resist their high-priced propaganda, and too weak to do anything about it. It is up to us to prove them wrong. It is up to us to do better.

TAX REFORM

HON. JOHN W. BYRNES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BYRNES of Wisconsin. Mr. Speaker, the following is the text of a speech I have prepared for delivery today before the tax section of the New York State Bar Association:

REMARKS OF CONGRESSMAN JOHN W. BYRNES

Today we are in a period when what is referred to as "The Establishment" is being questioned and challenged on all sides. Daily we see vigorous challenges to the home, to our schools, to the churches, to our eco-

nomic, social and political systems. Certainly it is not unreasonable that there should also be attacks on that aspect of organized society which not only exerts a major influence on our social and economic life but has throughout history been the greatest irritant to the individual. I refer, of course, to our tax laws.

While part of the challenge to established institutions stems from a desire to be fashionable, the attack on our tax laws, I'm convinced, rests on more than just current unrest. While over-all we have a basically sound system, there are real grounds for constructive criticism.

In our growing urban society, with its many problems and complexities, with the numerous pressures for government services within the framework of a federal system, there is no more serious question confronting us than how we shall properly raise and distribute the tax dollar. We can broaden the problem by including the question of how to stretch the tax dollar.

We are a great and a rich country. There should be no question about our capacity to meet our real needs, and we will meet those needs. Yet, in these changing times, with the growing needs and demands of our urban centers, our states, and the federal government, a serious question must be raised about the efficacy of a system of tax distribution based on a rural society of earlier days.

Our municipalities, burdened with growing debt and higher and higher real estate taxes, are pressuring the states for a greater share of state revenues. The states, pressured with growing demands for government services, seek greater assistance from the federal government. They either want the federal government to relieve them from providing certain services—note the demand from some quarters that the federal government take on the whole field of public assistance—or they demand that the federal government provide the states with greater financial aid—witness the proposals for federal tax sharing with the states. At the same time, the federal government is unable to live within its revenues even with high tax rates, plus a surtax. In spite of the talk about a surplus of $2.4 billion, projected for this year and $3.4 billion next year, let it be understood that the administrative budget—namely the governmental expenses and revenue, independent of the trust funds dedicated to specific and committed expenditures, shows a deficit of $6 billion for this year and $7 billion for next year, and this assumes a continuation of the surtax.

There is no question that we should give real and urgent attention to the distribution of the tax dollar as an integral part of the serious problem of raising the tax dollar.

But it is to the latter problem—the raising of the tax dollar—that I would like particularly to address myself.

As a preliminary, let me make a basic point. The method of raising and distributing the tax dollar in the final analysis, no matter what system is used, comes to a focal point at one very sensitive place—the taxpayer. And, there is a limit to the burden he can bear. We make a serious mistake if we think only in terms of raising and distributing money. We must be aware that, in spite of our riches, there is a limit to what our people can pay in taxes and a limit to how much the nation can borrow.

Let me make this point real clear because it seems to me it is too often ignored: neither the federal government, the state governments, or local governments, all put together, have the tax resources to finance all the programs that everybody might deem desirable at any given time. Because there are limits to our resources, there must be priorities established with respect to the needs that will be met.

Equally clear to me is the proposition that, because the needs today are great and the burden of taxes heavy, we must make the system of raising the tax dollar as fair and equitable as is humanly possible.

Ours is a system based essentially on voluntary compliance—self-assessment by the taxpayer. We cannot expect such a system to long prevail unless there is confidence in its general fairness and the capacity of the average taxpayer to make that self-assessment.

Fairness and reasonable simplicity must be the hallmarks. But, on this score, I don't believe there is a person here who would give the federal code a very high rating.

A review and reform of the code is essential.

As tax attorneys, you know that, while you and H. R. Block are engaged in making self-assessments which are beyond the competence of the untrained because of the complications of the code, a great share of your efforts lies in devising ways and means, within the provision of the code, of avoiding, as far as possible, the full impact of the tax rates.

When I suggest the need for greater simplification, I'm not implying the millennium for the taxpayer or the death of the tax lawyer or accountant. Many complications serve a real and most legitimate need. In a complex economy, there will always be complexities in the tax law, but the average taxpayer ought to be given a fair shake at self-assessment on a basis he can understand. At the same time, the unaverage taxpayer should not be able to rely on the complexities of the code to avoid paying his equitable share of the costs of government.

Is there any reason why millions of taxpayers between now and April 15th should have to go through the frustrations of the 150 pages of small print in the government publication, "Your Federal Income Tax" and the maze of deductions, exclusions, exemptions, and special rules, and then after burning the midnight oil, drop his return, at the last minute, in the corner mailbox with a feeling that the entire operation was more an exercise in futility than the performance of a civic responsibility?

We are living in an era when we can send men to the moon and beyond and make all the intricate calculations that this requires.

Is there any reason why we cannot adjust our tax laws so as to bring the computer to the aid of the individual taxpayer? I think not and, at the very least, we should try. I can't tell you how it can be done but I'm convinced there is the talent in this nation to tell us how. That talent should be given the task and opportunity.

But simplification need not wait until we have the answer from the experts. A first step should be taken immediately by bringing the standard deduction up-to-date. It should be made to conform to the itemized deduction claimed by the average taxpayer.

The present 10 percent of adjusted gross income is unrealistic. With the increase in local taxes, interest and other items, an increase to between 18 percent and 20 percent would more nearly conform to the average taxpayer's deductions. In addition, there is no justification for the cut-off at $10,000 of adjusted gross income. This should be raised to at least $20,000. If graduated reductions in the percentage over $10,000 is necessary to meet the average taxpayer's situation, that can be done. There is no reason why itemization should not be limited to the exceptional case. In order to prevent the taxpayer from "whip sawing" the new program by taking the standard deduction one year and bunching certain deductions in alternate years, it can be required that the taxpayer, once he uses the standard deduction, be limited to its use, except in very unusual situations, to a definite period.

Because it has not been revised to reflect changing conditions, the standard deduction is now used on about 57 percent of the returns. Our target, it seems to me, should envision its use by 90 percent.

There are other simplifications that can and should be made immediately, but let me move on to the other area of reform I think necessary.

It is essential to any tax system that it be fair—that *all people* capable of doing so pay their reasonable proportion of the cost of government.

When we find the extreme cases where some 155 tax returns with adjusted gross incomes above $200,000 pay no income tax, including 21 with gross income over $1 million, it cannot be said that the law imposes on all capable of doing so the responsibility of paying a reasonable proportion of the cost of government. No matter by what device, no matter how laudable the nature of the deduction or exclusion that produces this result, the fact remains that there is no justification for these individuals being non-taxpayers.

The public conscience cannot permit this kind of a situation to continue or the whole system will become a victim to a lack of confidence and abuse.

In some cases, it can be said, "They are giving 90 percent of their taxable income to charity," but we must ask—with the heavy burden of government and debt—should not government needs be given an equal, if not higher, priority than the charity?

Or it can be said that the taxpayers are buying municipal bonds at reduced yields which benefit the local communities in building schools and streets and needed facilities. But we must ask—Is the benefit to the local community equivalent to the loss of revenue to the federal government, and the answer is no. The tax benefits far outweigh the benefits in lower cost to the locality. Let me ask—why should not the bonds be taxed and the federal government turn back the resulting revenue to the local government?

An examination of returns where the adjusted gross income exceeds $200,000 and still results in no tax—these, of course, are the extreme rather than the usual cases—show that a number of features of our tax laws are used in combination to achieve this result of no tax liability.

In addition to the unlimited charitable contribution deduction and the exclusion of interest on tax-exempt State and municipal bonds, the following provisions are usually found in some combination on the tax returns of those with larger incomes who nevertheless pay no tax:

1. Charitable contributions of appreciated property where the contribution deduction includes gains which have not been taxed to the individual;

2. Percentage depletion derived from income from the extractive industries;

3. Large amounts of income taxed at capital gains rates;

4. Depreciation on real estate making use of the fast depreciation methods; and

5. Farm losses which have been offset against nonfarm income.

The result of the combination of these provisions frequently is no tax liability. In most cases the result is obtained by seeing to it that the income is taxed at a relatively low rate while the deductions are used as offsets against ordinary income which would be taxed at quite high rates.

For example, the income reported may be reduced for any one of several reasons such as the fact that part of it represents municipal bond interest or income eligible for the percentage depletion deduction or, still more likely, income taxed as capital gains which means that in any event no more than 50% of it is taken into account. Against this reduced income base large deductions are taken

for farm losses, for depreciation deductions which may be unusually large because of the fast depreciation methods being used, or for charitable contributions where the deductions are largely for appreciated property which reflects little if any income taxed currently. In addition, the more usual types of deductions in these cases, such as interest, taxes, and so forth, can be used to offset any ordinary income the taxpayer may have from dividends or salary. I should add, however, that the stock holdings of some of these taxpayers are likely to reflect few dividends since they have invested in growth stocks.

Two things, I believe, are especially worth noting. First, it is the combination of a series of provisions, each one of which by itself can perhaps be justified at least to some extent, which gives rise to the absence of tax. Second, usually the gain when it is realized is realized as capital gain—or perhaps not at all if the property is held to the taxpayer's death—while the deductions attributable to this same income in most cases are used to wipe out gain on ordinary income.

If there are 155 returns with adjusted gross incomes in excess of $200,000 on which no income tax is paid, there are many more that have, by the use of these and other provisions of law, produced results not contemplated by Congress and inconsistent with the basic concept of fairness in sharing the tax burden.

Just as an aside, it is interesting to note, as you examine the statistics of income, that the average size of farm losses rise as non-farm income increases. Does this mean that farming efficiency drops off as the ability to earn other income increases?

Now I'm not suggesting the non-recognition of farm losses, or the taxation of unrealized gains, or the taxing of capital gains at ordinary income rates, or the elimination of charitable contributions or depletion allowance. These and other provisions of the code have justification for their existence. There is no justification, however, in permitting their use to produce results which are inconsistent with fairness and equity among taxpayers.

The basic point I would make is that a review and reform of our tax laws is not only in order but is absolutely essential. It should be the first order of business.

I am not suggesting that it can all be done over night or even during the current Congress. There are, however, some things that can be done with reasonable dispatch and done this year. No matter what the situation may be, we should start now.

It has been 15 years since there has been an over-all review of the Code. While an element of permanency and continuity is essential—I can imagine nothing more disruptive to our economy than constant uncertainty with respect to the structure and substantive provisions of our tax law—it is also desirable that there be a periodic review at 15-year intervals to assure that the tax system and its provisions are in keeping with current conditions and needs.

As just one example of basic reform, should we not examine the desirability of a broad transactions tax, or value-added tax, as a substitute for at least a portion of the corporate tax? I can see certain advantages in it, not only as an economic tool but also to equalize our competitive position with respect particularly to Western Europe, where this tax is used as an incentive to exports and border tax on goods manufactured abroad.

Incentives and special provisions enacted 15, 20 or 30 years ago may or may not still be desirable and needed today.

The recently issued annual report of the Secretary of the Treasury contains a detailed description of what he describes as special tax provisions designed to accomplish objectives other than raising revenue. They are listed as "Tax Expenditures." The tabulation of these so-called "tax expenditures" adds up to some $44 billion. Whether many are truly tax expenditures, and the accuracy of amounts involved, is subject to serious question and controversy. Even the Secretary acknowledges their controversial character.

But public confidence requires that these items should be reviewed and examined in the light of present day needs and, on the basis of that examination, continued, revised, or eliminated.

It may be that some new items should be added. While the basic purpose of the Code must be to raise the needed revenue, we cannot flatly condemn out-of-hand new proposals for tax credits or incentives while continuing those already on the books. Neither should we add new incentives without reviewing the desirability of those presently in the law.

Admittedly, such a broad review is no small task. It would be impractical, in my opinion, for the Ways and Means Committee to undertake such a review in the first instance. It should be undertaken, using the format of the 1954 structural review of the Code. In the preliminary stages, we called on every resource available. The groundwork was laid by congressional staff studies with the assistance and cooperation of professional and academic groups and individuals outside of government. I recall the major role, at all stages of its development, played by the Tax Section of the New York Bar in the 1954 revision.

This review and revision should be our long-range program. It will be an arduous and time-consuming task, but it should begin now.

For the short range, we should immediately undertake a review and reform of those aspects of the tax law which have been used to produce results not contemplated by Congress, or results inconsistent with fairness in sharing the burdens of government.

Studies in this area are already available. Congress last year directed the President to submit a program of tax reform to the Congress by December 31st, 1968. While this was not done—and I'm not quarreling with President Johnson's reasons for not submitting his recommendations—studies were made and are available to the Congress. As soon as the Committee on Ways and Means of the new Congress is organized, it should request these studies and make them available for public analyses. Shortly thereafter, public hearings should be held on whatever recommendations are contained in the Treasury study and any recommendations which may be made by the new Administration and by the general public, including your group.

I know you have some studies already completed. It was last month I received a copy of your most recent "Analysis of Proposals as to Federal Income Tax Relief for Persons Over Age 65."

Reform legislation should then be developed and enacted by this Congress.

I appreciate that the tasks I have outlined are not easy, that they involve controversy, and that they do not assure a perfect system of raising and distributing the tax dollar. But, to delay is to invite a greater need and greater and greater discontent. Revision must and will come. Let us hope it comes while reason can prevail rather than during the emotionalism of a public revolt.

We all know the need for action is present now. With the help of groups such as yours, the job can be done. We can have a code capable of meeting our needs and one in which all Americans can have confidence.

SECRETARY OF INTERIOR UDALL EMBARKS ON NEW CAREER

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. FULTON of Pennsylvania. Mr. Speaker, we Congressmen who have worked with U.S. Interior Secretary Stewart L. Udall know the fine work that he has accomplished during the Kennedy and Johnson years. It is a pleasure to thank Secretary Udall on behalf of the American people for his competence and ability as well as his progressive thinking in the responsible position of U.S. Secretary of the Interior.

I offer my special congratulations to Secretary Udall in his leadership in planning for the future of our Nation as a whole. We citizens of Pittsburgh have been particularly interested in Secretary Udall's progressive approach to water- and air-pollution abatement and emphasis on the necessity for planning increased open spaces in our cities, as well as the saving and protection and development of our national parks, which are the tremendous goodly heritage of every citizen of the United States.

I am enclosing for the RECORD the article on the new career of Secretary Udall from the Evening Star of Tuesday, January 28, 1969, as follows:

UDALL FIRM WOULD AID HUMAN ENVIRONMENT

(By Roberta Hornig)

Former Interior Secretary Stewart L. Udall today announced the formation of an international consulting firm that hopes to work for governments and industries "to create a better environment for man." It is called the Overview Group.

Joining Udall in the venture are several widely known architects and planners.

Lawrence Halprin of San Francisco, who heads a landscape architectural-environmental planning firm is chairman of the executive committee. Henry L. Kimelman, former commissioner of commerce of the U.S. Virgin Islands and, for the last year, assistant to Udall at Interior, is president and treasurer.

Among the principal advisers are I. M. Pei, internationally known architect who works out of New York; Teodore Moscoso of Puerto Rico, former head of the Alliance for Progress; architect Moshe Safdie, who designed "Habitat" at Expo '67 in Montreal; architect Kenzo Tange of Tokyo; Edmund N. Bacon, Philadelphia's city planner, and Charles M. Haar, who was assistant secretary of HUD for metropolitan development from 1966 through the end of the Johnson administration.

Overview's vice president is Henry S. Bloomgarden, who was Udall's special assistant at Interior. Mrs. Sharon Francis, who served as Mrs. Lyndon B. Johnson's beautification aide, is secretary.

In his new firm, Udall will attempt to carry out some of the ideas and concepts he developed during his eight years as Interior Secretary in the Kennedy and Johnson administrations.

Udall generally is credited with changing Interior's image as a "Western department" to one dealing with the nation's environment, and for building public awareness of the problems of rapidly decreasing open

space, and increasing population, dirty water, dirty air and noise.

Besides an office here at 1700 Pennsylvania Avenue NW., Overview initially also has an office in San Francisco.

It will take on assignments such as planning "new towns, city development aid and transportation systems."

STRENGTHENING FEDERAL SERVICE THROUGH A FEDERAL ADMINISTRATIVE JUSTICE CENTER

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. GUDE. Mr. Speaker, I would like to bring to the attention of the House an address given by John T. Miller, Esq., at the sixth annual seminar of the Trial Examiners Conference on October 23, 1968. This address entitled "Continuing Legal Education of Lawyers in Federal Service and the Federal Administrative Justice Center Proposal" embodies the recommendation of the administrative law section of the American Bar Association.

The proposal to establish a Federal Administrative Justice Center for the training of hearing examiners and other lawyers in the Federal service offers tremendous potential in providing specialized professional training for a very vital area of Government service. Just 3 days ago the house of delegates of the American Bar Association endorsed the principles set forth in this address by resolution and made specific legislative proposal to bring such an institution into being.

It is with enthusiasm I bring the address, the resolution and the proposed legislation to the attention of my colleagues.

CONTINUING LEGAL EDUCATION OF LAWYERS IN FEDERAL SERVICE AND THE FEDERAL ADMINISTRATIVE JUSTICE CENTER PROPOSAL

Among the qualifications most necessary for those in the highest rank of government, Aristotle listed "An affection for the established constitution," and "abilities every way completely equal to the business of their office." [1]

In our evolving society today these standards must include an ability to grow, to adapt, and to cope with new problems.

While the philosopher was speaking specifically of those who rule, his standards might be applied with felicity I think to the Hearing Examiner in Federal service.

"Adjudication" wrote Plucknett, the English historian of Common Law, "like any other questions of human conduct, depends upon a nice balance between law and equity, rule and exception, tradition and innovation." [2]

This balance requires a prudent judgment formed by experience and education and based on the facts of record in the particular case.

As lawyers, we realize we learned our craft in large measure after we left law school. Retaining our proficiency is a constant educational process. Continuing legal education, in the sense of attendance of lectures, workshops, discussion groups, and other organized meetings with experts, is ordinarily considered a useful tool in the process.

My remarks today will be concerned with continuing legal education. How does it stand with the lawyer in federal service?

Over 10,000 lawyers are employed by the federal government. Since the late 1940's they have been outside the competitive civil service. Consequently, administration and training have been handled by each agency or department in its own way. One of the less attractive by-products of this status has been a malaise in continuing legal education within the government.

In September 1962 the Committee on Personnel of the Administrative Conference of the United States noted the need for, and lack of, advanced training of hearing examiners and government attorneys. A variety of remedial programs was suggested: in-service training on a part-time basis; short-term training programs prepared with the assistance of private organizations and professional groups; and university training for advanced study and research. Looking down the road, the Committee urged the Civil Service Commission, or the successor organization of what was then a temporary Administrative Conference, to undertake a study of the long-range problem of training and education of professional personnel in the regulatory agencies.

Four years later, in a memorable speech delivered before the Federal Bar Association, Civil Service Commission Chairman John Macy stated:

"The Commission recently conducted an inquiry in a number of federal agencies, and failed to locate a single program that might be regarded as a well-rounded career development and training program specifically designed for attorneys. This gap in development facilities does not presently exist in the federal government for professional people in other fields. It is in sharp contrast with excellent programs for professionals in such fields as physics, engineering and agricultural sciences."

From this, Mr. Macy concluded:

"We are neglecting attorneys when it comes to post entry training and career development."

When making these statements, Chairman Macy certainly was aware of training programs already in existence in some departments and agencies. He obviously found them inadequate to meet the needs of the government lawyer. He also knew of the efforts being made by the bar and the law schools to meet the interests and needs of all lawyers. Despite their grand work, the deficiency for the government lawyer endured, as it does down to the present time.

I might observe, in passing, that Chairman Macy's analysis was confirmed by the report of the Presidential Task Force on Career Advancement published in 1967.

Looking about for possible solutions, Mr. Macy mentioned some of the programs suggested by the Committee on Personnel. He pointed to the establishment of the Commission's Executive Seminar Center at Kings Point, New York in 1963, and another center at Berkeley, California adjacent to the University of California campus, as contributions to the growing need for career development facilities in government training. He noted the proposed founding of a senior staff college with residential programs for career executives in the rank of GS–16 and above. This college, I might add, has become a reality. It commenced operations ten days ago at Charlottesville, Virginia.

The only program which Chairman Macy could identify in September 1966 as the Commission's contribution to the needs he had identified was a seminar for hearing examiners then in the planning stages.

A year and a half before that, the ABA had studied how the newly-appointed hearing examiner was introduced to his duties. It appeared that most departments and agencies used the informal approach: an amiable greeting on arrival, a guided tour of the premises, a complimentary copy of the statutes and agency rules and an invitation to drop in for a chat. In a few instances a more elaborate program was provided; the most sophisticated being that offered to new appointees by the Social Security Administration of HEW. As a consequence of this study, in October 1965 ABA President Edward Kuhn conveyed to Chairman Macy a request that this problem of training on first appointment be studied and appropriate remedial steps be adopted.

The Agency did react. On August 16, 1966 Mr. Macy reported to Mr. Kuhn that the Commission's staff was "in the process of developing a training program to meet the broad and continuing educational and developmental needs of Hearing Examiners". He also advised that "in the process of development is a training course for indoctrinating new appointees to hearing examiners positions."

The Commission's Office of Career Development assigned Dr. Thomas V. Garcia the painstaking task of initiating the program of seminars for hearing examiners. After months of discussions within and outside the government, the first seminar was launched in December 1966, an event well known to all of you.

Six of these seminars have been held to date, attended by 111 out of the 600 men in the corps. Three more seminars are planned for the remainder of fiscal year 1969 with an anticipated attendance of about 60. In other words, in the course of a three-year period, slightly less than one-third of the corps of hearing examiners will participate in the first program.

While some newly-appointed examiners have attended the seminars, they are not designed specifically to meet the needs of lawyers upon their first appointment. Nor has any such program yet materialized. Nonetheless, after a thoughtful analysis of the program and faculty of the first seminar and a careful study of notes taken of the lectures and discussions, the ABA urged the Commission to continue its seminar program. We concluded that if the quality of the faculty were maintained, the participating hearing examiners would be provided with an excellent opportunity to meet and to discuss meaningful problems with men having rich backgrounds relevant to the administrative process. It seems quite obvious that these seminars are but the threshold of what continuing legal education might be for hearing examiners.

Turning to the broader picture, what has been done under government auspices for government lawyers since Chairman Macy's address in 1966? Two programs have been completed, each undertaken for the first time this year.

The Bureau of Training of the Commission organized four evening sessions in the Spring and early Summer of 1968 designed to expose attorneys to authors and their ideas. In May, Professor Walter Gellhorn, discussed his book "When Americans Complain". During succeeding months, Alan F. Westin discussed "Privacy and Freedom", Ronald L. Goldfarb presented his book, "Crime and Publicity," and Samuel E. Stumpf considered his "Morality and the Law." The sessions, intended for attorneys in Grades GS–13 and above, were attended by thirty attorneys.

In July of this year, the Commission's Bureau of Training ran a Management Institute for Attorneys. The program was focused on some of the newer approaches to developing the effectiveness and efficiency of

[1] Politics, Bk. V, Chap. IX (Everyman's Ed., Trans. Wm. Ellis 1912) p. 164.

[2] A Concise History of the Common Law, p. 609.

a supervisor and explored certain critical aspects of the management of a government law office. Participants were expected to master substantial reading assignments prior to the discussions. The courses were intended primarily for attorneys in executive and managerial positions in the rank of GS–14 and above. About thirty attended the Institute.

The Commission is now planning an Institute for new Government attorneys. Through case studies, lectures, reading assignments, discussions and other instructional methods, the particants are expected to gain a better understanding of the role of the government attorney and his relations with other agencies, a familiarity with the materials used by the government attorney and a better knowledge of the far reaching significance of his work. This program is designed for attorneys who have entered the government service within the last two years.

These programs of the Civil Service Commission developed within the last two years have so far reached 60 of the 10,000 government attorneys. They represent a small but helpful response to the need for providing continuing legal education for the lawyer in the federal service. But they fall far short of providing the well-rounded career development and training program specifically designed for attorneys, the absence of which was noted by the Committee on Personnel six years ago and decried by Chairman Macy in 1966.

Where may we look for effective solutions to this need?

For many years the deficiencies have been known to the executive departments and the regulatory agencies which might have provided the answers. They have not risen to the challenge. Each of you could no doubt add reasons to the ones I would suggest.

First has been a lack of leadership; probably the greatest impediment. Then there are certain interwoven factors. On the one hand there seems to be such concentration on programming to meet current workloads that little attention, time, or talent are available to assure that future challenges might be more capably met. Related to this is an apparent reluctance to include in department and agency budgets the costs of continuing legal education (which must include the cost of employing a large enough staff of lawyers to permit scheduling of absences on educational assignments).

Contrast this lassitude with developments among the judiciary. A National College for State Trial Judges has been established at the University of Nevada. An Academy of the Judiciary was formed in December 1967 in New York City to provide continuing legal education of local judges. And the newly-established Federal Judicial Center which begins operations this month at its headquarters in the Dolly Madison House on Lafayette Square will conduct, as one of its first major events, a seminar from October 25 to November 1 for newly-appointed Federal judges.

What the judiciary on the federal, state and local levels have come to recognize as necessary for judges should not be ignored by officers serving in a judiciary capacity throughot the federal government.

We have little confidence that further exhortations will overcome the inertia holding up continuing legal education within the government. What is needed now, I think, is a catalyst; one which focuses attention on the need for continuing legal education and, at the same time, provides a remedy of such compelling quality that it commands the needed leadership, encouragement and support from within the government and without.

For several years, the ABA has been concerned with the lack of continuing legal education for hearing examiners and lawyers in federal service. As a result of our studies of the problem, and in response to Chairman Macy's request in 1966 for constructive suggestions, the Administrative Law Section has recommended the founding of a Federal Administrative Justice Center. This recommendation is now before the House of Delegates of the ABA. I would like to discuss the proposal with you briefly.

We believe that an essential ingredient of any resolution of the problem is the assignment to an independent federal agency of responsibility for organizing and coordinating continuing legal education and for providing necessary faculties and facilities for such training.

The Administratve Conference of the United States might seem the logical organization for the task. But Congress has not given the Conference the organic power to play this activist role.

The Civil Service Commission—although making a beginning—has not shown the inclination, capability or tradition to undertake the task in its full dimensions.

If this job is to be done effectively, it apears to us necessary to establish a new agency, by statute, which at this stage we call the Federal Administrative Justice Center.

Congressional sponsorship of the Center would provide official recognition of the desirability for quality continuing legal education by the ultimate custodian of the purse strings of federal funds, and ought to encourage diffident officials to include the necessary costs of such programs in their department and agency budgets.

Organized within the Government, the Administrative Justice Center would be guided by a Board made up predominantly of officials and lawyers in federal service. In this respect, it would resemble the Administrative Conference of the United States.

The Board of Visitors of the Center would include interested representatives of the broad spectrum of our society directly interested in ensuring that the administrative process is efficient and just: The Attorney General, the Chief Judge of the United States Court of Appeals for the District of Columbia Circuit, Chairman of the Civil Service Commission, the Chairmen of several regulatory agencies, general counsels, hearing examiners, the Bar, and those interested in promoting continuing legal education including the deans of representative law schools. To assure necessary coordination with the Administrative Conference, its Chairman would be appointed to the Board of Visitors.

The Board would lay down the general guidelines for the operation of the Center, leaving detailed administration to a Dean.

The Center would have a small permanent staff. Like a university law school, it would be administered by lawyers.

Courses at the Center would be tailored to meet specific needs. An orientation course for newly-appointed recent law school graduates might differ materially from one designed to serve the needs, let us say, of General Counsels. Courses would be designed to meet the evolving needs of the Government and to provide for the particular developmental requirements of the participating lawyers. A recognition of the responsibilities that go with public service would not be neglected.

I do not see the need for the Center to take over courses already being presented competently by others.

The Center would not have a permanent faculty—at least initially. With a first rate Dean, the Center would seek its professors from among the faculties of our leading law schools, the best of the talent in federal service, the cream of the private bar and outside specialists.

Training at the Center would be rigorous. While non-lawyers would not attend the Center as students, they might be called upon to serve on the faculty to present courses in specialties for which they are uniquely qualified.

Periodic attendance at the Center would be officially encouraged. To the extent feasible, expenses would be defrayed by the participating regulatory agencies and departments.

Without the active cooperation of the departments and agencies in discovering the continuing legal education needs of the lawyer, the Center would resemble a well-appointed table without a menu or a nourishing meal; without their financial support, the Center might briefly provide a groaning table of appetizing dishes but without guests to enjoy them.

The Center would also provide the locus and resources for the conduct of technical legal research in areas of administrative law involving critical problems. This activity would be coordinated with that of the Administrative Conference of the United States to avoid unnecessary duplication of effort.

The Center might be housed initially on or adjacent to one of the campuses in the District of Columbia, or possibly, in connection with the Consortium of Universities which has been organized in our nation's capital. Such a locus would encourage the hoped-for emphasis on quality. At the same time, removal of the participating lawyer from the cares and concerns of his daily occupation should promote the vigorous participation and thoughtful reflection essential to a profitable matriculation.

You might well ask why the Federal Hearing Examiners should be interested in the establishment of such a Center.

You have an essential stake in the success of the administrative process. As Justice Frankfurter observed in the *Steel Seizure* Case:

"Our society is more dependent than any other form of government on knowledge and wisdom and self-discipline for the achievement of its aims. For our democracy implies the reign of reason on the most extensive scale. * * *" [2]

I do not think that you need to be persuaded as to the desirability of continuing legal education. Your attendance at this fine seminar sponsored by the George Washington University and the Federal Trial Examiners Conference under the capable direction of Professor Forrester Davison shows where you stand on that question.

How might you participate in a Center such as I have described? Through representation on the Board of Visitors, which determines policy for the Center; as informal advisers in organizing curricula; as members of the faculty, leaders of workshops and discussion groups; and, not the least important, as students. I would not attempt to guess what curricula could be developed. Needs must be uncovered through careful study. But I might suggest a few areas of potential activity.

Such a Center might be very influential in paving the way for the skillful use of computers in legal research, rate reviews, marketing analyses and other phases of administrative cases where substantial amounts of financial and economic data must be quickly mastered in the interest of speedy decisions.

Perhaps, too, the Center might explore the possibility of developing the art of oral opinions for use in suitable cases, particularly where there is a great need for early publication of a decision.

The Center might provide courses which would help hearing examiners serving in the lower grades prepare themselves for appointment in the agencies providing more challenging work and paying higher salaries. Such an activity would be entirely consistent with the concept that a newly-appointed hearing examiner embarks upon a career service within a corps of hearing examiners

[2] *Youngstown Sheet & Tube Co.* v. *Sawyer*, 72 S. Ct. 863 at 888–9 (1952).

dedicated to the efficient administration of justice.

The Federal Administrative Justice Center could serve you well in meeting the challenge of excellence which you accepted when you became federal hearing examiners. I hope that you will help bring it into being.

JOHN T. MILLER, Jr.

WASHINGTON, D.C.

BIOGRAPHICAL NOTES OF JOHN T. MILLER, JR., OCTOBER 1, 1968

Office: 1001 Connecticut Avenue, NW., Washington, D.C., 20036.

Home: 4721 Rodman Street, NW., Washington, D.C., 20016.

EDUCATION

Clark University (A.B. with high honors 1944); Georgetown University (J.D. 1948); University of Geneva, Switzerland (Docteur en Droit 1951); also attended University of Paris, Purdue University, North Carolina State College, Ball State Teachers College, Academy of International Law of The Hague.

MILITARY EXPERIENCE

Served in the United States Army, from Private, Infantry Rifleman, to First Lieutenant, Corps of Engineers (served in the Ryukyus campaign), 1943–1946. Intelligence Officer, Staff, The Engineer School, Fort Belvoir, Virginia, 1948–49.

FOREIGN SERVICE

Economic Cooperation Administration, American Embassy, London, Junior Economic Analyst; Industrial Analyst, 1950–1951.

LEGAL EXPERIENCE

Member of the Bars of the State of Connecticut and the District of Columbia; Supreme Court of the United States; United States Court of Claims; five different United States Courts of Appeal; Interstate Commerce Commission Practitioner.

Active practice of law for the past sixteen years in the District of Columbia: the first ten years with two different law firms; the last six years in private practice alone.

BAR ACTIVITIES

Chairman, Hearing Examiners Committee, and Council Member, Administrative Law Section, American Bar Association; Member, D.C. Bar Association, Federal Power Bar Association, and the International Bar Association.

TEACHING EXPERIENCE

Adjunct Professor of Law in Georgetown University Law Center: courses on Trade Regulation, Corporation Problems, Antitrust Law, and International Law. Also Associate Director of the Institute for International and Foreign Trade Law of Georgetown Unisity (1962–68).

WRITINGS

Les Gouvernements et les Placements Privés a l'Etranger, Paris, 1951.

"The ECA Guarantees and the Protection and Stimulation of Foreign Private Investment," *Georgetown Law Journal*, 1950.

Regulation of Trade, Fallon Law Book Co., 1953 (together with Professor Heinrich Kronstein).

Book review: Lamb & Kittelle, "Trade Association Law and Practice", Georgetown Law Journal, 1958.

"Competition in Regulated Industries: Interstate Natural Gas Pipelines", *Georgetown Law Journal*, 1958.

Modern American Antitrust Law, Oceana, 1958 (with Professor Kronstein).

Book review: Kaysen and Turner, "Antitrust Policy: An Economic and Legal Analysis", *Georgetown Law Journal*, 1960.

"Some Observations on the Lawfulness of Long-Term Contracts for the Purchase of Energy Supplies of Public Utilities in Interstate Commerce", *Georgetown Law Journal*, 1961.

Book review: Fulda, "Competition in the Regulated Industries: Transportation", *Georgetown Law Journal*, 1962.

"The Proposed European Trademark Convention in the Light of European-American Trade", in "Conference on the Proposed European Trademark Convention" (edited by Drs. Kronstein and Miller), 1963.

Book review: Massel, "Competition and Monopoly: Legal and Economic Issues," *Georgetown Law Journal*, 1963.

"Extraterritorial Effects of Trade Regulation", *University of Pennsylvania Law Review*, 1963.

"The Civil Service Commission's New Hearing Examiners Program", *Administrative Law Review*, Fall 1964.

Major American Antitrust Laws, Oceana, 1965 (With Kronstein and Dommer).

"The American Corporation in American Foreign Trade: A Case of Ill-Defined Private Rights and Unrefined Public Power", *Dickinson Law Review*, Summer 1966.

"The Peaceful and Responsible Resolution of Disputes between States and Foreign Corporations in International Trade", *Das Unternehmen in der Rechtsordnung*, 1967.

"Federal Administrative Justice Center", *Administrative Law Review*, April 1968.

"The Vice of Selective Certification in the Appointment of Hearing Examiners", *Administrative Law Review*, June 1968.

Family: Married to Dorothy Shaen Dawe. Nine children: Kent, 12; Lauren, 11; Clare, 10; Miriam, 8; Michael 7; Sheila, 6; Lisa, 5; Colin, 3; Margaret, 9 months.

RECOMMENDATION NO. 2

Be it resolved, that the American Bar Association initiate and support the founding of a Federal Administrative Justice Center which would have responsibility for developing and supervising the orientation and training of hearing examiners and other lawyers in government service; and

Resolved further, that the Section of Administrative Law be authorized to undertake and further all steps appropriate towards accomplishing these objectives as soon as practicable.

REPORT NO. 2

SECTION OF ADMINISTRATIVE LAW ON THE ESTABLISHMENT OF A FEDERAL ADMINISTRATIVE JUSTICE CENTER

1. Origin of the proposal: This proposal is the outgrowth of several years of study and experience of the Section with the Civil Service Commission's programs for the recruitment and training of federal hearing examiners. The specific proposal originated with the Section's Hearing Examiners Committee (and the Committee's Chairman), which has been called upon to serve as liaison between the Association and the Commission and to evaluate and recommend constructive improvements in the Commission's programs.

2. Coordination: An earlier text of this report, and a copy of the resolution which it supports, were sent to the Chairman of the Administrative Conference of the United States and to the following committees and sections of the Association and other groups which might have an interest in the subject matter:

Continuing Education of the Bar,

Federal Judiciary,

Federal Legislation,

Code of Federal Administrative Procedure,

American Law Institute, American Bar Association, Committee on Continuing Legal Education,

Judicial Administration,

Association of Continuing Legal Education Administrators, and

The Association Program for Lawyers in Government.

The Association's sections expressed no opposition to the proposal. The Committee on the Government Lawyer and the Section of Public Utility Law expressed positive approval.

The Administrative Conference will initiate a study in 1969 which will eventually investigate continuing legal education of government lawyers. It is impossible to tell when it will be completed. Chairman Jerre S. Williams advises that the Conference, as a firm policy, does not suggest delay in the development of any proposals for improvement of administrative practices and procedures to await investigation and recommendation by the Conference.

Chairman Williams sees no significant area of overlap between the statutory function of the Administrative Conference and the proposed fundamental purpose of the Administrative Justice Center to further continuing legal education of attorneys in federal service.

3. Needs: There can be no disagreement that it is essential to good government that its legal personnel, such as its hearing examiners entrusted with awesome decisional responsibilities, and its trial counsel with prosecutory and defense obligations of substantial magnitude and grave import, should be professionals of the highest caliber, possessed of the best of professional skills attuned to the very moment. Yet, there is very little professional postgraduate training designed to meet this important need.

Civil Service Commission Chairman John W. Macy, Jr., acknowledged this void and the correlative need for remedy in his keynote address before the 1966 Annual Convention of the Federal Bar Association:

"The need for the talented attorney in Government today is greater than ever before• • • Federal programs . . . will only meet expectations if the lawyer of capacity and imagination contributes his very best. • • • I would hope that in this endeavor we can meet and work with . . . representatives of the American Bar Association. • • • The necessity of post-entry training for professionals has been recognized for some time by the legal profession. As long ago as 1947, for example, a special committee of the American Law Institute characterized continuing education for lawyers after their admission to the Bar as 'a matter of first importance to the profession and the community.' . . . On March 1st of this year [1966] the [Joint] Committee [on Continuing Legal Education of the American Law Institute and the American Bar Association] issued a new Catalog of Continuing Education Programs in which, I am interested to see, it lists 194 separate programs of education, available in 29 States. The Federal Government has no comparable development for continuing education for attorneys.

"The Commission recently conducted an inquiry in a number of Federal agencies, and failed to locate a single program that might be regarded as a well-rounded career development and training program specifically designed for attorneys. This gap in the career development facilities for attorneys does not presently exist in the Federal Government for professional people in other fields. • • • To me, those figures indicate that we are neglecting attorneys when it comes to post-entry training and career development. • • • If we are to create for attorneys those elements of a career system which are within our authority, it seems obvious we must speedily make plans and establish facilities within the Government for their continuing legal education. • • • The potential is great. The need is obvious • • • The possibilities for progress compel us to move ahead."

Chairman Macy added:

"Although I would hope that the experience and capacity of the Civil Service Com-

mission would contribute to the formation and operation of such a system, I would not feel that it would necessarily have to be 'under civil service' if that location was viewed negatively by the members of the profession." (Federal Bar News, January 1967, pp. 8–13).

Since Chairman Macy's speech, a Federal Judicial Center has been established by statute, charged among other things with fostering continuing education programs for judicial personnel, under direction of a board consisting exclusively of judges and the director of the Administration Office of the United States Courts. In signing the bill, President Johnson pointed out that the Center will "make our federal court system a model for all the courts in all the states and all the cities of America." (ABA News, January, 1968, p. 4).

Pressing comparable need exists for creation of a like facility for the administrative process to make it, too, a model and source of justifiable price to all Americans. The Section accordingly recommends that the American Bar Association accept Chairman Macy's invitation and undertake and further all necessary measures to provide an appropriate educational and research facility at a postgraduate professional level, for the continuing professional enhancement of hearing examiners and other governmental legal personnel. There is no inconsistency between this program and the 1954 Resolution of the Association relating to the establishment of an Office of Administrative Procedure. The latter does not deal with the orientation and continuing education of hearing examiners.

4. The Remedy: The nature of the need indicates the scope of the remedy. Essential ingredients of a solution include attraction into government service of the most highly qualified professional persons of the highest ethical standards; the maintenance of a climate in government for those professionals to preserve their skills and ideals; and encouragement of those professionals to dedicate those skills and ideals toward significant improvement of the administrative process and government.

The need can be met effectively only through provision of a postgraduate legal educational-research facility of the highest order of professional excellence, fully equivalent to if not the peer of the best American law faculties; one which will draw a top-grade faculty and a high-quality student body by reason of its acknowledged professional excellence. Periodic attendance by hearing examiners and other governmental legal personnel should be officially encouraged, assisted and, to the extent feasible, required with all expenses defrayed. In view of the technical professional level at which the facility would be maintained, nonlawyers would be ineligible to attend.

The proposed facility would conduct orientation courses at a sufficiently stringent professional postgraduate level to assure provision of Federal hearing examiners of the professional calibre contemplated by the Administrative Procedure Act and essential to vigorous viability of the administrative process. It would also assure, in the public interest, that such career officials could keep their technical professional knowledge current and their professional techniques honed to maximum sharpness. Like provisions would be afforded for government trial and other attorneys.

A further objective of the proposed facility would be to provide locus and resources for the conduct of intensive high-level technical legal research designed to support continuing legal education objectives in areas where such research would not duplicate that undertaken by the Administrative Conference of the United States.

5. Organization and Operations of the Federal Administrative Justice Center:

a. Location. It is contemplated that the Center would be based in Washington, D.C. From time to time, for good reason, courses, lectures, seminars, and institutes may be provided at other locations.

b. Basic Operational Guiding Principles. The basic operational guiding principles of the Center would be: (1) level of input, both of faculty and student body, would be of the highest professional quality; (2) level of instruction and research would be at least the equivalent of any leading American postgraduate law faculty; (3) administration of the Center would be fully in the hands of the highest level professional persons themselves—as in the case of the best University law school faculties and the various judicial training facilities, and all supporting administration would be under the control of the professional persons themselves; (4) course planning and structuring, faculty procurement, instructional methods and media, etc., would be under exclusive control of the professional persons charged with operating the Center—again, comparably to a University law school or judicial training center.

Suggested operational details for such a Center are set out in a report of the Section on the Federal Administrative Justice Center published in Vol. 20, No. 4 of the Administrative Law Review (1968).

c. Basic Planning and Operational Policies. Responsibility for basic planning and policy decisions would be entrusted to a Board of Visitors consisting of 20 members:

1. Attorney General of the United States.
2. Chairman, U.S. Civil Service Commission.
3. Chairman, Administrative Conference of the United States.
4. Chief Judge, United States Court of Appeals for the District of Columbia Circuit.
5. Chairman, Section of Administrative Law, American Bar Association.
6. President, Federal Bar Association.
7. Chairman, Joint Committee on Continuing Legal Education of the American Law Institute and the American Bar Association.
8. President, Federal Trial Examiners Conference.
9. Head of Federal Regulatory Agency No. 1.
10. Head of Federal Regulatory Agency No. 2.
11. General Counsel of Federal Regulatory Agency No. 3.
12. General Counsel of Federal Regulatory Agency No. 4.
13. Hearing Examiner, Federal Regulatory Agency No. 5.
14. Hearing Examiner, Federal Regulatory Agency No. 6.
15. Hearing Examiner, Federal Regulatory Agency No. 7.
16. Dean, Law School No. 1 (Washington, D.C.).
17. Dean, Law School No. 2.
18. Dean, Law School No. 3.
19. Private legal practitioner, designated by Chairman of Board of Visitors.
20. Private legal practitioners, designated by Chairman of Board of Visitors.

d. Administration of the Center. Administration of the Center would be under an academic Dean—as in the case of a University law faculty.

e. Faculty and Staff. It is not contemplated that the Center would have any full-time resident faculty, at least initially. Faculty would be drawn from the following sources, by invitation on an honorary basis: leading American law school professors; justices and judges of the highest degree of expertise in the administrative law field; hearing examiners of the highest professional competence and experience; highly qualified legal practitioners in the various specialty fields of administrative law; members of agencies and their supporting staffs (lawyers and nonlawyers); others as appropriate.

f. Liaison. It would be appropriate for the Center to maintain continuing liaison with relevant governmental and nongovernmental resource elements, including the various federal regulatory agencies, notably the general counsels thereof; the Administrative Conference of the United States; bar associations; various judicial training facilities, federal and state; various postgraduate legal educational establishments (ALI, PLI, etc.); individual hearing examiners; judges and lawyers of acknowledged expertise in the various specialty administrative law fields; deans of leading American law school faculties; legal scholars in the specialty fields; the Federal Judicial Center; and the National Foundation of Law, if established (introduced by Congressman Celler as H.R. 13584 on October 19, 1967, 90th Cong., 1st Sess.; endorsed by ABA).

6. Implementation. A draft of proposed legislation establishing a Federal Administrative Justice Center is attached.

7. Association action. The Section, through action of its Council, urges the Association to adopt this resolution. No funds need be specifically appropriated to implement the resolution.

Respectfully submitted,

SECTION OF ADMINISTRATIVE LAW,
BEN C. FISHER, *Chairman.*

JANUARY 1969.

PROPOSED LEGISLATION, FEDERAL ADMINISTRATIVE JUSTICE CENTER

A bill to amend title 28 of the United States Code to establish the Federal Administrative Justice Center to enhance the quality of administrative law operations in the United States

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Administrative Justice Center Act."

FINDINGS AND PURPOSE

SEC. 2. The Congress hereby finds—

(1) that continuing improvement in the operations of the administrative process in the United States is essential to maintenance of the freedom, liberties, and general welfare of the people of the United States, to fulfillment of domestic peace and tranquility under law, to social and economic advancement, and to peace and security;

(2) that significant continuing needs exist for the attraction into and maintenance within the service of the Federal Government, of exceptionally highly qualified legal personnel to fulfil exacting responsibilities at the core of the administrative process and upon which its efficient and fair execution depend; viz., the conducting of fair adversary hearings and rendering of decisions therein, and the legal preparation and prosecution thereof;

(3) that it is essential to the proper provision and fulfillment of such needs to provide adequate educational facilities for initial technical orientation training of such personnel and for continued maintenance of professional knowledges and skills;

(4) that it is desirable and appropriate, in connection with providing such continuing legal education, to encourage high-level technical professional research in solution of significance and pressing problems in administrative law;

(5) that in order to meet these needs and implement those findings it is desirable, appropriate, and essential in the national interest to establish a Federal Administrative Justice Center to—

(A) provide facilities for initial technical professional orientation, and continued maintenance of requisite levels of technical knowledge and professional skill, of Federal hearing examiners and Federal career attorneys;

(B) stimulate and provide facilities for carrying out as part of and in connection with such education, published technical professional research pointed toward solution of significant and pressing problems of administrative law; and

(C) provide an effective mechanism for continuing elevation of the level of performance and efficacy of the administrative process, in enhancement of the quality of Federal government in the national interest.

FEDERAL ADMINISTRATIVE JUSTICE CENTER

SEC. 3. There is established an agency to be known as the Federal Administrative Justice Center (hereinafter referred to as the "Center"), to be located in the District of Columbia.

BOARD OF VISITORS

SEC. 4. (a) There is established in the Federal Administrative Justice Center a Board of Visitors (hereinafter referred to as the "Board").

(b) The Board shall be composed of twenty members, as follows:

(1) the following members ex officio: the Attorney General of the United States (who shall act as Chairman of the Board); the Chairman of the United States Civil Service Commission; the Chairman of the Administrative Conference of the United States; the Chief Judge of the United States Court of Appeals, District of Columbia Circuit;

(2) in accordance with procedures established by the foregoing members, the Chairmen of the two Federal regulatory agencies; the general counsel of two other Federal regulatory agencies; one hearing examiner from each of three other Federal regulatory agencies; three deans of fully accredited American law schools (to include at least one located in the District of Columbia); one representative of the American Bar Association; one representative of the Federal Bar Association; one representative of the American Law Institute; one representative of the Federal Trial Examiners Conference; and

(3) two attorneys, selected on the basis of distinguished legal service, practice, or scholarship in the field of administrative law, to be designated by the Chairman of the Board.

(c) Each member of the Board appointed or designated pursuant to subsection (b) (2) and (3) of this section shall, as specified at the time of appointment or designation, be appointed or designated for a term not exceeding four years to expire on June 30 of a calendar year in which not more than four other members' terms are scheduled to expire.

(d) The Board shall meet at the call of the Chairman, not less often than once each calendar year; or at any time, at the request or notification of not less than seven members. Fourteen members shall constitute a quorum.

(e) Members of the Board not otherwise employed in a full-time capacity by the United States shall receive compensation at a per diem rate equal to the rate for GS-18 of the General Schedule under section 5332 of title 5 of the United States Code, and may be paid per diem, travel, and transportation expenses in accordance with section 5703 of that title.

(f) The Board shall:—

(1) establish policies, procedures, and guidelines in furtherance of the objectives of this Act; and

(2) exercise a visitorial function to assure compliance by the Center with the policies, procedures, and guidelines of the Board.

EXECUTIVE COMMITTEE

SEC. 5. (a) There shall be an Executive Committee of the Board (referred to as the "Executive Committee"), to be composed of five members elected by the Board from the membership of the Board. The five members so elected shall to the degree feasible reflect and be fairly representative of a cross-section of the Board.

(b) The Executive Committee shall elect from its membership a Chairman.

(c) The Executive Committee shall perform the functions of the Board, for and on behalf of the Board, between meetings of the Board, and shall meet for this purpose or otherwise be consulted at the call of the Chairman of the Executive Committee, or upon request or notification of not less than three members of the Executive Committee.

THE CENTER

SEC. 6. (a) There shall be a dean and two assistant deans in full-time residence at and to administer the academic operations of the Center.

(b) The affairs of the Center shall be executed within policies, procedures, and guidelines established by the Board.

(c) The dean of the Center shall formulate and may at any time recommend to the Board, policies, procedures, or guidelines or changes therein. The dean shall be in charge of day-to-day operations of the Center, including detailed planning, programming, curriculum structuring, preparation and approval of specific courses of study, procurement of faculty and classroom space and other facilities, admission and accreditation and dismissal or suspension of students, and control of all employees and personnel at the Center.

(d) Courses of instruction, lectures, and research may be arranged and conducted, within Board policies, procedures, and guidelines, at any time and from time to time at any designated university or consortium of universities in the District of Columbia or elsewhere in the United States.

(e) Federal hearing examiners and attorneys in the employ of the United States Government shall, upon designation of any Federal agency in which they are employed, within the policies established by and in coordination with the Civil Service Commission, or upon designation by the Civil Service Commission, or by invitation of the Center, be admitted to full-time, part-time, or other attendance at the Center for educational or research purposes. Such attendance shall be at the expense of the agency in which such Federal hearing examiner or attorney is employed.

(f) Academic instruction and research at the Center shall be conducted on a postgraduate professional level.

(g) Research publications dealing with problems in administrative law prepared as an adjunct to continuing legal education may be issued by the Center in the form of treatises, annuals, monographs, articles, studies, or otherwise as appropriate or feasible.

(h) In order to assure accomplishment of the aims and purposes of the Center, the dean shall maintain continuing liaison with relevant governmental and nongovernmetal elemets, instrumentalities, and institutions concerned with postgraduate, technical, and continuing legal education.

ANNUAL REPORTS

SEC. 7. (a) The dean of the Center shall file an annual report with the Chairman of the Board on or before the 20th day of January of each year, summarizing the activities of the Center during the preceding year, including recommendations.

(b) The Chairman of the Board shall transmit a copy of the annual report of the dean of the Center, to each member of the Board, on or before the 10th day of February of each year, together with the Chairman's observations and recommendations.

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) In addition to any authorities vested in him hereunder or by virtue of his authority as Chairman, in carrying out his responsibilities on behalf of the Board and within its policies and guidelines, the Chairman of the Board—

(1) may receive nonappropriated money and other property donated, bequeathed, devised, exchanged, or loaned, without condition, to the use of the purposes of the Center;

(2) may use, sell, exchange, lend, or otherwise dispose of such nonappropriated money and property or any part thereof;

(3) may obtain the services of experts and consultants in accordance with section 3109 of title 5 of the United States Code, and reimburse them for travel, transportation, and per diem expenses in accordance with section 5703 of that title;

(4) may accept and utilize services of voluntary and uncompensated personnel and reimburse them for travel, transportation, and per diem expenses in accordance with section 5703 of title 5 of the United States Code;

(5) shall rent space and make other necessary and appropriate expenditures (including the salaries of not less than three stenographers-clerks for employment at the Center) for the carrying out of the functions of the Center.

SALARIES

SEC. 9. (a) Section [5314] of title 5 of the United States Code is amended by adding:

"[(51)] Dean of the Federal Administrative Justice Center."

(b) Section [ ] of title 5 of the United States Code is amended by adding:

"[ ] Assistant Dean of the Federal Administrative Justice Center."

(c) Section [ ] of title 5 of the United States Code is amended by adding:

"[ ] Assistant to the Dean of the Federal Administrative Justice Center."

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated such sums as may be necessary for the establishment and operation of the Center. Any sums appropriated under authority of this section shall remain available until expended.

VICE ADM. ROBERT B. BROWN RETIRES

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. RIVERS. Mr. Speaker, on February 1, 1969, Vice Adm. Robert B. Brown, Medical Corps, U.S. Navy, retires.

Admiral Brown has served with great distinction since reporting for active duty in the Navy in 1942. He had an impressive background in his profession at the time he entered naval service, including two specialties and teaching positions in outstanding medical institutions. Since reporting to the Navy, he served with great distinction both afloat and ashore, and was awarded the Bronze Star Medal for his outstanding performance on board the medical ship, U.S.S. *Repose*, during the Korean war.

His exceptional ability and devotion to duty were recognized by the Navy and, in 1956, he was elevated to the position of Surgeon General of the Navy and promoted to vice admiral. Dr. Brown has received many honors and awards both in the military and civilian fields.

Dr. Brown is a fellow of the American College of Surgeons and a diplomate of the American Board of Surgery. He is a member of the Philadelphia County, the Pennsylvania State, and American Medi-

cal Associations; the Society of University Surgeons; the American Surgical Association; the International Surgical Society; the Philadelphia College of Physicians; the Halsted Society; the Eastern Surgical Association; the Society of Vascular Surgery; the Southern Surgical Association; the American Association for the Surgery of Trauma; and Associate Member, Clinico-Pathological Society, Washington, D.C., and Philadelphia Academy of Surgery. In 1962 he received an honorary doctor of science degree from Allegheny College, Meadville, Pa., and in 1963 was awarded the Founder's Medal by the Association of Military Surgeons of the United States, and last year he was named a vice president of the Southern Surgical Society and second vice president of the American College of Surgeons.

I would like to take this opportunity to congratulate Admiral Brown on his distinguished career, and express my best wishes to Admiral and Mrs. Brown for a life of happiness in the retirement which is so richly deserved. I understand that Admiral and Mrs. Brown intend to live in Kill Devil Hills, N.C., and I hope they will enjoy many years of a rich, rewarding life together in their adopted State.

TRIBUTE TO AVERELL HARRIMAN

HON. EDITH GREEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mrs. GREEN of Oregon. Mr. Speaker, seldom has a man touched the inner fabric of history in his own time as intimately as the man we honor today. The procession of personal involvements is staggering: conversations with Trotsky and the other Soviet leaders in the first years after the October Revolution, Ambassador to Moscow during World War II, participant in the crucial Teheran Conference, perennial Presidential aid and personal friend to all of them, trouble-shooter and Ambassador at Large all over the globe, Governor of New York, and a candidate for presidential nomination. The man they call simply "Ave" has made the world his home, the world's problems his daily chore, the world's great personalities his constant coworkers, and a portion of the world's history his personal diary.

There can be no doubt, then, that Averell Harriman has already taken his place on the roster of the world's great statesmen and diplomats. But in this varied and colorful career there is a distinction which must engulf all others. Averell Harriman is a peacemaker—and the peacemaker is "blessed" indeed. For we need the peacemaker most, and he is hardest to find. The peacemaker must bring to the negotiating table the sort of experience, talent, comprehensive knowledge, and single-minded purpose which few men can ever hope to possess. And, perhaps of special significance, the peacemaker must possess one of the rarest of human virtues—eternal patience. There is a Chinese proverb:

> Patience is power; with time and patience the mulberry leaf becomes silk.

When Mr. Harriman was instrumental in the neutralization of Laos, the signing of the historic test ban treaty, and the first major breakthrough in the Paris negotiations a few days ago—the mulberry leaf became silk.

Averell Harriman, the peacemaker, reminds us that Milton was right:

> Peace hath her victories, no less renowned than war.

It is fitting that the Congress pay him tribute today, and welcome him back once again to a grateful Nation.

MISSISSIPPI REDUCES HIGHWAY DEATHS

HON. CHARLES H. GRIFFIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. GRIFFIN. Mr. Speaker, the alarming upsurge in traffic fatalities on our Nation's highways has been a source of grave concern to all Americans. Congress has long recognized the necessity of taking positive steps to reduce the tragic toll which highway deaths take each year.

This need has been advanced as a convincing argument in behalf of accelerating development of our Interstate Highway System. Moreover, the Highway Safety Act of 1966 was an outgrowth of the consensus that bold innovative action is essential in dealing with this mushrooming problem. It is obvious that these two Federal programs are making significant contributions toward the goal of curbing deaths on our thoroughfares. Yet, there can be no doubt that prime responsibility for highway safety remains with the various agencies of the respective States.

For this reason, I wish to call your attention to the splendid accomplishments of the Mississippi Highway Patrol in reducing highway fatalities last year. Under the able guidance of Commissioner Giles Crisler, the patrol launched a program 12 months ago to stem the rising fatality ratio which had grown to 9.1 deaths per 100 million miles traveled. This figure was reduced to 5.6 during 1968. This resulted from a decline in the annual fatality toll by 152, exceeding by two the goal set by Commissioner Crisler when he was appointed last January.

This impressive record, in my opinion, is a direct result of the diligent determination of Commissioner Crisler and his fine staff, who has cited the cooperative efforts of the public, the news media, and local police as contributing factors. A basic ingredient of the formula to achieve these objectives has been absolute insistence on equitable enforcement free of politics—a guideline which has been strictly adhered to during the administration of Gov. John Bell Williams.

Mr. Speaker, I believe the people of Mississippi have set an example which can be emulated throughout the Nation. It is an example of the tangible progress which can be made by dedicated leaders and individual citizens. I commend, particularly, the Mississippi Highway Patrol for its notable contribution to extending lives by making our highways safer for the public.

For the benefit of my colleagues, I include an article by Kenneth Fairly which appeared in the Jackson, Miss., Clarion-Ledger on this subject:

FAIR ENFORCEMENT, FEWER ROAD DEATHS

(By Kenneth Fairly)

Fair, impartial, effective law enforcement—without political interference.

That was the formula, according to Freeman Evans of the Mississippi Safety Council, which resulted in a reduction of traffic fatalities in Mississippi during 1968.

Evans' summation of what caused the reduction, by 152 deaths, of the death toll on Mississippi's highways during 1968—the first year of the John Bell Williams administration—came at a press conference at the Mississippi Law Enforcement Officer's Training Academy near Whitfield Thursday.

Gov. Williams, who attended the press conference and preceding luncheon, praised the Highway Patrol and its top leaders, Commissioner Giles Crisler and Chief J. D. Gardner, for affecting the reduction in traffic deaths.

When Crisler was appointed—on the day the governor was sworn into office—a goal was set to reduce by 150 the 1967 death toll of 908 lives, the governor said.

He said that due to the diligence and hard work of the patrol personnel and the cooperation of the public, news media and police, the goal had been accomplished.

It was the first year since 1965, when 637 persons died on the highways, that the patrol has had less than 800 people killed in traffic accidents, Williams said.

The governor said the goal was reached "with the handicap of having to patrol highways some 30 years old and antiquated by modern standards."

"Commissioner Crisler, Chief Gardner and the men of the Highway Patrol have done a remarkably outstanding job for the people of Mississippi," Williams said.

Crisler said that while final official tabulations have not been completed by the National Safety Council, unofficial reports from 40 states indicate that Mississippi is leading the nation in reducing traffic deaths in 1968.

The commissioner credited the public, the press and hard police work with attainment of the goal set last January when he assumed office.

Crisler said the fatality ratio of 9.1 deaths per 100 million miles traveled had been reduced in Mississippi to 5.6. The national average, he said, is 5.3.

He said the patrol estimates that 50,000 new drivers will be licensed in the coming year and that more vehicles will be licensed to operate on the highways and that no specific goal has been set for 1969, although the matter is under study.

Chief Gardner, said the patrol's auto theft bureau had recovered 1,361 stolen cars, valued at $1,877,082; that the Livestock Theft Bureau had recovered livestock and farm implement and materials valued at $80,474; and that the Identification Bureau had assisted in solution of 21 of 27 murder cases, 17 of 18 rape cases, and had recovered stolen property valued at $146,239.

Of 13 bank robberies committed in the state during 1968, Gardner said, 12 have been solved and six suspects were apprehended.

Art Richardson of the headquarters staff, using a map dotted with location of traffic fatalities, said that completion of interstate roads had helped in reduction of traffic deaths. He pointed out that I-55 from Valden to the Tennessee line was virtually free of fatal accidents. The same situation existed,

he said, on I-59 from Meridian to the Louisiana line.

Tom Shelton, director of the Training Academy, reported that 1,265 officers graduated from the academy during 1968 and that the crime lab located there handled evidence in 408 cases, a number expected to double during 1969.

He said the patrol would continue its strict enforcement policies and would concentrate its strength on highways during the most hazardous driving hours—such as weekends.

CHAIRMAN WILBUR MILLS' ADDRESS TO NATIONAL COTTON COUNCIL

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. DORN. Mr. Speaker, imports in the United States exceeded exports by $81 million in the month of December—the fifth straight monthly deficit of the year. Our textile industry has been particularly vulnerable to a flood of low-wage foreign imports. The Congress and the administration are concerned. There is general agreement that action must be taken. Our own distinguished, able, and beloved WILBUR MILLS, chairman of the great Committee on Ways and Means, delivered a forthright and timely address dealing with this subject to the National Cotton Council of America meeting in Hot Springs, Ark., on January 27. In seeking a solution to this growing problem which threatens our textile industry and the jobs of its employees, I commend to the attention of the Congress and the people of our country Mr. MILLS' outstanding address:

REMARKS OF THE HONORABLE WILBUR D. MILLS BEFORE THE ANNUAL MEETING OF THE NATIONAL COTTON COUNCIL OF AMERICA, HOT SPRINGS, ARK., JANUARY 27, 1969

When my good friend Tom Murchison extended to me an invitation to speak with you at your annual meeting, I was happy to accept.

First of all, it is an honor for us in Arkansas to be hosts for the Annual Meeting of the National Cotton Council. We in Arkansas are proud of our past and jealous of our future as a major cotton producing state.

Second, I was glad you chose Hot Springs for we are always pleased to have visitors come here and enjoy our scenery and become familiar with the promise of our resources.

Third, I have known many of you in the National Cotton Council and your member organizations for a number of years. Having discussed with some of you from time to time the problems and prospects of cotton, I welcomed the opportunity to meet old friends and renew acquaintances.

It just so happens that the year that the National Cotton Council was founded, 1938, was the year that I was first elected to Congress. I am, therefore, familiar with the work of your organization. It has been my observation over these three decades that the National Cotton Council, representing as it does the cotton producer, the ginner, the warehouseman, the merchant, the cooperative spinners and the cottonseed crushers in the 19 cotton producing states, can be justly proud of its research and market promotion activities on behalf of cotton.

I urge you to continue your fine efforts. I think we all recognize that your efforts to expand the consumption of cotton will be crucial at this time when our cotton economy is challenged as never before.

You in the National Cotton Council represent one of the most important crops produced by United States agriculture. The value of our cotton crop usually exceeds $2½ billion annually. Several million persons are engaged in producing and marketing cotton. However, the position of this historically important commodity in our domestic economy and export trade is being threatened.

The challenges to the cotton economy can well be summed up by paraphrasing a recent outlook statement published by the Department of Agriculture.

The 1968 cotton crop was just under 11 million bales. This was an increase of 46 percent over the 1967 crop but more then ⅓ below the 1962–66 average.

In foreign, free-world countries, production of cotton is increasing by over a million bales annually which is greater than the increase in cotton use. Although cotton use abroad is expected to increase, the rise has been moderated by expanding use of manmade fibers.

It has been indicated that U.S. exports in the 1969 crop year may total no more than 3 million bales which will further erode the position of the United States as the major cotton exporting nation.

It is expected that U.S. mill consumption of cotton during the 1968–69 crop year probably will fall a little short of last year's 9-million-bale level which may be the smallest U.S. mill consumption since 1963–64. Thus, we will continue to experience the trend evident over the past few years, that of cotton's declining share in an increasing total fiber demand. For calendar year 1968, the cotton percentage of the total fiber market will probably drop to a record low.

On top of the competition from manmade fibers in the domestic market is the competition from the rapidly increasing imports of textile products of manmade fibers. It is this last problem—the problem of the impact of imports—that I would like to discuss with you today.

As you know, in the last session of the Congress, I introduced a bill which would have established a program under which imports of textile products not presently subject to voluntary agreement would be brought under control. Under this proposal, the voluntary export controls on cotton textiles would have been extended by international agreement to textiles of wool and of manmade fibers. Increases in imports would have been related to the overall growth in demand for textile products in the United States market.

This bill, which was the result of many discussions with representatives of the textile industry and others, was one approach which I thought offered a possible solution to some of the problems we face. It was an attempt to make clear to the textile exporting nations that the United States cannot afford and will not permit the destruction of the productive capabilities and employment in our textile and apparel industries and of the producers which supply those industries.

In my discussions with representatives of the textile industry, I made clear that despite a strong conviction that action needs to be taken on textile imports, I did have reservations as to the "statutory quota" approach to the problems, and that I did not feel that statutory quotas are the best means of solving our problems of import competition. Further while I did sponsor the legislation, I committed myself in cooperation with other Members of Congress and with the interested agencies in the Executive Branch to try to find other and better solutions to the competitive problems in this industry.

I have not reintroduced the textile quota bill this year although I recognize that it is imperative to get a solution to the problem as soon as possible. Recognizing the position that the National Cotton Council has taken in favor of quotas on imports of textile products, I do want to discuss with you why I feel that statutory quotas are not now the proper means of dealing with injurious import competition. What is involved are problems of implementing legislation, administration and results.

The Congress always has trouble approving import quota legislation affecting a single industry. However sympathetic individual Representatives or Senators are to the textile import problem, there are other industries which are seeking the same form of relief, and which also have supporters in the Congress. Thus, it appears difficult, if not impossible, to work out an import quota law for one industry and prevent its extension to the products of other industries.

I need not remind this audience that our national interest, both economic and political, would not be served by Congressional action proposing to limit the quantity of trade in total as would be provided by *all* of the quota bills already pending in this Congress.

An objective look at the record would indicate that the long-term arrangement on cotton textile products has not been wholly successful. The arrangement has not resulted in the degree of control of imports that many of us anticipated when President Kennedy announced his 7-point program for the textile industry in 1961. Despite the multilateral agreement and the bilateral undertakings which have been negotiated, cotton textile imports have continued to increase and to account for a rising share of domestic consumption of such textiles.

In establishing the volume of imports of cotton textiles by country and by product under the arrangement, we have had to accommodate the requests of new exporting countries, principally developing nations, for a share of the United States import market. As a result, we are importing more cotton textiles from many more countries than was the case prior to the long-term arrangement.

The negotiations of the bilateral agreements to establish the level of cotton textile imports for the various product categories from each country in some cases have tended to create problems in foreign relations. Moreover, these negotiations necessitate much time and energy on the part of interested government agencies as well as those representatives in the industry who serve on the Textile Advisory Committee.

I do not want to appear critical of those in the Executive Branch who have had the responsibility for administering the restraint program under the long-term arrangement for they have worked long and hard to make the program a success. But, we must face the fact that this program on balance has not turned the tide toward a more reasonable level of textile imports.

Not only has the long-term arrangement on cotton textiles resulted in a greater number of cotton textile exporting countries, but the restraints on cotton textiles may have accelerated the shift to manmade fibers. The competition from manmade fibers is, of course, a problem domestic cotton producers are experiencing to a severe degree in our own mills. Abroad the increase in production and world exports of textiles of manmade fibers make them the most dynamic sector in the world textile market.

We have had experience with other problems in the administration of present import quotas that have lead me to believe that their imposition in present form would not at this time be helpful to the problems of the textile industry and to your own problem of increasing cotton consumption. For example, the oil import program, administered by the President under the National Security provisions of the Trade Expansion Act, has been much in the papers in recent months. Under this program,

license to import specified quantities of petroleum and petroleum products is granted on a historical basis. It has apparently been felt that this rather rigid control of imports has not been responsive to the developing needs for access to foreign petroleum, particularly in the petrochemical industry. As with the long-term arrangement on cotton textiles, it has been found difficult to make room for new entrants, in this case, new consumers, and still retain the overall volume control on imports. This situation has been responsible for creating a whole range of controversies, most of them not directly related to the question of national security, the original basis for the oil import quota system.

Holders of licenses to import have an obvious economic advantage over those who have no access to imports. The development of vested interests can often be a drawback to meeting changing economic conditions and new competitive challenges. Just as importantly, the administration of import quotas ultimately involves the creation of a bureaucracy and the issuing of import licenses is ultimately followed by various forms of Government control.

Government controls are often onerous on the businesses involved. Moreover, the administration of statutory quotas doubtlessly involves the development of bureaucracies in the business community which adds nothing to the efficiency but undoubtedly increases the cost of business operations. Knowing as I do some of the problems that businessmen face in complying with the multitude of government laws and regulations, I am sometimes surprised that our business leaders are so willing to subject themselves to the government controls that could stem from a program of statutory import quotas.

Finally, such quotas tend to add rigidities to the market place, and in reality are the antithesis of what we say we hold important—an open and competitive economy.

Let me hasten to add that I am aware that we can only avoid the type of trade controls that statutory quotas involve by making every effort to see that foreign trade is conducted on a fair and equitable basis, and by finding other, more desirable, solutions to our problems. In this regard, I believe we can do more to develop and enforce meaningful principles and rules governing the conduct of international commerce by seeking positive solutions to particular trade problems than by unilateral actions.

The lack of success in the long-term arrangement on cotton textiles is due in some degree to the absence of similar controls of imports of textiles of manmade fibers and of wool. Both prior to and after I introduced my textile bill, I discussed this problem of extending the long-term arrangement to the wool and the manmade fiber sector of our textile market with representatives of the Executive Branch agencies. I was told that the attempts to convince the major textile exporting countries to enter into such agreements and to control the volume of their textile exports to us have failed because these countries are just not willing to enter into such agreements.

Moreover, these countries have indicated that unilateral action on our part to impose import quotas would be met by similar measures on United States exports, particularly to the detriment of our major agricultural exports, including cotton.

I am not convinced that should the United States find it necessary to seek further controls on trade in textile products, that other countries would be unwilling to recognize the necessity of that action.

It does appear, however, that we have reached an impasse, at least insofar as the extension of the long-term arrangement on cotton textiles to textile products of other fibers is concerned. Therefore, we need a new initiative in the area of voluntary agreements if we are to be responsive to the overall problems of textile and apparel imports.

A new approach to voluntary arrangements on cotton textiles would be to negotiate dollar amounts of total textile imports that would be permitted from any country. Under this approach, we would request that any country exporting textiles to the United States would restrain their exports to a previously agreed upon value base. Further, such an agreement could provide for increases in the value of textile imports from each country as the total U.S. production of textiles and apparel increases. In order to avoid the problem of foreign countries concentrating their exports in any one product area, the agreements could provide that the annual increases in the value of exports would not be permitted if it were shown that the exporting country was attempting to change the product pattern of their exports in a manner that was disrupting to the United States market.

I have not yet had the opportunity to develop in detail this value control approach. I believe it would avoid many of the problems of administration and other difficulties of the present program, some of which I have discussed above. I am hopeful that there can be an early exploration of this approach by all concerned.

When I say all concerned, I am not merely referring to those within our own industry and government but also to the governments and industries of exporting countries as well. For I must repeat what I said earlier, that before our government will allow this industry to be destroyed it will consider the imposition of whatever limitations are required to preserve it. Among these limitations, under those circumstances, would be Congressionally passed mandatory import quotas.

In examining the problems of import competition in the textile and apparel markets, I have reached the conclusion that while we are debating the need and the means for overall industry relief, we are failing to respond to the need for relief from import competition in particular product lines. I am aware that critics of the efforts of the textile industry have often pointed to the failure of that industry to follow the procedures for relief from imports under the so-called escape clause provision. However, I sympathize with the textile industry and agree with its judgment that it would not have been able to meet the criteria for escape clause relief as presently set forth in the law.

It has become obvious that this provision needs to be changed and the language which has resulted in unfortunate interpretations deleted. While I have no specific proposal to make at this time, I feel that any change in the escape clause provision must recognize the great increase in competitive ability on the part of foreign producers and the greater vulnerability of United States industry to injurious import competition.

In addition to amending the overall escape clause provision and providing more reasonable criteria for affording relief, I suggest the possible establishment of an additional procedure under which quick and meaningful relief can be afforded with the maximum degree of flexibility in the form of such relief granted.

We may well have to establish a provision in our trade law which would permit individual producers who account for a substantial portion of the domestic production of an article to petition the Tariff Commission for relief from import competition. Thus, under such a provision, the relief could be granted when injury to such producers or workers involves a particular product line but does not involve injury or threat of injury to the entire industry.

In establishing such a selective import relief procedure, consideration should be given to authorizing the President to take alternatives courses of action: the remedies might involve temporary increases in rates of duty, including increases in rates of duty by price brackets, quotas on the particular product, including tariff quotas, or the negotiation of an agreement with the supplying countries to control their exports of the product in question at a particular level for a specified period of time. The criteria for such relief should not be hampered by tying the increased imports to a tariff concession nor as I indicated previously, should it be necessary to demonstrate that a whole industry was being threatened or injured by the imports of the particular product.

Finally, in addition to the measures to restrain imports, provisions might be made to enable the President to undertake other measures which could assist the affected producers in improving their competitive position.

In your own efforts to deal with the increasing competition from manmade fibers, it is necessary that your research and market promotion activities be directed at demonstrating the natural advantages of cotton fiber for the particular product at hand. Similarly, I am convinced that we can no longer afford, while discussing overall industry problems, to overlook the needs for relief from imports in individual product lines.

I am sure that you agree that in the face of growing production of cotton abroad, the only means of maintaining our position as a major cotton exporter is to take every measure available to increase our competitive abilities. Unilateral measures to restrict trade either by this country or by other countries can adversely affect our export trade which is so important to our overall national interest as well as to our individual producer interests.

Insofar as our domestic market is concerned, it would appear that voluntary export arrangements, if approached on a reasonable and imaginative basis, can relieve much of the competitive pressures on our most vulnerable industries. Selective measures which deal quickly and effectively with individual product problems can also contribute to the reduction in competitive pressures. Through such measures in cooperation with our trading partners, we can maintain our commitment to expanded and mutually advantageous trade.

I can most certainly assure you of my own continuing and intense interest in the problems you face, and those faced by the textile industry. We can and must find the sound solutions to these problems.

THE SPIRIT OF FREEDOM LIVES IN THE UKRAINE

HON. WILLIAM H. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. BATES. Mr. Speaker, just 51 years ago on January 22, the people of the Ukraine united as a free and independent nation, but a scant 3 years later they were mercilessly crushed into subjugation by the forces of Soviet Russia.

As we again restate our prayers for the deliverance of these people from the tyranny which has ruled them for over a half century, we know that the spirit of freedom still lives among the Ukrainians. What we have seen in Czechoslovakia in recent months shows that that spirit survives there, and what the Soviet Union has done to quell the flames of freedom cannot but help all enslaved peoples to become more determined than ever to throw off the yoke of totalitarianism.

Russian action in sending more troops into Czechoslovakia than the United States, for a completely opposite purpose, has had in Vietnam must make all thinking people pause to reflect on what world domination by communism would mean. Such domination is still the objective of the Red leaders everywhere, and as we pray for the freedom of the captive peoples in the Ukraine, Czechoslovakia, and elsewhere, we must also rededicate ourselves to preservation of our own freedom from the tyrannical forces in the world.

We must also continue to encourage the Ukrainians and others to hold to their desire to be free from Communist subservience—a desire we all fervently hope one day may be realized.

UKRAINE'S INDEPENDENCE DAY

HON. SAMUEL N. FRIEDEL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1969

Mr. FRIEDEL. Mr. Speaker, in the light of recent events in world history, particularly the tragic invasion of Czechoslovakia and its occupation by the military forces of Soviet-bloc countries, it is all the more important for us and the entire free world to take note of the observance this month of the 51st anniversary of the independence of Ukraine. However, it should not be forgotten that the Ukraine is not free today, nor is it independent. Unfortunately, it is one of the captive nations behind the Iron Curtain.

In this connection we should recall the words of President John F. Kennedy who said:

> This country must never recognize the situation behind the Iron Curtain as a permanent one, but must, by all peaceful means, keep alive the hopes of freedom for the peoples of the captive nations.

In implementation of this recommendation of our late and beloved President, we here in the Congress take time out from our duties to mark this important anniversary of the brave Ukrainian people. The Ukrainians, as well as other enslaved people of the captive nations look to the United States as the citadel of human freedom, for leadership in creating an atmosphere which will ultimately aid in bringing about their liberation and independence and in restoring to them the enjoyment of their religious freedoms and of their individual liberties.

The United States became the great Nation it is through the work and genius of countless peoples whose forebears came from distant lands across the seas. Today, among our loyal, industrious, God-fearing, and best American citizens, are good men and women of Ukrainian origin. We are justly proud of them and gratefully acknowledge their lasting contributions in enriching our own economy and culture.

We are confident that in the end, justice will prevail and Ukraine will take its rightful place in the family of truly free and independent nations. In the immortal words of Taras Shevchenko, Ukrainia's great poet laureate and national hero and Eastern Europe's champion of liberty, in writing about his own native land, he said:

> when—
> When will we receive our Washington
> With a new and righteous law?
> And receive him we *will* someday.

A NEW YOUTH CAMP SAFETY BILL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. ROSENTHAL. Mr. Speaker, I introduce today a revised version of the youth camp safety legislation I introduced in the 90th Congress.

I am joined by Senator ABRAHAM RIBICOFF, of Connecticut, who will introduce the same bill when the Senate next meets tomorrow. Senator RIBICOFF was the original sponsor of youth camp safety legislation in 1967. I sponsored identical legislation the same year.

In my efforts to encourage the Department of Health, Education, and Welfare and the appropriate congressional committees to act on this important legislation, I proposed a revised bill in 1968 titled the "Youth Camp Safety Survey Act." This proposal was based on the HEW report on the earlier legislation which stated that while the seriousness of the problem of youth camp safety was undisputed, there was not sufficient information in HEW on the facts of the camp problem to support our original legislation.

The Youth Camp Safety Survey Act, therefore, authorized an initial study of camp safety practices which, in my view, could serve as a basis for the broader legislation.

The Select Subcommittee on Education of the Education and Labor Committee, under the alert and rigorous chairmanship of the gentleman from New Jersey (Mr. DANIELS), held hearings last year on both the original youth camp safety bill and on my survey bill. Although adjournment prevented final committee action, I am hopeful that early action will be taken by the subcommittee soon.

A REVISED BILL

The revised bill I introduce today combines key elements of my two earlier proposals. It authorizes, first, a survey of State, local, and private youth camp laws and regulations; second, setting Federal standards for all-day, resident, and travel camps; third, aiding States which cooperate by grants to carry out improved camp safety programs; and fourth, naming a youth camp advisory council which will aid the HEW Secretary on Federal standards and to consult with camping associations.

Over 6 million children participate in about 12,000 youth camps each year. We don't know nearly enough about the hazards of summer camps; therefore, parents have no way to check prospective camps. By studying camping laws and regulations and then helping States meet new Federal standards, we can help parents and society obtain the reasonable assurance they deserve before sending their children to a youth camp.

We spend billions each year, as we should, on educational programs where Federal, State, and local officials cooperate in seeking the best interests of our children. In youth camps, which can take children from their homes and schools for 3 months a year, we do not even know what safety standards exist nor how they are observed.

I send my children to camp often and I know the frustrating job parents have in trying to find out how safe they will be during the weeks and months in camp.

While at camp, these lucky children will participate in a wide variety of activities. Other activities will be proscribed from these campers, and when asked why, they will be told that camp staffs must act "in loco parentis" and must therefore worry about their health and safety. My concern is that many camps and the States charged with their supervision have been shockingly lax in performing as surregate parents.

A POTENTIAL THREAT

Most good camps subscribe to voluntary health and safety standards, and such codes are often reinforced by State laws, but only 26 States have general camp regulatory codes, and these are of varying toughness. Incredibly, in 1967, only 17 States required that a camp operator be licensed before opening his camp.

Anybody who has ever been to a summer sleep-away, or on a camp travel program knows full well that almost every camp activity can also be viewed as a potential threat to camper health or safety. Swimming and boating activities are perhaps the clearest examples of this, but all crafts activities, all athletic activities, all hikes and camp-outs, and even dramatic activities have dangerous elements in them.

Camps are artificially created total environments whose administrators must plan carefully to guarantee that all of the basic needs of group living are provided in a safe, clean, and healthy manner. All questions of food supply, preparation, and distribution, all questions of adequate sleeping arrangements, fire safety, water supply and sewerage, and health services become the responsibility of camp directors. Parents are almost helpless after they transfer this responsibility to camps which they find difficult to evaluate.

Perhaps even more fundamentally, the group focus of most camps requires the guiding hand of skilled, mature, and sensitive counselors, for in the hands of an incompetent counselor, even rest periods can become hazardous.

From this necessarily brief list, it can be easily seen, that all camps contain within themselves room for enormous mischief and misfeasance. To meet this grave threat, various camping associations have formulated basic safety codes, but these are adhered to with widely differing degrees of enthusiasm by subscriber camps. Worse, as Senator RIBICOFF indicates, only half of our summer camps can be said to match even the most minimal of safety standards.

A DISMAL FAILURE

Under these conditions, I contend that most of our States have failed dismally to live up to their obligations "in loco parentis." In 1966, 40 States had still not established minimal qualifications for staff and supervisory personnel; 19 States had no camp licensing provisions; 31 States still had no health or sanitation codes for camps; and 24 States had no water safety and equipment regulations.

My bill seeks no direct parental role for the Federal Government, and no new bureaucracy. The youth camp safety bill does fill a frightening gap by providing for the establishment of Federal standards for camp health and safety, but would leave to the States the enforcement powers in health matters that most States now so earnestly claim.

The only things "Federal" in this bill are the standards themselves and the money to be used via State agencies for the improvement of camp facilities. As long as States choose to adhere to their proper role as the protectors of public health, I see the Federal involvement here as essentially advisory and facilitative. The Federal Government would set forth patterns of appropriate behavior, and would establish rewards for compliance, but code enforcement would remain under the responsibility of our States.

Critics of the youth camp safety bill have expressed concern over what they see in this bill as the threat of standardized camping. This could not be further from the truth. Camps should be encouraged to sponsor the widest possible variety of programs.

Very frankly, I have no interest in encouraging any specific philosophy, or ideology, or knowledge, or any specific program goals, or even any favorite activity through camping. It is accident and disease statistics alone for which I seek standardization, at the zero level.

It is this very minimum standardization that eludes us at present and which we can correct with these bills.

RARICK VOTE: YEAS AND NAYS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. RARICK. Mr. Speaker, yesterday a minority of the Democratic Members, in a party caucus, took action to deny me and my district our seniority.

There are 241 Democrats. The vote was 101, yea; 73, nay; 67, absent or not voting.

I insert rollcall on the yeas and nays, and a newsclipping following my remarks. A "yea" vote was for denial of seniority; a "nay" vote was to retain seniority.

The material referred to follows:

DEMOCRATIC CAUCUS, 91ST CONGRESS—ROLLCALL VOTE ON THE HOLIFIELD AMENDMENT TO STRIP CONGRESSMAN JOHN R. RARICK OF SENIORITY

YEAS (101)

Adams, Brock, Washington.
Addabbo, Joseph, New York.
Anderson, Glenn, California.
Annunzio, Frank, Illinois.
Ashley, Thomas, Ohio.
Biaggi, Mario, New York.
Bingham, Jonathan, New York.
Blatnik, John, Minnesota.
Boland, Edward, Massachusetts.
Bolling, Richard, Missouri.
Brademas, John, Indiana.
Brasco, Frank, New York.
Brown, George, California.
Carey, Hugh, New York.
Celler, Emanuel, New York.
Chisholm, Shirley, New York.
Clay, William, Missouri.
Cohelan, Jeffery, California.
Corman, James, California.
Daddario, Emilio, Connecticut.
Dawson, William, Illinois.
Dingell, John, Michigan.
Eckhardt, Bob, Texas.
Evans, Frank, Colorado.
Farbstein, Leonard, New York.
Fascell, Dante, Florida.
Ford, William, Michigan.
Fraser, Donald, Minnesota.
Friedel, Samuel, Maryland.
Gaydos, Joseph, Pennsylvania.
Giaimo, Robert, Connecticut.
Gilbert, Jacob, New York.
Hamilton, Lee, Indiana.
Hanley, James, New York.
Hanna, Richard, California.
Hansen, Julia, Washington.
Hathaway, William, Maine.
Hawkins, Augustus, California.
Hechler, Ken, West Virginia.
Hicks, Floyd, Washington.
Holifield, Chet, California.
Howard, James, New Jersey.
Hungate, William, Missouri.
Jacobs, Andrew, Indiana.
Joelson, Charles, New Jersey.
Karth, Joseph, Minnesota.
Kastenmeier, Robert W., Wisconsin.
Kluczynski, John C., Illinois.
Koch, Edward, New York.
Leggett, Robert, California.
Long, Clarence, Maryland.
Lowenstein, Allard, New York.
McCarthy, Richard D., New York.
McFall, John J., California.
Madden, Ray J., Indiana.
Matsunaga, Spark, Hawaii.
Meeds, Lloyd, Washington.
Mikva, Abner, Illinois.
Miller, George, California.
Minish, Joseph, New Jersey.
Mink, Patsy, Hawaii.
Mollohan, Robert H., West Virginia.
Monagan, John S., Connecticut.
Moorhead, William, Pennsylvania.
Moss, John, California.
Murphy, William, Illinois.
Medzi, Lucien, Michigan.
O'Hara, James G., Michigan.
Olsen, Arnold, Montana.
O'Neill, Thomas, Massachusetts.
Ottinger, Richard, New York.
Patman, Wright, Texas.
Patten, Edward, New Jersey.
Pike, Otis, New York.
Podell, Bertram, New York.
Price, Melvin, Illinois.
Pucinsky, Roman, Illinois.
Reuss, Henry, Wisconsin.
Rodino, Peter, New Jersey.
Rosenthal, Benjamin, New York.
Roybal, Edward, California.
Ryan, William, New York.
St Germain, Fernand, Rhode Island.
St. Onge, William, Connecticut.
Slack, John M., West Virginia.
Smith, Neal, Iowa.
Staggers, Harley O., West Virginia.
Stokes, Louis, Ohio.
Stratton, Samuel, New York.
Sullivan, Leonor, Missouri.
Symington, James, Missouri.
Thompson, Frank, New Jersey.
Tiernan, Robert O., Rhode Island.
Udall, Morris, Arizona.
Van Deerlin, Lionel, California.
Vanik, Charles A., Ohio.
Vigorito, Joseph, Pennsylvania.
Waldie, Jerome, California.
Wolff, Lester, New York.
Yatron, Gus, Pennsylvania.
Zablocki, Clement, Wisconsin.

NAYS (73)

Abernethy, Mississippi.
Albert, Oklahoma.
Alexander, Arkansas.
Andrews, Alabama.
Aspinall, Colorado.
Baring, Nevada.
Bennett, Florida.
Bevill, Alabama.
Blanton, Tennessee.
Brinkley, Georgia.
Burke, Massachusetts.
Burleson, Texas.
Burlison, Missouri.
Caffery, Louisiana.
Casey, Texas.
Chappell, Florida.
Colmer, Mississippi.
Daniel, Virginia.
Dorn, South Carolina.
Dowdy, Texas.
Downing, Virginia.
Edmondson, Oklahoma.
Fallon, Maryland.
Flood, Pennsylvania.
Flowers, Alabama.
Flynt, Georgia.
Fuqua, Florida.
Galifianakis, North Carolina.
Garmatz, Maryland.
Gettys, South Carolina.
Griffin, Mississippi.
Griffiths, Michigan.
Haley, Florida.
Hébert, Louisiana.
Henderson, North Carolina.
Hull, Missouri.
Ichord, Missouri.
Jones, Alabama.
Jones, North Carolina.
Kazen, Texas.
Lennon, North Carolina.
Long, Louisiana.
McCormack, Massachusetts.
McMillan, South Carolina.
Mann, South Carolina.
Marsh, Virginia.
Mills, Arkansas.
Montgomery, Mississippi.
Natcher, Kentucky.
Nichols, Alabama.
O'Neal, Georgia
Pickle, Texas.
Poage, Texas.
Preyer, North Carolina.
Pryor, Arkansas.
Purcell, Texas.
Randall, Missouri.
Rarick, Louisiana.
Rivers, South Carolina.
Rogers, Colorado.
Rogers, Florida.
Rostenkowski, Illinois.
Satterfield, Virginia.
Sikes, Florida.
Sisk, California.
Stephens, Georgia.
Stubblefield, Kentucky.
Stuckey, Georgia.
Taylor, North Carolina.
Teague, Texas.
Ullman, Oregon.
Waggonner, Louisiana.
White, Texas.

ABSENT OR NOT VOTING (67)

Abbitt, Virginia.
Anderson, Tennessee.
Barrett, Pennsylvania.
Boggs, Louisiana.
Brooks, Texas.
Burton, California.
Byrne, Pennsylvania.
Cabell, Texas.

Clark, Pennsylvania.
Conyers, Michigan.
Culver, Iowa.
Daniels, New Jersey.
Davis, Georgia.
de la Garza, Texas.
Delaney, New York.
Dent, Pennsylvania.
Diggs, Michigan.
Donohue, Massachusetts.
Dulski, New York.
Edwards, California.
Edwards, Edwin, Louisiana.
Eilberg, Pennsylvania.
Evins, Tennessee.
Feighan, Ohio.
Fisher, Texas.
Foley, Washington.
Fountain, North Carolina.
Fulton, Tennessee.
Gallagher, New Jersey.
Gibbons, Florida.
Gonzalez, Texas.
Gray, Illinois.
Green, Oregon.
Green, Pennsylvania.
Hagan, Georgia.
Hays, Ohio.
Helstoski, New Jersey.
Jarman, Oklahoma.
Johnson, California.
Kee, West Virginia.
Kirwan, Ohio.
Kyros, Maine.
Landrum, Georgia.
Macdonald, Massachusetts.
Mahon, Texas.
Morgan, Pennsylvania.
Murphy, New York.
Nix, Pennsylvania.
Passman, Louisiana.
Pepper, Florida.
Perkins, Kentucky.
Philbin, Massachusetts.
Powell, New York.
Rees, California.
Roberts, Texas.
Ronan, Illinois.
Rooney, Pennsylvania.
Rooney, New York.
Scheuer, New York.
Shipley, Illinois.
Steed, Oklahoma.
Tunney, California.
Watts, Kentucky.
Whitten, Mississippi.
Wilson, California.
Yates, Illinois.
Wright, Texas.
Young, Texas.

[From the Washington (D.C.) Post, Jan. 30, 1969]

PRO-WALLACE CONGRESSMAN IS DEMOTED

(By William Greider)

Fellow Democrats spoiled Rep. John R. Rarick's 45th birthday yesterday by stripping the Louisiana congressman of his House seniority because he supported George Wallace for President.

Rarick, a second-termer from St. Francisville, La., responded: "I would rather be last in seniority and be able to live with my conscience, instead of becoming a political prostitute."

The disciplinary action was taken in the Democratic caucus over the opposition of the party's House leadership.

The 101-to-73 vote represented a comeback for liberal forces led by the Democratic Study Group. Earlier this month, the liberals lost, 87 to 85, when they attempted to do the same thing.

The difference in the outcome was partly the result of more vigorous campaigning by DSG leaders this time. But several liberals said they also benefited by having a roll-call vote recording each member's ballot.

The roll call "smoked out" some northern Congressmen who supported Rarick earlier on a secret ballot because of their devotion to the seniority system, but who couldn't afford to be recorded in favor of a Wallace man.

"I think we preserved an important principle," said Rep. James O'Hara (D-Mich.). "It guided the behavior of Congressional candidates in this last election and this will certainly guide them in future elections."

Four years ago, the Democrats took seniority rights from Rep. Albert Watson of South Carolina and Rep. John Bell Williams of Mississippi for supporting Barry Goldwater, the Republican presidential candidate in 1964.

Both men gained a certain appeal as "martyrs" in their home states. Watson switched to the GOP and has been reelected since. Williams was elected Governor of Mississippi.

Liberals, however, contend that the disciplinary action makes it easier for moderate southerners to remain loyal to the national party. When constituents pressure them to endorse other candidates such as Wallace, they can plead that they must remain loyal or lose their Congressional seniority.

In Rarick's case, he drops to the bottom of the House Agriculture Committee, from 13th to 18th. He said he will discuss with his constituents the possibility of dropping his Democratic affiliation altogether.

"I was made the cause celebre of the Red Guards or the New Turks, whatever you want to call them," said Rarick, a passionate anti-Communist. "I was proud to support Wallace. I have a right to do that. I'm a free American. History shows that parties don't discipline the people. The people discipline the parties."

"A fine birthday present," he scoffed. "And you know, 24 years ago today I was a prisoner in a Nazi prison camp."

Rep. Chet Holifield (D-Calif.) spoke in favor of the action and Rep F. Edward Hébert, dean of the Louisiana delegation, opposed it. According to one source, seven committee chairmen voted for the move and 10 opposed it, together with House Speaker John McCormack, Majority Leader Carl Albert, and Caucus Chairman Dan Rostenkowski.

In his speech, Hébert warned that, if the Democratic caucus could do this to Rarick, it could strip the dean of the House of his seniority, too.

Rep. Emanuel Celler, of New York, who is the dean, now serving his 24th term, intervened to announce: "If I ever supported anyone but the nominee of my party, I would ask to be put at the bottom."

PFC. RONALD E. STOKER

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. LONG of Maryland. Mr. Speaker, Pfc. Ronald E. Stoker, a fine young soldier from Maryland, was killed recently in Vietnam. I wish to commend his courage and honor his memory by including the following article in the RECORD:

COLLEGE PARK GI KILLED IN COMBAT—PFC. R. E. STOKER, 18, DIES IN VIET JUNGLE-FIGHTING

Army Pfc. Ronald E. Stoker, 18, of College Park, died January 20 in Vietnam, the Defense Department reported yesterday.

Officials informed his family that Private Stoker, "head man" of his platoon, was killed by 16-mm. mortar fire in jungle fighting 3 miles from the Cambodian border.

Private Stoker enlisted in the Army in August, 1968. He trained at Fort Bragg, N.C. and Fort Polk, La. Sent to Vietnam in December, he was a member of the 1st Cavalry Division.

His stepmother, Mrs. Louise Stoker, said that the family was extremely bitter about the soldier's death. She said the family had been assured by the recruiting sergeant at the time of Private Stoker's enlistment that he was too young to be sent to Vietnam and would go to Germany first.

Mrs. Stoker said, "We've asked the Pentagon to investigate the promises made to the family. Our son is dead, but we might be able to save other young boys."

In addition to his stepmother, survivors include his father, Edward D. Stoker, of College Park; his mother, Mrs. Elsie McClenny, of District Heights, Prince Georges County; four sisters, Mrs. Albert D'Ascarangelo, of Woodbridge, Va., Mrs. Oliver G. McPherson, of Hyattsville, Miss Nancy Stoker, of New York, and Cynthia Stoker, of College Park; and a brother, Randolph Stoker, also of College Park.

LEGISLATION TO STRENGTHEN THE CIGARETTE LABELING AND ADVERTISING ACT

HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. COHELAN. Mr. Speaker, I was pleased to join today with the gentleman from California (Mr. Moss) and 41 other of my colleagues to sponsor the proposed amendment to the Cigarette Labeling and Advertising Act.

In spite of the factual evidence on the dangers of smoking, almost a quarter of our population today smokes. In spite of the warning attached to cigarette packages, sales continue to go up. And more importantly, in spite of every effort to educate the young, the young still acquire the smoking habit at earlier and earlier ages.

Obviously, the Congress has the responsibility to make the public fully aware of the possible and probable effects of smoking. We cannot outlaw smoking and that is not our intention. We have no wish to cripple any industry—although we do wish that industry would take steps to discover ways to correct the harmful elements in the cigarette. What we seek is the fullest possible dissemination of information and warning regarding the dangers of this habit.

This legislation would strengthen the warning already attached to cigarette packages and would also require this warning to be used in any advertising. Surely this is necessary. How can we require packaging to carry a warning and then be inundated with cheerful advertising that carries only a message of pleasure, excitement, and sociability.

Additionally, the Secretary of Health, Education, and Welfare's authority to regulate cigarette length if found to be necessary is required in view of the rash of new, successful "longer" cigarettes which may in fact only be increasing the dangers present in the older variety.

Surely we can do no less than this bill would require—possibly we should do more.

GONZALEZ AGAIN SPONSORS EQUITABLE RECOMPUTATION OF RETIRED MILITARY PAY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. GONZALEZ. Mr. Speaker, I am pleased to reintroduce today into the 91st Congress legislation keeping faith with many of our military men in the matter of retired pay. By dropping in 1958 the system of paying retired military personnel as a percentage of current active duty pay, Congress and the Nation was guilty of using the services of her career defenders—and sometimes even their blood and tears—under pretenses.

Traditionally, increases in retired pay for commissioned officers and noncoms alike corresponded to current active duty increases. But this system was suspended in 1958. At that time I was a member of the Texas State Senate and I sponsored a resolution which passed unanimously in 1959 memoralizing Congress and deploring the change in retired pay computation. Still, the traditional system was abandoned fully in 1963 for cost-of-living increases.

The cost-of-living system has quickly produced eight different pay rates for servicemen with identical ranks and years of service, simply because of different retirement dates. In each case, the lowest rate is for the oldest group of retirees, and the disparity is compounded against the older group of retirees, and the disparity is compounded against the older groups with each successive rise in the cost-of-living computation.

The cost-of-living system is so clumsy that even unintentional inequities have cropped up which had to be corrected.

I do not believe there is any doubt that we have betrayed a trust to many of our military men. The career servicemen we have retired to date served in the Armed Forces at pay rates inferior to comparable civilian jobs. They did so out of dedication and love of country. Probably they did so for the several unique aspects of military life. But, undeniably and justifiably, they did so out of anticipation of decent retired pay. They joined the service when the traditional retirement system was in effect. They joined the service at a time when retirement programs in private industry were generally nonexistent and when social security benefits were small. Now they are being punished for their foresight. Retired pay is no longer pegged to active duty pay. In cruel irony, not only would a career in the private sector have been more lucrative, but private pension plans have become considerably more liberal.

The legislation I sponsored in the last Congress provided recomputation of retired pay on the traditional formula for all members of the armed services. However, this year, on the advice of the Retired Officers Association, I am sponsoring recomputation legislation which would be limited to military personnel who joined the armed services prior to 1958. It would benefit, in other words, those servicemen who have every reason to believe their retired pay would be computed as a percentage of current active duty pay. This year's change is recognition that the traditional system was switched, however callously, over 10 years ago, and thus notice was served to those military men who joined the service since 1958 not to expect retirement pay reflecting active duty pay.

The 1958 cutoff in the new recomputation legislation means that it would cost progressively less each year it is in operation.

Mr. Speaker, both the Democratic and the Republican nominees for President endorsed the principle of equality in retired pay. I hope and trust that this Congress will act in that bipartisan to keep faith with our Nation's servicemen who served in the fully justified belief that they would receive equitable retired pay.

A NEW APPRAISAL OF TFX BY THE PILOTS WHO FLEW THEM

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. FISHER. Mr. Speaker, unfortunately it has been all too rare a thing to find a fair and objective appraisal of the F–111 warplane. Such did appear in the January 13 issue of the U.S. News & World Report, and I insert this revealing article in the RECORD.

The article follows:

A NEW APPRAISAL OF TFX BY THE PILOTS WHO FLEW IT

NELLIS AIR FORCE BASE, NEV.—While policy makers in Washington are hotly debating the merits and the future of the F–111 warplane, some Air Force pilots already think the world of the swing-wing aircraft.

These combat veterans, who flew the plane in 55 missions over North Vietnam, were recalled here with their F–111 detachment after a halt was ordered in the air war over North Vietnam.

To a man, the pilots profess amazement at the ability of the controversial plane—once called the TFX—to fly blind," and its uncanny" accuracy in bombing missions.

The model that these men flew is the F–111–A, a fighter-bomber. The future of the fighter-bomber and another version of the F–111, a strategic bomber, is now being studied at the Pentagon and in the Congress.

NO MORE "COMMONALITY"

Already, the original concept of "commonality"—one basic plane for all services—has been dropped. The Navy version of the F–111 became an early casualty because of weight problems. British orders for the complex plane have been canceled.

But the men who have flown the F–111 for the Air Force have had no complaints.

"At first I was a little apprehensive," one pilot said. "But I made up my mind not to 'bad mouth' it until after I had flown it—and I'm glad I didn't."

Exact figures on the accuracy of the plane in bombing targets in North Vietnam are still an official secret, but the pilots indicate that the F–111 was considered roughly four times as accurate as any other Air Force fighter-bomber.

The plane's record as an all-weather bomber was considered even more significant. Said one of the officers:

"Air Force pilots have always wanted a fighter that could deliver its bombs around the clock, regardless of the weather. Now we have one that will do the job—at longer distances and with more bombs aboard, to boot."

THE "BLACK BOXES"

Praise for the F–111 by the combat pilots centered largely on its improved "avionics"—new-model radar, revolutionary navigation equipment, and high-speed computers.

These "black boxes," as the airmen call them, permit much of the flight to be programed before the plane leaves the ground. The pilot can preset the location of all his targets, as well as the altitude he wants to fly.

Then, on a typical combat mission, the plane's wings could be extended to take off at slow speed in as little as 2,000 feet of runway—a third the distance normally required for jet fighters.

Shortly after takeoff, all missions being at night, the pilot would turn the plane over to its advanced automatic pilot. A control panel full of gauges helped to verify that the automatic features were functioning properly.

The complex electronic system would guide the plane to a series of targets, automatically taking the aircraft up over any mountains along the way.

As far as 30 miles from the target area, a clear picture of the target would show on the bombing radar. Crosshaired sights pinpointing the target would be plainly visible, the information having been fed into the plane's computer before takeoff. Minor adjustments on the radar target sometimes were made by the copilot for additional accuracy, all without actually seeing the target.

HEDGE-HOPPING

Approaching the target, the pilot would fly as low as 200 feet above the ground, using terrain-following radar to guide the plane over humps and down into dips.

At the touch of a button, the computer would take over and drop the bombs at the right instant to compensate for wind, speed and altitude.

The technique of flying at night and using a "low profile," the pilots say, permitted the F–111 to fly into areas heavily defended by antiaircraft guns and missiles, without being picked up by either sight or radar. The planes repeatedly dropped bombs and left before antiaircraft defenses could react.

The pilots say that no F–111 that returned to base from a bombing mission was ever hit, in fact.

Of the three F–111s which did not return, the evidence is that enemy fire was not the cause of their crashing. That is the tentative conclusion, based upon the locations where the missing planes were believed to have gone down.

In addition to the "black boxes," two other features of the plane are given high praise from the men who flew it in combat—an advanced engine and a detachable crew module for bailing out.

The twin fan-jet engines are reported to be far more economical of fuel giving the plane its longer range. The pilots have asked for more power, so later models are to be equipped with refined jets that have even more thrust.

THE SAFETY RECORD

The crew module, in turn, is similar to the one used by astronauts to return from orbit. It contains both pilot and copilot, separates from the plane in seconds, and drops slowly by parachute. Its impact on the ground or water is eased by inflated cushions on the bottom of the module.

On the five occasions when the module has been used to save the crew—once in combat—not one pilot has suffered any injuries, the airmen report.

Up to now, 11 of the Air Force F–111s have

crashed, including the three in Southeast Asia. This is after 7,797 flights, totaling 17,000 hours, by 103 aircraft.

The pilots insist that this record, widely publicized, is better than that of other AF planes in use in Vietnam.

After 5,000 hours of flying time, Air Force figures show that the F-111 had fewer accidents than did any other AF jet fighter at that stage.

After 10,000 hours of flying, the swing-wing plane was still the best of the lot. And when it passed 15,000 hours, the F-111 was tied with the F-4 plane at 10 crashes each—but even then no plane had a lower crash record.

During this period, moreover, the new aircraft proved that it could carry twice the bomb load for twice the distance of any other Air Force fighter-bomber—and deliver its bombs with four times the accuracy.

When calculated by the complex formulas of bombing planners, the proponents here say, the "effective cost" of the F-111 was found to be about one third that of any other fighter-bomber in combat.

Here is why:

To guarantee the destruction of such targets as vital bridges, up to 48 F-105s were dispatched to do the job in North Vietnam. But because of its all-weather and round-the-clock capabilities, plus its high accuracy, only one F-111 was needed for a similar mission.

In addition, the F-105s would have to be refueled in the air by about four tankers, from their bases in Thailand. And one or two electronic-countermeasure aircraft would precede the mission to confuse the enemy's ground radar. Neither procedure was needed by the single F-111, with its longer range and ground-hugging ability.

Also, from four to eight F-4 jet fighters would normally accompany the bomb-laden F-105s, to ward off the threat of attack by North Vietnam's MIG fighters. None were needed to guard the F-111.

This difference in the number of required planes per target in Vietnam, the pilots say, makes the F-111 relatively cheap to use in combat. They estimate that the present force of F-105s, A-7s and F-4s in Vietnam is four times as costly as the number of F-111s that would be needed to replace it—despite the initial cost of the F-111.

POSSIBILITIES FOR EUROPE

As these combat veterans see it, the new Air Force plane would be even more effective in Europe.

The F-111's low-level, supersonic bombing runs, for one thing, could be used to better advantage against the advanced radar defenses and more effective interceptor force in Europe.

The swing-wing plane's longer range, they add, would permit F-111s based as far away as Britain to fly deep into Russia, and return without refueling.

And the all-weather capability of the new aircraft is said to be particularly valuable for Europe, where present fighter-bombers can be used only 20 percent of the time owing to darkness or to bad flying weather in daytime.

If the Air Force version of the F-111 becomes available in quantity, the plan now is to station many of these aircraft in West Germany and Britain, with the mission of penetrating deep into Russia with nuclear bombs in the event of war.

For emergency strength at Allied bases in Europe, reinforcements would be ferried from the U.S. in a hurry, without need for refueling in the air.

But the decision on whether the Air Force's new F-111 will be a mainstay of U.S. Air Force power in the coming decade, or merely a stopgap plane until newer models can be gotten into production, is still hanging fire.

In the end, the Nixon Administration will have to decide whether the F-111 has proven to be "cost-effective." Here in the Nevada desert, the pilots who flew the plane in combat hope their views will get careful consideration.

KAPPEL COMMISSION CLAIM ON POST OFFICE DEFICIT IS CHALLENGED

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by John Cramer which appeared in the January 29, 1969, edition of the Washington Daily News:

KAPPEL COMMISSION CLAIM ON POST OFFICE DEFICIT IS CHALLENGED

(By John Cramer)

Postal employe leaders continue to hammer away at the LBJ-Indorsed Kappel Commission proposal that the postal service be turned over to a self-supporting public corporation.

Thus, AFL-CIO Letter Carrier President James H. Rademacher, editorializing in the current issue of the carrier magazine, challenges, as "most disturbing", the Kappel contention that a corporation could eliminate the billion dollar postal deficit.

"It is disturbing", he writes, "because it's untrue."

In support of his contention, he invokes no less an authority than Maurice Stans, ex-deputy postmaster general, ex-budget director, and now commerce secretary in the new administration.

Says Mr. Rademacher:

"The annual report of the postmaster general for fiscal year 1966 describes how the postal dollar is spent.

"Out of every dollar, 80.2 cents goes for wages. The only way money can be saved in this area is to reduce wages (an unthinkable alternative) or to reduce the number of personnel (an equally unthinkable alternative under present conditions).

"Another 12.8 cents goes for transportations. These are fixed costs which are not totally, or even primarily under the control of the Post Office Department.

"The Kappel people claim they can save 30 per cent of these costs in the next five years. This must be quite a rude shock to the railroads, airlines and truckers who seem to expect a cost trend in the opposite direction. . . .

"Still another 4.7 cents out of every dollar goes for rents, communications, utilities, supplies, printing and incidentals. Here again, the Post Office Department does not have much control over these costs. Many of the costs, indeed, are committed well in advance, and cannot be reduced.

"These virtually irreducible costs amount to 97.7 cents out of every dollar the Post Office is now spending. The other 2.3 cents goes for the capital program and research. (Only three-tenths of a cent for research, a grotesquely inaccurate figure.

"It is obvious from these figures that there is no way that a billion dollars a year can be 'saved' . . . obvious that the only ways the Postal Corporation could eliminate the billion dollar 'deficit' would be thru: (1) keeping wages at a bare minimum; (2) reducing services and thereby reducing payrolls; (3) raising postage rates out of sight."

SEES REVERSAL

Mr. Rademacher notes that Secretary Stans recently endorsed the Kappel proposals, but finds this "curious, because, in 1954, when Mr. Stans was deputy postmaster general, he believed just the opposite."

In that year, Mr. Stans wrote a book which, among other things, challenged a published claim that the Post Office could save "hundreds of millions."

The book analyzed the $2,760 million postal budget for 1953 . . . found $1,993 million spent for salaries . . . $565 million for transportation . . . only $202 million "within the control of management" . . . and little chance for savings even there.

Mr. Rademacher continues:

"As an example of the unrealistic thinking of the Kappel people, we point to the fact that they estimate that 15 per cent of the total cost of city delivery can be saved 'partly thru mechanization and partly thru better methods' in the sorting book-keeping that letter carriers must perform.

"Anybody who feels that the enormous saving can be achieved in these relatively minor areas of a letter carrier's activities, simply does not understand much about what goes on in a Post Office."

The "fatal flaw" in the Kappel report, he concludes, is that "it was compiled by people who have very little, if any, practical experience of postal operations."

McNAMARA'S MAGINOT LINE A COSTLY FIASCO

HON. W. E. (BILL) BROCK

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 30, 1969

Mr. BROCK. Mr. Speaker, one of the many silent testaments to Robert McNamara's unsuccessful term as Secretary of Defense is the costly, abandoned "maginot line" which was to have spanned the bloody demilitarized zone. This $2 billion brainstorm of the former Defense Secretary, like so many of his other unfortunate projects, has proven a dismal failure.

In a recent article for the American Newspaper Alliance, appearing in the December 15 issue of the Chattanooga Times, Col. R. D. Heinl, Jr., has told the whole story of this wasteful blunder. Because of its importance, I include it in the RECORD:

McNAMARA LINE IS BIG FAILURE—$2 BILLION VENTURE IN VIETNAM DOESN'T DO THE JOB

(By Col. R. D. Heinl, Jr.)

SAIGON.—By long odds the most impassable barrier in the controversial McNamara Line across the DMZ is the tight barrier of embarrassed silence that envelops this $2 billion scheme.

The quickest way to get a general to clam up in Vietnam is to say, "General, can you tell me about the McNamara line?"

Supposedly sired in early 1967 by then Defense Secretary Robert McNamara himself (but also pressed hard, in the face of unanimous military objections, by Deputy Defense Secretary Paul Nitze), the McNamara Line was to be an electronic and infra-red detection belt of sensors, sniffers, wire and guardposts stretching from the South China Sea to Laos, and ultimately across Laos to Thailand.

The concept of this great wall of gadgets was that it was to reveal and record North Vietnamese line-crossing through the DMZ as the Communists struggled over a 600-meter defoliated belt strung with barbed wire and "German tape" (fiendish mile-long strips of double edge razor-blade).

Behind these obstacles, a fixed chain of defense posts such as Con Thien and Khe Sahn—"Little Alamos," somebody called them—was to stop anybody who made it through the barrier belt.

NITZE CAN'T UNDERSTAND

With inarticulate stubbornness the generals bucked the project from the first. Patiently citing the Chinese Wall and the Maginot Line, they tried to explain that no fixed barrier in the history of war had ever stopped an invader.

When one senior staff officer in the Pentagon repeated this to Nitze, that sharp-tongued intellectual, more used to explaining than being explained to, burst out, "I just don't understand you military people. What harm can it do?"

Nitze's question probably reflects just about the extent of critical examination the project ever received.

In the Pentagon a $1,500 proposal from people in uniform gets ten thousand dollars worth of systems analysis, qualification, social-scientific evaluation, and four years' program definition before approval.

If the McNamara line concept—which so far has cost at least $2 billion—ever fell under Alain Enthoven's basilisk eye, nobody will admit it.

Apparently when hunches originate within the Pentagon's civilian oligarchy, they are immune to the exasperating scrutiny of the statisticians and economists who in the sacred name of cost-effectiveness have put old-fashioned oil-fuel engines into new super-carriers, have frustrated the authentic genius of Admiral Rickover, and have built white-elephant aircraft like the F–111.

COST UNIMPORTANT

"Forget the cost, General!" was the abrupt civilian cut-off received by one senior officer who in seven years under McNamara's tight fist had learned to worry about little else.

So the dozers and harrows of the engineer battalions were put to work—under steady Communist fire, inflicting costs somewhat more difficult to forget—to clear six miles from the sea of Con Thien.

"Ranch-hand" aircraft, which have fruitlessly tried to defoliate some of the world's wettest and lushest jungle, sprayed the strip, and the troops patiently set in the electronic sniffers and sensors.

During the past year, although the sniffers have registered the pungent smells of many hundreds of stray water buffalo, the detection system has proved less sensitive to at least four North Vietnamese regiments and their vehicles.

And finally, about the time that Clark Clifford replaced obstinate Robert S. McNamara, work on the barrier stopped—very quietly.

Today, from the air, you can see the sword-grass thriving on the defoliants. Also from the air you can see acres of dumps containing unused German tape, prefabricated bunkers, and many large crates of gadgets—deteriorating expensively in the monsoon rains.

Whenever anyone asks about the McNamara Line he is greeted with tight-lipped official silence. "We can't talk about it—not at all," one general told me.

His caution is understandable. If he were to discuss the McNamara Line with a reporter, it would be worth his next star. Civilian supremacy over the military has never been more effective than in its ability to cover up a $2 billion civilian blunder.

SENATE—*Friday, January 31, 1969*

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Reverend Robert W. Galloway, pastor, Towson Presbyterian Church, Towson, Md., offered the following prayer:

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

Gracious God, our Father, in humility and with grateful hearts, we thank Thee for the blessings which we have known at Thy hand. Thou hast taught us life's proper attitudes and postures. We recite our lines on cue and the ritual continues. Yet within Thy grace, there is love, there is laughter, there is music, and Thy gifts and inspiration have lifted us as individuals and as a nation to moments of glory. Lead us then, O Father, that we may continue in faith—that there may be the miracle of peace and brotherhood in every heart. Let our purpose be high and in keeping with Thy holy will.

Give Thy servants Thy blessing, O Father, through Jesus Christ our Lord. Amen.

MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT (H. DOC NO. 91–70)

Under authority of the order of the Senate of January 29, 1969, the Secretary of the Senate, on January 30, 1969, received the following message from the President of the United States, which was referred to the Committee on Government Operations:

To the Congress of the United States:

New times call for new ideas and fresh approaches. To meet the needs of today and tomorrow, and to achieve a new level of efficiency, the Executive Branch requires flexibility in its organization.

Government organization is created to serve, not to exist; as functions change, the organization must be ready to adapt itself to those changes.

Ever since the Economy Act of 1932, the Congress has recognized the need of the President to modernize the Federal Government continually. During most of that time, the Congress has provided the President the authority to reorganize the Executive Branch.

The current reorganization statute—Chapter 9 of Title 5 of the United States Code—is derived from the Reorganization Act of 1949. That law places upon the President a permanent responsibility "from time to time to examine the organization of all agencies" and "to determine what changes therein are necessary" to accomplish the purposes of the statute. Those purposes include promoting the better execution of the laws, cutting expenditures, increasing efficiency in Government operations, abolishing unnecessary agencies and eliminating duplication of effort. The law also authorizes the President to transmit reorganization plans to the Congress to make the changes he considers necessary.

Unfortunately, the authority to transmit such plans expired on December 31, 1968. The President cannot, therefore, now fulfill his reorganization responsibilities. He is severely limited in his ability to organize and manage the Executive Branch in a manner responsive to new needs.

I, therefore, urge that the Congress promptly enact legislation to extend for at least two years the President's authority to transmit reorganization plans.

This time-tested reorganization procedure is not only a means for curtailing ineffective and uneconomical Government operations, but it also provides a climate that enables good managers to manage well.

Under the procedure, reorganization plans are sent to the Congress by the President and generally take effect after 60 days unless either House passes a resolution of disapproval during that time. In this way the President may initiate improvements, and the Congress retains the power of review.

This cooperative executive-legislative approach to reorganization has shown itself to be sensible and effective for more than three decades, regardless of party alignments. It is more efficient than the alternative of passing specific legislation to achieve each organizational change. The cooperative approach is tested; it is responsive; it works.

Reorganization authority is the tool a President needs to shape his Administration to meet the new needs of the times, and I urgently request its extension.

RICHARD NIXON.

THE WHITE HOUSE, *January 30, 1969.*

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The VICE PRESIDENT. Without objection, it is so ordered.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of