The motion was agreed to; and the Presiding Officer appointed Mr. MUSKIE, Mr. WILLIAMS of New Jersey, Mr. MONDALE, Mr. HUGHES, Mr. TOWER, Mr. BENNETT, and Mr. BROOKE, conferees on the part of the Senate.

PRESIDENT NIXON'S ADDRESS ON VIETNAM

Mr. BYRD of West Virginia. Mr. President, there was little that was new in the President's speech on last evening. But in my judgment he took the only reasoned and logical position under the circumstances.

It is clear that the obstacle to ending the war is North Vietnam. For us to precipitously withdraw could bring about the massacre of thousands of South Vietnamese. It would cause our friends to lose confidence in us and, as the President stated, we would lose confidence in ourselves.

In view of the unwillingness of Hanoi to negotiate, the President clearly stated that he has adopted a plan for complete withdrawal of all United States ground combat forces "on an orderly scheduled timetable" conditioned on the growing ability of the South Vietnamese to defend themselves and on the reduced level of enemy activities. This will take time. It cannot be done overnight.

The President can get us out of the war sooner if he has the unity and support and understanding of the American people.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 56 minutes p.m.) the Senate adjourned until Wednesday, November 5, 1969, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES—*Tuesday, November 4, 1969*

The House met at 12 o'clock noon.

The Reverend John C. McCollister, Bethlehem Lutheran Church, Lansing, Mich., offered the following prayer:

Almighty God, our Heavenly Father, sometimes we are overwhelmed with the responsibilities with which we have been entrusted. Yet we are mindful that Thou hast promised Thy help to those who call upon Thee.

If our visions grow dim, guide us by Thy hand.

If we feel alone when our work is not welcomed by others, strengthen us with Thy presence.

We do not ask to escape our responsibilities; we ask only for help in doing Thy will.

God bless this Congress in all of its deliberations. God bless our President in his decisions. God bless our great Nation as together we strive for peace on earth, good will toward men.

Grant this through Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 2917) entitled "An act to improve the health and safety conditions of persons working in the coal mining industry of the United States," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS of New Jersey, Mr. RANDOLPH, Mr. PELL, Mr. NELSON, Mr. MONDALE, Mr. EAGLETON, Mr. CRANSTON, Mr. JAVITS, Mr. PROUTY, Mr. SCHWEIKER, Mr. SAXBE, and Mr. SMITH of Illinois to be the conferees on the part of the Senate.

DR. JOHN C. McCOLLISTER

(Mr. CHAMBERLAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHAMBERLAIN. Mr. Speaker, through the courtesy of our Chaplain, Dr. Edward Latch, it was a pleasure for me to invite Dr. John C. McCollister, pastor of Bethlehem Lutheran Church of Lansing, Mich., to offer the invocation today.

Dr. McCollister is a graduate of Capital University and Evangelical Lutheran Theological Seminary of Columbus, Ohio, and received his doctorate from Michigan State University this past summer. He served as pastor of the Zion Lutheran Church of Freeland, Mich., before coming to Bethlehem Church of Lansing.

It is interesting to note that in addition to his ministry at the church, Dr. McCollister also serves as a juvenile probation officer for Ingham County, Mich.

It is an honor to welcome Dr. and Mrs. McCollister to our Nation's Capital and, particularly, to the House of Representatives.

PERMISSION TO FILE CONFERENCE REPORT ON S. 2546

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report, on the bill, S. 2546, the military procurement authorization bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESOLUTION IN SUPPORT OF THE PRESIDENT FOR A JUST AND HONORABLE PEACE IN VIETNAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, upon the convening of the House today, a bipartisan group of 100 Members, including 50 Democrats and 50 Republicans, introduced a resolution expressing our essential support of the President in his efforts to negotiate a just and honorable peace in Vietnam.

The 100 initial cosponsors jointly represent perhaps 45 million Americans. They come from every section of the country. We believe that the resolution firmly expresses the feelings of the preponderant majority of the American people.

This resolution says to the world that this Nation is not about to tear itself apart upon the shoals of international dissension, but is fundamentally united in support of the basic principles of peace and self-determination enunciated by Presidents Kennedy, Johnson, and Nixon.

This resolution, if it is adopted by the House in an overwhelming vote, will illustrate quietly but clearly and effectively to North Vietnam that its leaders may not simply hold out, refuse to negotiate, and intransigently prolong the war in the expectation of our imminent internal collapse.

The thrust of the resolution, however, is clearly toward peace. It makes no threats. It rattles no sabres. It pledges us, as President Nixon has done, to abide by the result of free elections. It calls on Hanoi to make the same pledge.

I include the text of this resolution at this point in the RECORD:

H. RES. 612

Resolved, That the House of Representatives affirms its support for the President in his efforts to negotiate a just peace in Vietnam, expresses the earnest hope of the people of the United States for such a peace, calls attention to the numerous peaceful overtures which the United States has made in good faith toward the Government of North Vietnam, approves and supports the principles enunciated by the President that the people of South Vietnam are entitled to choose their own government by means of free elections open to all South Vietnamese and supervised by an impartial inter-

national body, and that the United States is willing to abide by the results of such elections, and supports the President in his call upon the Government of North Vietnam to announce its willingness to honor such elections and to abide by such results and to allow the issues in controversy to be peacefully so resolved in order that the war may be ended and peace may be restored at last in Southeast Asia.

VIETNAM RESOLUTION

(Mr. EDMONDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Speaker, I want to commend the able gentleman from Texas, who has just left the well, for his leadership in the sponsorship of the unity resolution, which has been joined in today by 100 Members of the House of Representatives representing both sides of the aisle. I join with him in the hope that this will provide a broad foundation on which the American people can unite in support of the President's efforts to conclude a peace with justice in Vietnam. I think it is the time across this country to stop dividing the American people between hawks on one side and doves on the other. It is time to try to reach a broad plane of American agreement and understanding that is clear to those hostile forces who are primarily responsible for the continuation of hostilities in South Vietnam.

It is my hope that we can bring an end to bipartisanship on this issue, that we can bring an end to the divisions that have been present in our own ranks, that the House Committee on Foreign Affairs will speedily report this resolution favorably to the House of Representatives, and that it will be passed by an overwhelming vote and a majority vote of both Democrats and Republicans in the House.

IN SUPPORT OF THE VIETNAM RESOLUTION

(Mr. SLACK asked and was given permission to address the House for 1 minute.)

Mr. SLACK. Mr. Speaker, everyone wants peace in Vietnam. No American wants to prolong the conflict. The basic question is: How do we get peace?

As I see it, there are only two ways, either we can surrender and abandon the effort, leaving the North Vietnamese to do as they please; or, we can drive harder for a decent and honorable settlement of the issues. This resolution would help achieve the latter.

Unless we simply want to get out immediately and agree to a Communist victory, all of us should support this resolution.

TENTATIVE SCHEDULE FOR REMAINING APPROPRIATION BILLS

(Mr. MAHON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, the Committee on Appropriations has laid out a tentative schedule for the appropriation bills which must pass the House during the remainder of this session. All but one hinge to a greater or lesser degree on authorization bills not yet enacted.

We marked up two bills yesterday which we now expect to report next week.

We also hope to report two more bills the following week. And the others shortly thereafter.

We expect the other body to shortly report and act upon several of the bills now pending there. It reported the State-Justice-Commerce bill yesterday.

There will be much conference business to attend to.

While the bills not yet reported to the House—except for the District of Columbia bill for which the revenue measure was cleared last week—all hinge to some extent on pending authorization, we expect to keep in touch with the leadership to the end that these bills can be taken up on the floor just as soon as possible.

WE MUST WIN THE WAR IF WE ARE TO END IT

(Mr. POAGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POAGE. Mr. Speaker, I join in commending the President for his determination not to advise the Communists of North Vietnam that if they can but hang on until a date certain, they will be allowed to conduct any butchery they want to in South Vietnam with no interference from us. The President has clearly exposed the fallacy of those who would send a notice to the Communists as to when it will be safe for them to proceed with their orgies. Certainly the President has taken a far more realistic stand than the "peace at any price" group.

He has not encouraged our enemies. For this reason I join in the resolution commending this determination, but I feel that it is indeed unfortunate that the President has not gone further and announced that unless the Communists begin meaningful negotiations at once, he was going to end this war once and for all without further delay.

The way to end this war is to win it. The way to win it is, after giving public notice of what we plan to do, to bring all of our military force to bear on Hanoi. Only by doing this can we stop the day-by-day loss of American lives, and only in this way can we keep faith with those brave men, both living and dead, who struggled there. In the words of Abraham Lincoln:

> It is for us the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced . . . that we here highly resolve that these dead shall not have died in vain.

THE PRESIDENT'S SPEECH ON VIETNAM

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, President Nixon's speech made a lot of sense. It was a timely and needed discussion of the facts about Vietnam. It took courage because most of the pressure on the President undoubtedly has been to yield to the elements which are demanding that we get out of Vietnam.

The speech will not satisfy the critics, nor will anything satisfy most of them except capitulation to Communist demands. The speech may help steel the resolve of the American people and make them realize there is another side to the controversy—the American side. This is something which has been too long neglected.

It is my hope that the President will now have the full support of the American people as the quest for peace—a reasonable peace with honor—continues. I am proud that America has a President who has refused to accept defeat. If the American people will now rally behind him, we will find the Communists much easier to deal with.

AMERICAN PEOPLE ARE UNITED

(Mr. PURCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURCELL. Mr. Speaker, it is with a great deal of pride that I join the gentleman from Texas (Mr. WRIGHT) and the other cosponsors of the resolution introduced here today expressing support for meaningful efforts to obtain peace in Southeast Asia.

I would hope that by this action, it will be readily apparent to the North Vietnamese Government that while this Nation may have differing opinions as to our proper course of action in Vietnam, these differences should not be interpreted by the North Vietnamese as a sign of weakness on our behalf.

Any debate among ourselves does not affect, nor will not affect the constitutional power vested in the President of the United States to speak for the United States on official foreign policy. If the North Vietnamese have not yet learned this, they had better learn it now. I hope they pay close attention to what we are saying here today.

Mr. Speaker, I am proud to be an original cosponsor of this resolution. The best military information indicates that the enemy in Vietnam has been, for major purposes, militarily defeated. The Vietcong is incapable at this time of launching another major offensive. Yet what irony that, at the moment of disintegration of the Vietcong, America appears to be disintegrating. I believe that America's internal disintegration is more apparent than real. I think the American people are united. I support this resolution because I believe it expresses the basic convictions of the Nation.

PRESIDENT'S SPEECH ON VIETNAM

(Mr. OTTINGER asked and was given permission to address the House for 1

minute and to revise and extend his remarks and include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the President's speech on the Vietnam war last night was not just disappointing—it was tragic.

The President took no new initiatives to end the war—he proclaimed its perpetuation. He reiterated in the same tired terms used by President Johnson the inadequate justifications and discredited rationales for continuing our military participation that already have been the basis for our sacrificing 44,000 of our youth in South Vietnam.

It seems incredible that the President in his speech should so totally have failed to comprehend the fundamental error of our Vietnam policy—the commitment of American troops to impose a repressive military regime on South Vietnam.

"Vietnamization" is just another name for military victory as our goal in Vietnam. It means indefinite military support of the Thieu-Ky regime. It reveals no plan to end the war. Quite the contrary, the plan revealed is for an endless continuation of the war with U.S. military support.

The President's failure to respond to the North Vietnamese reduction in troops and fighting as an invitation to mutual deescalation forecloses one of the most promising ways to end the war. If every enemy pullback is interpreted as a sign of weakness, we make it impossible to achieve the fading away of the war that many experts see as the most promising avenue of its termination.

Many of my colleagues are saying that the President has done everything he can to achieve an end to the Vietnam war. I question this. At no time would it appear that the President has made any offer in negotiations that was not predicated on the perpetuation of the present South Vietnamese military government either directly or as controling the terms of an eventual election. These are propositions that Hanoi cannot be expected to accept

Many of my colleagues say that we should call on Hanoi, not the President, for concessions. Certainly, Hanoi must come half way if we are to realize a settlement.

But, while Hanoi has not been forthcoming with words in Paris, it appears to have responded in action in South Vietnam. It has drastically reduced its troops in South Vietnam, its rate of infiltration and its attacks.

Instead of interpreting Hanoi's reductions as a gesture of peace, however, and responding in kind, the President has ignored them. If the President really wants to end the war, he should at least test the enemy's reductions with our own.

I agree with the President that we should not engage in precipitate unilateral withdrawal—but I cannot agree that this is the only alternative to plodding on with the war.

The President's laying down of the gauntlet to dissenters as the harbingers of "defeat" and "humiliation" was particularly unfortunate. It will only arouse ugly passions and play into the hands of those who have dispaired of peaceful, democratic change.

The only defeat or humiliation the United States has experienced from the Vietnam war is the pursuit of mistaken policies. Those who seek peacefully to change those policies enhance the honor of their country. We seek a settlement of the war that will truly permit the Vietnamese to determine their own future—not one that will permit either Hanoi or the South Vietnamese generals to impose their solutions upon them.

In my opinion, we must now redouble our efforts to seek this fundamental change.

PRESIDENT'S SPEECH INTENSIFIES DIVISIONS WITHIN COUNTRY

(Mr. ROSENTHAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSENTHAL. Mr. Speaker, President Nixon has chosen, in his long awaited speech on Vietnam, to intensify the divisions within our country on that war. His policy is based on the belief, which I must reject, and which is obviously faulty that the United States, having announced a policy of withdrawal, can still win the war.

He has asked the American people to support that policy, no matter where it leads. The President has dismissed the opponents of that policy as a vocal minority. In this, he has made a grave miscalculation of the judgment of the country.

The silent majority in our country want the war ended now. The President fails to understand that judgment. He compounds the error by seeking support for policies already tried and already discredited.

We in Congress must try to lead that great majority of Americans who now admit that Vietnam was a tragic error from which no great victory of principle or of the battlefield can come.

We are beyond Vietnamization of the war which has been tried and has failed. We are beyond further reliance on a South Vietnamese Government which has tried for 6 years to win the support of its people, and has failed.

We must now assert an Americanization of the peace. The silent majority of Americans will speak out in the coming days and months for that peace.

PRESIDENT WAS FIRM IN HIS DESIRE AND HIS COURSE

(Mr. CASEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CASEY. Mr. Speaker, I have joined with the gentleman from Texas (Mr. WRIGHT) in his resolution. This resolution was drawn before last night.

Some people were expecting a bombastic type of speech from the President and some were expecting some new gimmick, but none was forthcoming, and none should have been forthcoming. Our country's course has been one of responsibility and our leadership has been one of responsibility.

I was pleased that the President was firm in his desire and firm in what his course was going to be.

I disagree with the gentleman who preceded me in the well, the gentleman from New York (Mr. ROSENTHAL). I think the majority of the people do want the President to be firm, and they do want him to make all the effort he can to convince North Vietnam we want to negotiate now, not grind them into the dust. The President was firm in making it clear that, if they did not react and if they did not recognize the solidarity of this country and our desire to negotiate a peaceful settlement, that some other action would be forthcoming.

I would like the President to take any action he sees fit, if North Vietnam does not realize the responsibility it has to the peace of this world and negotiate now on a very firm and dignified basis for a peaceful settlement of this war.

One of the commentators on TV last night stated that this speech would encourage Members of Congress to take to the streets on the 15th of this month in support of withdrawal. I do not know where that commentator got his information or where he gets such a warped idea, but he certainly does not deserve to be with a major network as a news analyst.

I urge the other Members of this body to join with those of us who have placed our names on this resolution, and to join in passing this resolution, showing the firm determination and the solidarity of this country to get a peaceful settlement for South Vietnam and for the people of the world.

There is no question about it; if we pull out we are losing the war. It would be a defeat. That is something this country has never done when we thought we were right, and I for one do not want our great Nation humbled in this fashion.

SUPPORT FOR THE PRESIDENT

(Mr. HAYS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, I was one of the 100 who introduced the resolution today to affirm support for the President, and I am going to read from that resolution.

It refers to "his efforts to negotiate a just peace in Vietnam."

It calls attention to the "numerous peaceful overtures which the United States has made in good faith."

It "supports the principle of free elections open to all South Vietnamese."

It says we will abide by the results and asks Hanoi to do likewise.

I heard a Member of the House of Representatives on television last night in commenting on the President's speech say that the American people were not going to any further support the corrupt regime in South Vietnam. I am sure there is some corruption in the South Viet-

namese Government, but at least it was elected by somebody. I cannot understand for the life of me these people who go around supporting Hanoi and never once admit that it is a dictatorship that nobody ever voted for.

That is exactly what people who are trying to divide this country are doing. They are supporting Hanoi.

There is not a Communist government in the world which would submit to a free election. Do you believe they would do it in Czechoslovakia? Do you believe they would do it in Rumania? Do you believe they would do it in Hungary? I could read the whole list—yes, Poland, and even Soviet Russia itself.

In my 21 years in this House there has been only one election that I can recall in a country which was partially occupied by Soviet troops which was a free supervised election, and that was in the little country of Austria when it was still occupied by the occupying powers. The prognosticators said the Communists would get probably 30 or 40 percent of the vote. They got 4.7 percent when people had a choice, a chance to express themselves.

If we could put the question—I do not care what language it is put in—simply to the American people, "Do you want a just peace in Vietnam or do you want Hanoi, a Communist dictatorship, to take over?" you fellows can kid yourselves all you want to, that the silent majority would support your position; it would be repudiated 10 or more to 1.

The American people want peace. They want a just peace. They want a peace that will last, that will insure that American boys now in grade school will not be fighting a strengthened international Communist Army somewhere else closer to home.

SUPPORT FOR THE PRESIDENT

(Mr. HULL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HULL. Mr. Speaker, I cosponsor and heartily endorse the resolution on Vietnam being introduced today by myself and a number of my colleagues.

In this resolution, we express our support of the efforts of the President of the United States to effectuate an honorable end to the Vietnam conflict and state the conditions we believe should be obtained before any negotiated settlement is reached.

While we do not seek a military victory at any price in Vietnam, we must also avoid peace at any price if the price is the abject and humiliating and dangerous surrender which some of the immoderates in our country demand.

This resolution, in my judgment, articulates the feelings of the great majority of Americans concerning the Vietnam conflict. These are not the people who are out shouting and waving placards and telling us how terrible we are to be fighting those harmless Communists. These are not the citizens who try to dictate American foreign policy on the streets. These are the openminded, levelheaded, patriotic Americans that join us in supporting the President as we carefully move to achieve peace with honor in Vietnam.

SUPPORT FOR THE PRESIDENT

(Mr. DORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORN. Mr. Speaker and my colleagues, I rise to support the position of the President of the United States of America this morning in regard to Vietnam and Southeast Asia.

I might point out that Admiral Peary, speaking before the National Geographic Society in New York City in 1856, said that some day the forces of freedom and the forces of totalitarianism would be locked in a death struggle in Southeast Asia.

Teddy Roosevelt in 1902 echoed the same sentiments and warned the free peoples of the world against the totalitarian regime that would conquer all of Asia.

Secretary Stimson commented about it in 1931. I only wish the American people and the Congress of the United States at that time had heeded the warning of Secretary Stimson, when the imperial warlords of Japan first entered in Manchuria.

If ever there was a nation in the history of the world which had a responsibility in Southeast Asia and in Asia it is the United States of America. Billions and billions of dollars and hundreds of thousands of American manpower were poured into Asia to free this very area of the world from the imperial warlords and conquerors of Japan—all of China, Southeast Asia, India, Thailand, Burma were saved by the United States of America.

I am glad that we have a President today, as we have had in the past, who is not going to preside over the liquidation of American interests in Southeast Asia, and who is not going to precipitously run, and abandon the cause of freedom. To do so would encourage the Communists all over the world, including Communist Cuba, located only 90 miles from our shore, and eventually we would have to face them in some other place at some other time, in greater strength closer home.

Today I join many of my colleagues from both sides of the aisle in introducing a resolution supporting the President's position that the people of South Vietnam are entitled to choose their own government by means of a free election. I stand by free elections in Vietnam. This resolution calls on Hanoi to make the same pledge. We will abide by the results of such elections. In fact, the regime in South Vietnam today was elected by the people in a free election. The warlords and those who oppose peace are in Hanoi. Once again we call on them to meet us one-tenth of the way in our efforts to negotiate a just and honorable peace in Vietnam.

CONGRESSMAN ANNUNZIO SUPPORTS PRESIDENT'S EFFORTS TO NEGOTIATE PEACE IN VIETNAM

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, I would like to join with my colleagues today in cosponsoring and supporting the resolution on Vietnam introduced by the Honorable JIM WRIGHT, the distinguished Representative for the 12th District of Texas.

I believe that the time has come for all Americans to unite and stand behind our President in his pursuit of a just and honorable peace in Vietnam. The U.S. commitment to a peaceful resolution of this conflict has been made clear. We have time and again met North Vietnam's demands for demonstrations of good faith: We have stopped the bombing. We have met at the negotiating table. We are withdrawing troops. We have deescalated our offensive deployment of troops. Meanwhile, what has North Vietnam done?

The United States seeks no territory and no domination in Vietnam. We seek only one thing: Some solid assurance that the people of South Vietnam will be allowed freely to choose their own path for the future, to elect their own government. The United States has repeatedly reiterated its willingness to stand by the results of free elections supervised by an international body. Why cannot North Vietnam endorse the concept of freedom of choice and accept this plan for free elections? Such an action by North Vietnam would at last be a demonstration of North Vietnam's commitment to peace. To date we have seen no true expression of North Vietnam's interest in peace.

Those Americans who support the President should not stand silent. We too must stand and be counted. In introducing this resolution, Representative WRIGHT has made his voice heard. I feel honored to join him by endorsing a resolution which I believe echoes the sentiment of many Americans. The President has outlined a rational and honorable path to a true and lasting peace in Southeast Asia. Let us give him the time and the support necessary to enable him to follow this road toward a just resolution of the Vietnam conflict. A wise man once said that the journey toward world peace is one of a thousand years; let us all unite in an effort to make 1969 the year that marked a giant step in that journey.

THE PRESIDENT'S SPEECH ON VIETNAM

(Mr. WAGGONNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Speaker, last evening my President and yours addressed the people of this Nation in a manner which I think is to be commended.

The President of the United States talked to the people of this country honestly and as factually as they have ever been talked to about the war in Vietnam. I do not believe I have ever seen a man talk more sincerely than the President of the United States did last night. He talked about the facts of life that we are faced with in the war in Vietnam.

Mr. Speaker, the President should have proved conclusively to the people of the United States that he as their President has done everything that could possibly be done to bring an honorable end to the conflict in Vietnam. I believe that he is wholly sincere. He said to our people and he said to the Vietnamese, we will end this war if you want to.

I am convinced that he has done everything one man could do to bring an honorable end to this war.

But, Mr. Speaker, it is time for those who demand so much of our President and country in the way of concessions to ask the North Vietnamese for once to do their part.

Those whom I believe are in a minority in this country and who demand that we quit and destroy this country at home and abroad ought to ask Hanoi to meet us halfway. They have not taken the first step yet.

Mr. Speaker, I support my President in his efforts to achieve peace, a lasting honorable peace in these troubled times.

NOT THE EASY COURSE, BUT THE RIGHT COURSE

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, in his address to the Nation, President Nixon made it abundantly clear that he specifically and categorically rejected the counsel of those who have urged that our troops be pulled out immediately, regardless of the consequences. As a President must, he has weighed the consequences—and he rightly concluded that whether measured in terms of the safety of the people of Vietnam, the future of Southeast Asia, the long-term prospects of peace, or even the health of the American spirit itself, such a course would be catastrophic. But he has committed himself to their withdrawal, on a timetable carefully pegged to the readiness of the South Vietnamese to take over the fighting, and to the level of combat itself.

In short, the war in Vietnam will be turnd over to the Vietnamese—but in a way that gives them a chance. The United States will thus be true to its commitments, true to its conscience, and true to the cause of peace.

This is the path not of expedience, but of statesmanship. As the President noted, he has a responsibility to think not only of the years of his own administration, but also "of the effect of my decision on the next generation and the future of peace and freedom in America and the world." It is in that spirit that he has taken not the easy course, but the right course.

Mr. Speaker, I am also one of the authors of the Wright resolution that supports the President's stand on the Vietnam war.

MAKEUP OF THE NEW MOBILIZATION COMMITTEE AGAINST THE WAR IN VIETNAM

(Mr. ICHORD asked and was given permission to address the House for 1 minute.)

Mr. ICHORD. Mr. Speaker, I support the resolution of the gentleman from Texas. I support the President of the United States. The plan which he outlined is not what I would do if I were in his position, but he is my President, he is the Commander in Chief of the Armed Forces of the United States, and I support him.

However, I rise specifically, Mr. Speaker, to advise the gentleman from Texas (Mr. CASEY) with whom the Congressmen who take to the streets on November 15 will be joining. On October 8 I pointed out to the House that the evidence strongly indicates that the New Mobilization Committee Against the War in Vietnam, the group heading up the fall offensive of which the coming march on Washington is a part, is dominated by Communists. In order that my colleagues will be apprised of the nature and extent of this propaganda assault upon the Nation, I directed the staff of the Committee on Internal Security to prepare a study of the nature and the relationships of the various groups involved.

Mr. Speaker, I ask unanimous consent that I may be permitted to insert this study in the Extensions of Remarks portion of the RECORD.

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

There was no objection.

(See page 32947.)

IN SUPPORT OF THE PRESIDENT'S PLAN

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, there are those who are disappointed by the President's speech last night because it did not offer some new panacea for peace.

I think, however, that in the cold light of today they must recognize that the President was right when he made it plain that there is no easy solution; there are only two alternatives: immediate, precipitate withdrawal of all Americans without regard to the consequences, or a continued search for a just peace through a negotiated settlement if possible or through continued efforts to Vietnamize the war, if necessary.

For those without responsibility it may be easy to call for peace at any price.

But those entrusted with making the cold, hard decisions that America must live with now and forever, know that the easy answers are not always the right answers.

The President said the road to peace is a two-way street and we have gone down it as far as we can alone. The next move is up to Hanoi. The speed with which U.S. troops withdraw will be determined by the decisions made in Hanoi.

We have no reasonable alternative, the President said. A hasty withdrawal of U.S. troops would only pose larger threats to peace in the years to come. The lessons of history are clear on that point.

An orderly Vietnamization of the war is in keeping with the President's overall new foreign policy in Asia and throughout the world. That policy does not mean the United States will pull back into an isolationist shell. It means that we will lower the scale of our involvement throughout the world lending our support, but not our troops, to developing nations faced with external threats.

The President is clearly the only man who can bring us the meaningful and lasting settlement of this tragic war we all so earnestly seek. My prayers, my hopes, and my support are with him.

PRESIDENT NIXON'S SPEECH ON ENDING THE WAR IN VIETNAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, first let me say to those who have sponsored the resolution presented to this House that I compliment them and applaud them, and I am happy that I could be a part of the 100, and I am sure there would be many more who would like to join.

Mr. Speaker, President Nixon's speech last evening on the perplexing problem of Vietnam well served the purpose for which it was designed.

Without fancy rhetoric and without oratorical dramatics he presented to the American people the hard, cold facts with respect to why we are in Vietnam and how we seek to bring this war to an honorable settlement. He took the American people completely into his confidence, well knowing that once the people have all the facts they will arrive at the right decision.

The speech was also designed to make crystal clear to our allies, as well as Hanoi, that while the American people love peace and will tirelessly work for peace, they love freedom even more.

He made it crystal clear to the world that we have no intention to summarily haul down our flag and summarily withdraw our troops—in other words simply surrender.

Such a course would mean that all our sacrifices have been in vain. It would mean deserting the people of South Vietnam and leaving them to the ruthlessness of the Communists. It would create a distrust among our allies around the world as to our loyalty and our firmness in the cause of freedom. It would be an open invitation to Communist Russia to continue with its policy of subversion and aggression in keeping with its design for world conquest.

This is the course the vast majority—

the silent majority—of the American people would not have us take.

Contrary to what many have been contending, President Nixon has a plan for bringing the Vietnam war to an honorable settlement. He outlined the nature of this plan which he initiated shortly after taking office last January.

President Nixon's plan for Vietnam is to Vietnamize the war—increasing Vietnamese responsibility for all aspects of the war and for the handling of their own affairs.

It is directed toward preparing South Vietnam to handle both the Vietcong insurgency and regular North Vietnamese armed forces regardless of the outcome of the Paris talks. It involves much more than enabling the South Vietnamese military forces to assume greater military responsibility. It means more than building a stronger South Vietnamese military force. It means building a stronger economy and stronger internal forces and a stronger government to the end that the people of South Vietnam will be able to establish whatever kind of government they wish free from outside aggression.

The President revealed the many avenues, aside from the Paris talks, of approach he has made to bring this war to an honorable settlement and that he intends to continue in these efforts. I am sure the vast majority of the American people will give our President their support. We must recognize that under our Constitution he has primary responsibility for the conduct of foreign relations and he is Commander in Chief of our Armed Forces. It would be folly for us to second-guess the President. The time has long since arrived when we should stop negotiating with ourselves and unite behind the President in his efforts to negotiate a settlement which will best insure peace in the world and security for the American people. I am pleased that the President will not allow himself to be stampeded by noisy outbursts of those who differ even among themselves as to how the war should be brought to an end.

For my part I have the greatest confidence in President Nixon. I am sure the vast majority of the American people share this confidence in him. Last night he took all of us into his confidence. As our President—the President of all of us—he speaks and acts for all of us. No less than anyone of us he strives to end this war and to end it honorably. All of us are for peace but very few are for peace at any price. Our President deserves our active support.

IN SUPPORT OF THE PRESIDENT

(Mr. HALL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HALL. Mr. Speaker, last night the President of the United States candidly "laid it on the line," to the American people. To use a current expression, "he told it like it is."

The President put the Hanoi government on notice that the word of the United States is not to be taken lightly, and that we as a nation are not going to run out on our commitments.

And that if the war in Vietnam is to be prolonged, it will be prolonged by the refusal of the Communist of the north to negotiate a just and honorable peace.

I think it should also be noted, Mr. Speaker, that the message Mr. Nixon gave to the Nation last night was prepared and written by him—the elected representative of all the people of the United States, and was not written by some Member of the Congress who is elected as a representative of only one State, or even a section of one State.

The President has said he has a plan to end the war and bring home America's fighting men. I believe him.

He called on the strong silent majority of Americans, those who have indicated their support of his methods of "winding down" the war—by not taking to the streets or degenerating into name calling and character assassination—to come forth and make themselves heard in unity and support of his attempts to find a peaceful settlement. Surely, no longer can truly responsible individual citizens properly exercise their responsibility as good citizens, otherwise.

I join with the President in asking all Americans for this support. The least I can do is offer him mine. I believe the great central group of broad support who do not carp, criticize, or demonstrate, will now step forward, speak out, and be heard in support of our Nation's interest.

DISHONORING OUR WAR IN VIETNAM

(Mr. SCHADEBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHADEBERG. Mr. Speaker, today I received in the mail a letter from the Washington Action Office of the New Mobilization Committee To End the War in Vietnam requesting me to join in the so-called march against death and to carry the name of one American from Wisconsin who has died in the war.

Mr. Speaker, I consider the proposed use of the name of the war dead in this march an affront. It is a most inappropriate thing to carry the name of one who gave his life in honor for the cause of human freedom and dignity in a march designed to force this Nation under whose flag he has fought and died to surrender to the enemy he had met in so intimate a manner on the battlefield. Is nothing sacred to these apologists for freedom? Cannot even the dead lie in peace? Must the families of those who died be so misused? Where is freedom of the families whose permission was not secured to carry the name to be read?

Shame on those who show so little respect not only for the dead but for the living whose loved ones are being so ungraciously dishonored.

PRESIDENT NIXON'S ADDRESS ON VIETNAM

(Mr. BRAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRAY. Mr. Speaker, last night President Nixon gave one of the most candid, forthright, and honest appraisals of where the Republic stands on a critical issue that has ever been given to the American people by their Chief Executive.

Following his patient and calm recitation of what this country has done in the past year to seek peace in Vietnam, I find it impossible to understand how anyone save possibly Hanoi could ask for more. But, unfortunately, we have in this country those whose lack of responsibility in making the decision is matched only by their peevish, petulant insistence on more and more concessions to an enemy that has not shown the remotest sign of making any himself.

Criticism of the President's remarks center around two points: First, that he did not announce an immediate, unilateral cease-fire; and, second, that he did not announce either a scheduled, step-by-step or immediate unilateral withdrawal. Let us look briefly at the implications of either move.

A unilateral cease-fire on the part of our troops would be equivalent to saying to our soldiers: "Don't shoot at the Communists. We'll stop protecting ourselves, and we'll trust them to do the same."

Unilateral withdrawal, on a timetable, or not, without any sort of similar concession on Hanoi's part, can only be called what it would be: crawling out, backward, in abject, utter surrender. Announcing to the enemy where our forces would be and what we would do, would be violating every principle of national defense.

Early in October, I wrote in one of my weekly newsletters words that I feel apply in large measure to the critics of the President's address last night:

> What in the name of all common sense do these people expect their Government to do? I sometimes think that this element will not be satisfied with *any* gesture to Hanoi, short of offering the entire North Vietnamese Politburo free entry to this country; rent-free, for life, accommodations in Blair House itself; unlimited expense accounts and Federal pensions; a Government-subsidized, syndicated column for every newspaper in the land, and the privilege of dictating U.S. foreign policy in all of Asia from Kamchatka to Kuala Lumpur!!"

I would also say to the President's critics: "It seems as if you prefer to believe Hanoi, but I notice you are not inclined to march there, nor do you address your criticism to the North Vietnamese Government."

As the President told the Nation last night, only Americans can defeat or humiliate the American Republic. We have a vocal minority that consciously or unconsciously seems to be trying to do just that. I myself have backed every single President ever elected when he called for national unity in the face of danger. And, also, for myself, I am thankful that we have a President and an administration today, and that great, silent, long-suffering American majority, that will not stand idly by and let

this vocal minority defeat or humiliate this, their native land.

PRESIDENT NIXON'S ADDRESS ON VIETNAM

(Mr. LLOYD asked and was given permission to address the House for 1 minute.)

Mr. LLOYD. Mr. Speaker, I am very proud to be one of the 100 Members of this body who have today introduced the resolution in support of the President of the United States.

Mr. Speaker, the President of the United States has told his fellow Americans the situation regarding the war in Vietnam.

I am certain that many will be surprised to know how far we have gone down the road to peace in the last 9 months, and how much further we could have come had we not been dealing with an intransigent enemy.

I think many will be surprised, because our progress has been blinded by those who cry loudly for peace now and refuse to give the President a chance to unwind this war in a way that will allow him to withdraw American fighting men without leaving South Vietnam defenseless.

Mr. Speaker, I think it is well to look again at that progress. First of all, after 5 years, Americans are coming home. Sixty thousand this year. Many more next year. And eventually the complete withdrawal of all American ground combat forces.

Second, progress in training the South Vietnamese moving at a greater rate than initially expected. That means quicker withdrawal of American troops.

Third, enemy infiltration down more than 80 percent in the last 3 months, compared to a similar period a year ago.

And last, U.S. casualties have declined in the last 2 months to the lowest point in 3 years.

Mr. Speaker, President Nixon is making progress. It is time that Americans united behind him. If they do that, progress will become even more rapid.

PRESIDENT'S REPORT ON VIETNAM

(Mr. HARSHA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HARSHA. Mr. Speaker, I would like to commend President Nixon for his candor and forthrightness in addressing the Nation last night. He has made his position clear to the American people that he is doing everything conceivable to secure a just and honorable peace in Vietnam.

In his appraisal of the war, Mr. Nixon has indicated that he has not ignored—rather, he has carefully and thoughtfully considered—any recommendations by the people of this country and of the world to bring an end to this war. He has indicated that he has accepted the responsibility, and I believe he has accepted it well, that we have given to him as our Commander in Chief to take what must be the right, but apparently very difficult, steps to end the war in Vietnam. I laud the President's courage. He has not flinched from taking this responsibility because it might be too difficult.

By considering the circumstances and evaluating the ramifications of any action he does take, I believe that the President has indeed chosen the right course to bring about an honorable extraction from the Vietnam conflict.

Mr. Speaker, we have a common goal with Mr. Nixon, and I believe that the American people should unite behind the President in his efforts to bring our troops home and to protect the mantle of liberty and freedom with which we cloak ourselves.

PRESIDENT NIXON'S ADDRESS

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I too have joined in the resolution introduced by 100 of our colleagues. In this connection, Mr. Speaker, I would like to direct the attention again of the Members to the remarks of the President last night.

Mr. Speaker, on nationwide television last night the President leveled with the American people. His message came through loud and clear. He has devoted himself and his administration to an honorable peace. The enemy must realize he is sincere in his desires, but resolute not to knuckle under to loudmouth minority pressure groups who have no answer except surrender, bug out or sell out.

President Nixon told the world he intends to continue his orderly withdrawal program, however in unmistakable terms announced serious consequences if there is an escalation by the enemy or significant increases in U.S. casualties. The President obviously did not telegraph his shots by revealing to the enemy the actual line, chapter, and verse of his withdrawal program.

Regretfully, Mr. Speaker, it is my opinion some of the news media in the form of television commentators, have rendered a great disservice to the Nation. Even before the President's final words had died away these self-professed experts were busy analyzing each other's analysis. They echoed each other with such phrases as "nothing new," "the minority dissidents are not satisfied," "the doves and peaceniks are not satisfied," and they trotted out people like Averill Harriman, sometimes referred to as the original architect of surrender, who utterly failed in his negotiating efforts, and who again reiterated his philosophy of unilateral cease-fire, deescalation, and surrender.

Thank God, Mr. Speaker, that the majority of the American people do not react like these commentators and other apologists for the Harrimans, McGoverns, McCarthy's and Kennedy's or we would be quickly relegated to the posture of a third- or fourth-rate nation.

The President is to be commended for one of the most outstanding and statesmanlike pronouncements of any President in the history of our Republic.

THE PRESIDENT SEEKS PEACE

(Mr. PELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PELLY. Mr. Speaker, I want to join those who praise the speech of the President last night. Even more, I want to join those who like what he said.

For several weeks now we have been listening to those who hopefully predicted a massive withdrawal of American troops, regardless of what it might do to our allies, the South Vietnamese; and to those who hopefully predicted that the President would initiate a unilateral cease-fire, regardless of how many American deaths might result; and to those who hopefully predicted the President might take the final unilateral step toward retreat and surrender.

Many of those who spoke and many of those who wrote, spoke and wrote with a certitude that indicated inside knowledge. Some of us wondered and worried. We need not have.

Today we know that they were writing out of thin air.

This American President, like every one of his predecessors, is not about to be the first President to preside over an American defeat. And he made that very clear last night.

The President seeks peace, the President is working hard for peace, but not peace at any price. Let me repeat his warning:

> This first defeat in our nations' history would result in a collapse of confidence in American leadership, not only in Asia but throughout the world.

What American is willing to risk that calamity? Not most of us here. Not most Americans. And—and we can all be grateful for this—not the President of the United States.

PEACE WITH JUSTICE IN VIETNAM

(Mr. ADAIR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADAIR. Mr. Speaker—

> North Vietnam cannot defeat or humiliate the United States. Only Americans can do that.

Those are the words the President of the United States spoke last night in addressing the Nation on his plan for ending the Vietnam war.

They were true words and they were words that should burn in the minds of all Americans.

> North Vietnam cannot defeat or humiliate the United States. Only Americans can do that.

Some seem to have lost the will to win a just peace. Somewhere they have come to believe that retreat and defeat and betrayal of commitments to one's allies

are honorable courses for free men and a great nation.

Mr. Speaker, God forbid that America should listen to those who have lost their faith that we can achieve a proper peace in Vietnam.

Last night the President of the United States told the world:

Let historians not record that when America was the most powerful nation in the world we passed on the other side of the road and allowed the last hopes for peace and freedom of millions of people on this earth to be suffocated by the forces of totalitarianism.

Mr. Speaker, we should all be grateful that the President of the United States is determined that this will not happen.

If we do indeed share his views, we should so inform the White House.

I think it is particularly appropriate today following the President's speech of last night that 100 Members of the House of Representatives—50 Democrats and 50 Republicans—have introduced this day a resolution calling for "peace with justice in Vietnam." The gentleman from Texas (Mr. WRIGHT) must be given credit for his initiative in this matter. Through this resolution this bipartisan group urges that the House affirm its support for the President in his efforts to negotiate a just peace. I strongly urge all Members of this body who, like myself, are dedicated to the cause of peace in Vietnam to support this resolution.

Mr. GERALD R. FORD. Mr. Speaker, after hearing President Nixon's address to the Nation, I am more convinced than ever of the rightness of his course on Vietnam.

I fully agree with Mr. Nixon's rejection of immediate withdrawal and his policy of phasing out American troops and phasing in South Vietnamese, with a continued push toward meaningful negotiations. We must not have an American Dunkirk in Vietnam.

Mr. Nixon's speech leads me to believe we can achieve a peace in Vietnam that will discourage Communist aggression in Southeast Asia and elsewhere in the world. The best way for Americans to realize that objective is to show strong support for the President in this time of crisis. President Nixon has made a frank and forthright statement on Vietnam. He is fully deserving of the people's trust and confidence.

Mr. Speaker, I append to these remarks the text of President Nixon's address on Vietnam delivered to national television and radio audiences from the White House, November 3, 1969:

Good evening, my fellow Americans:

Tonight I want to talk to you on a subject of deep concern to all Americans and to many people in all parts of the world—the war in Vietnam.

I believe that one of the reasons for the deep division about Vietnam is that many Americans have lost confidence in what their government has told them about our policy. The American people cannot and should not be asked to support a policy which involves the overriding issues of war and peace unless they know the truth about that policy.

Tonight, therefore, I would like to answer some of the questions that I know are on the minds of many of you listening to me.

How and why did America get involved in Vietnam in the first place?

How has this Administration changed the policy of the previous Administration?

What has really happened in the negotiations in Paris and on the battlefront in Vietnam?

What choices do we have if we are to end the war?

What are the prospects for peace?

Let me begin by describing the situation I found when I was inaugurated on January 20.

The war had been going on for four years.

31,000 Americans had been killed in action.

The training program for the South Vietnamese was behind schedule.

540,000 Americans were in Vietnam with no plans to reduce the number.

No progress had been made at the negotiations in Paris and the United States had not put forth a comprehensive peace proposal.

The war was causing deep division at home and criticism from many of our friends as well as our enemies abroad.

In view of these circumstances there were some who urged I end the war at once by ordering the immediate withdrawal of all American forces.

From a political standpoint this would have been a popular and easy course to follow. After all, we became involved in the war while my predecessor was in office. I could blame the defeat which would be the result of my action on him and come out as the peacemaker. Some put it quite bluntly: This was the only way to avoid allowing Johnson's war to become Nixon's war.

But I had a greater obligation than to think only of the years of my Administration and the next election. I had to think of the effect of my decision on the next generation and on the future of peace and freedom in America and in the world.

Let us all understand that the question before us is not whether some Americans are for peace and some Americans are against peace. The question at issue is not whether Johnson's war becomes Nixon's war.

The great question is: How can we win America's peace?

Let us turn now to the fundamental issue. Why and how did the United States become involved in Vietnam in the first place?

Fifteen years ago North Vietnam, with the logistical support of Communist China and the Soviet Union, launched a campaign to impose a Communist government on South Vietnam by instigating and supporting a revolution.

In response to the request of the government of South Vietnam, President Eisenhower sent economic aid and military equipment to assist the people of South Vietnam in their efforts to prevent a Communist takeover. Seven years ago, President Kennedy sent 16,000 military personnel to Vietnam as combat advisors. Four years ago, President Johnson sent American combat forces to South Vietnam.

Now, many believe that President Johnson's decision to send American combat forces to South Vietnam was wrong. And many others—I among them—have been strongly critical of the way the war has been conducted.

But the question facing us today is—now that we are in the war, what is the best way to end it?

In January I could only conclude that the precipitate withdrawal of American forces from Vietnam would be a disaster not only for South Vietnam but for the United States and for the cause of peace.

For the South Vietnamese, our precipitate withdrawal would inevitably allow the Communists to repeat the massacres which followed their takeover in the North 15 years before.

They then murdered more than 50,000 people and hundreds of thousands more died in slave camps.

We saw a prelude of what would happen in South Vietnam when the Communists entered the City of Hue last year. During their brief rule, there was a bloody reign of terror in which 3,000 civilians were clubbed, shot to death, and buried in mass graves.

With the sudden collapse of our support, these atrocities of Hue would become the nightmare of the entire nation—and particularly for the million and a half Catholic refugees who fled to South Vietnam when the Communists took over in the North.

For the United States, this first defeat in our nation's history would result in a collapse of confidence in American leadership, not only in Asia but throughout the world.

Three American Presidents have recognized the great stakes involved in Vietnam and understood what had to be done.

In 1963, President Kennedy, with his characteristic eloquence and clarity, said, "we want to see a stable government there carrying on the struggle to maintain its national independence. We believe strongly in that. We're not going to withdraw from that effort. In my opinion for us to withdraw from that effort would mean a collapse not only to South Vietnam, but Southeast Asia, so we're going to stay there."

President Eisenhower and President Johnson expressed the same conclusion during their terms of office.

For the future of peace, precipitate withdrawal would thus be a disaster of immense magnitude.

A nation cannot remain great if it betrays its allies and lets down its friends.

Our defeat and humiliation in South Vietnam would without question promote recklessness in the councils of those great powers who have not yet abandoned their goals of world conquest.

This would spark violence wherever our commitments help maintain peace—in the Middle East, in Berlin, eventually even in the Western Hemisphere.

Ultimately, this would cost more lives.

It would not bring peace but more war.

For these reasons, I rejected the recommendation that I should end the war by immediately withdrawing all our forces. I chose instead to change American policy on both the negotiating front and the battlefront.

In order to end a war fought on many fronts, I initiated a pursuit for peace on many fronts.

In a television speech on May 14, in a speech before the United Nations, and on a number of other occasions I set forth our peace proposals in great detail.

We have offered the complete withdrawal of all outside forces within one year.

We have proposed a cease-fire under international supervision.

We have offered free elections under international supervision with the Communists participating in the organization and conduct of the elections as an organized political force. The Saigon Government has pledged to accept the result of the elections.

We have not put forth our proposals on a take-it-or-leave-it basis. We have indicated that we are willing to discuss the proposals that have been put forth by the other side. We have declared that anything is negotiable except the right of the people of South Vietnam to determine their own future. At the Paris peace conference, Ambassador Lodge has demonstrated our flexibility and good faith in 40 public meetings.

Hanoi has refused even to discuss our proposals. They demand our unconditional acceptance of their terms, which are that we withdraw all American forces immediately and unconditionally and that we overthrow the government of South Vietnam as we leave.

We have not limited our peace initiative to public forums and public statements. I recognized, in January, that a long and bitter war like this usually cannot be

settled in a public forum. That is why in addition to the public statements and negotiations I have explored every possible private avenue that might lead to a settlement.

Tonight I am taking the unprecedented step of disclosing to you some of our other initiatives for peace—initiatives we undertook privately and secretly because we thought that we thereby might open a door which publicly would be closed.

I did not wait for my inauguration to begin my quest for peace.

Soon after my election through an individual who is directly in contact on a personal basis with the leaders of North Vietnam I made two private offers for a rapid, comprehensive settlement. Hanoi's replies called in effect for our surrender before negotiations.

Since the Soviet Union furnishes most of the military equipment for North Vietnam, Secretary of State Rogers, my Assistant for National Security Affairs, Dr. Kissinger, Ambassador Lodge, and I, personally, have met on a number of occasions with representatives of the Soviet Government to enlist their assistance in getting meaningful negotiations started. In addition we have had extended discussions directed toward that same end with representatives of other governments which have diplomatic relations with North Vietnam. None of these initiatives have to date produced results.

In mid-July, I became convinced that it was necessary to make a major move to break the deadlock in Paris talks. I spoke directly in this office, where I am now sitting, with an individual who had known Ho Chi Minh on a personal basis for 25 years. Through him I sent a letter to Ho Chi Minh.

I did this outside of the usual diplomatic channels with the hope that with the necessity of making statements for propaganda removed, there might be constructive progress toward bringing the war to an end. Let me read from that letter:

"DEAR MR. PRESIDENT: I realize that it is difficult to communicate meaningfully across the gulf of four years of war. But precisely because of this gulf, I wanted to take this opportunity to reaffirm in all solemnity my desire to work for a just peace. I deeply believe that the war in Vietnam has gone on too long and delay in bringing it to an end can benefit no one—least of all the people of Vietnam. . . .

"The time has come to move forward at the conference table toward an early resolution of this tragic war. You will find us forthcoming and open-minded in a common effort to bring the blessing of peace to the brave people of Vietnam. Let history record that at this critical juncture, both sides turned their face toward peace rather than toward conflict and war."

I received Ho Chi Minh's reply on August 30, three days before his death. It simply reiterated the public position North Vietnam had taken in the Paris talks and flatly rejected my initiative.

The full text of both letters is being released to the press.

In addition to the public meetings I referred to, Ambassador Lodge has met with Vietnam's chief negotiator in Paris in 11 private meetings.

We have taken other significant initiatives which must remain secret to keep open some channels of communication which may still prove to be productive.

But the effect of all the public, private and secret negotiations which have been undertaken since the bombing halt a year ago and since this Administration came into office on January 20, can be summed up in one sentence—

No progress whatever has been made except agreement on the shape of the bargaining table. Now who is at fault?

It has become clear that the obstacle in negotiating an end to the war is not the President of the United States. And it is not the South Vietnamese.

The obstacle is the other side's absolute refusal to show the least willingness to join us in seeking a just peace. It will not do so while it is convinced that all it has to do is to wait for our next concession, and the next until it gets everything it wants.

There can now be no longer any question that progress in negotiation depends only on Hanoi's deciding to negotiate, to negotiate seriously.

I realize that this report on our efforts on the diplomatic fronts is discouraging to the American people, but the American people are entitled to know the truth—the bad news as well as the good news, where the lives of our young men are involved.

Now let me turn, however, to a more encouraging report on another front.

At the time we launched our search for peace I recognized we might not succeed in bringing an end to the war through negotiation. I, therefore, put into effect another plan to bring peace—a plan which will bring the war to an end regardless of what happens on the negotiating front.

It is in line with a major shift in US foreign policy which I described in my press conference at Guam on July 25. Let me briefly explain what has been described as the Nixon Doctrine—a policy which not only will help end the war in Vietnam, but which is an essential element of our program to prevent future Vietnams.

We Americans are a do-it-yourself people. We are an impatient people. Instead of teaching someone else to do a job, we like to do it ourselves. And this trait has been carried over into our foreign policy.

In Korea and again in Vietnam, the United States furnished most of the money, most of the arms, and most of the men to help the people of those countries defend their freedom against the Communist aggression.

Before any American troops were committed to Vietnam, a leader of another Asian country expressed this opinion to me when I was traveling in Asia as a private citizen. He said, "When you are trying to assist another nation defend its freedom, U.S. policy should be to help them fight the war but not to fight the war for them."

Well, in accordance with this wise counsel, I laid down in Guam three principles as guidelines for future American policy toward Asia:

First, the United States will keep all of its treaty commitments.

Second, we shall provide a shield if a nuclear power threatens the freedom of a nation allied with us or of a nation whose survival we consider vital to our security.

Third, in cases involving other types of aggression, we shall furnish military and economic assistance when requested in accordance with our treaty commitments. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense.

After I announced this policy, I found that the leaders of the Philippines, Thailand, Vietnam, South Korea, and other nations which might be threatened by Communist aggression, welcomed this new direction in American foreign policy.

The defense of freedom is everybody's business—not just America's business. And it is particularly the responsibility of the people whose freedom is threatened. In the previous Administration, we Americanized the war in Vietnam. In this Administration, we are Vietnamizing the search for peace.

The policy of the previous Administration not only resulted in our assuming the primary responsibility for fighting the war but even more significantly did not adequately stress the goal of strengthening the South Vietnamese so that they could defend themselves when we left.

The Vietnamization Plan was launched following Secretary Laird's visit to Vietnam in March. Under the plan, I ordered first a substantial increase in the training and equipment of South Vietnamese forces.

In July, on my visit to Vietnam, I changed General Abrams' orders so that they were consistent with the objectives of our new policies. Under the new orders, the primary mission of our troops is to enable the South Vietnamese forces to assume the full responsibility for the security of South Vietnam.

Our air operations have been reduced by over 20 percent.

And now we have begun to see the results of this long overdue change in American policy in Vietnam.

After five years of Americans going into Vietnam, we are finally bringing American men home. By December 15, over 60,000 men will have been withdrawn from South Vietnam—including 20 percent of all of our combat forces.

The South Vietnamese have continued to gain in strength. As a result they have been able to take over combat responsibilities from our American troops.

Two other significant developments have occurred since this Administration took office.

Enemy infiltration, infiltration which is essential if they are to launch a major attack, over the last three months is less than 20 percent of what it was over the same period last year.

Most important—United States casualties have declined during the last two months to the lowest point in three years.

Let me now turn to our program for the future.

We have adopted a plan which we have worked out in cooperation with the South Vietnamese for the complete withdrawal of all U.S. combat ground forces, and their replacement by South Vietnamese forces on an orderly scheduled timetable. This withdrawal will be made from strength and not from weakness. As South Vietnamese forces become stronger, the rate of American withdrawal can become greater.

I have not and do not intend to announce the timetable for our program. There are obvious reasons for this decision which I am sure you will understand. As I have indicated on several occasions, the rate of withdrawal will depend on developments on three fronts.

One of these is the progress which can be or might be made in the Paris talks. An announcement of a fixed timetable for our withdrawal would completely remove any incentive for the enemy to negotiate an agreement.

They would simply wait until our forces had withdrawn and then move in.

The other two factors on which we will base our withdrawal decisions are the level of enemy activity and the progress of the training program of the South Vietnamese forces. I am glad to be able to report tonight progress on both of these fronts has been greater than we anticipated when we started the program in June for withdrawal. As a result, our timetable for withdrawal is more optimistic now than when we made our first estimates in June. This clearly demonstrates why it is not wise to be frozen in on a fixed timetable.

We must retain the flexibility to base each withdrawal decision on the situation as it is at that time rather than on estimates that are no longer valid.

Along with this optimistic estimate, I must—in all candor—leave one note of caution.

If the level of enemy activity significantly increases we might have to adjust our timetable accordingly.

However, I want the record to be completely clear on one point.

At the time of the bombing halt just a year ago, there was some confusion as to whether there was an understanding on the part of the enemy that if we stopped the bombing of North Vietnam they would stop the shelling of cities in South Vietnam. I want to be sure that there is no misunderstanding on the part of the enemy with regard to our withdrawal program.

We have noted the reduced level of infiltration, the reduction of our casualties, and are basing our withdrawal decisions partially on those factors.

If the level of infiltration or our casualties increase while we are trying to scale down the fighting, it will be the result of a conscious decision by the enemy.

Hanoi could make no greater mistake than to assume that an increase in violence will be to its advantage. If I conclude that increased enemy action jeopardizes our remaining forces in Vietnam, I shall not hesitate to take strong and effective measures to deal with that situation.

This is not a threat. This is a statement of policy which as Commander-in-Chief of our Armed Forces I am making in meeting my responsibility for the protection of American fighting men wherever they may be.

My fellow Americans, I am sure you recognize from what I have said that we really only have two choices open to us if we want to end this war.

I can order an immediate, precipitate withdrawal of all Americans from Vietnam without regard to the effects of that action.

Or we can persist in our search for a just peace through a negotiated settlement if possible, or through continued implementation of our plan for Vietnamization if necessary—a plan in which we will withdraw all of our forces from Vietnam on a schedule in accordance with our program, as the South Vietnamese become strong enough to defend their own freedom.

I have chosen the second course.

It is not the easy way.

It is the right way.

It is a plan which will end the war and serve the cause of peace—not just in Vietnam but in the Pacific and in the world.

In speaking of the consequences of a precipitate withdrawal, I mentioned that our allies would lose confidence in America.

Far more dangerous, we would lose confidence in ourselves. The immediate reaction would be a sense of relief that our men were coming home. But as we saw the consequences of what we had done, inevitable remorse and divisive recrimination would scar our spirit as a people.

We have faced other crises in our history and have become stronger by rejecting the easy way out and taking the right way in meeting our challenges. Our greatness as a nation has been our capacity to do what had to be done when we knew our course was right.

I recognize that some of my fellow citizens disagree with the plan for peace I have chosen. Honest and patriotic Americans have reached different conclusions as to how peace should be achieved.

In San Francisco a few weeks ago, I saw demonstrators carrying signs reading: "Lose in Vietnam, bring the boys home."

Well one of the strengths of our free society is that any American has a right to reach that conclusion and to advocate that point of view. But as President of the United States, I would be untrue to my oath of office if I allowed the policy of this nation to be dictated by the minority who hold that point of view and who try to impose it on the nation by mounting demonstrations in the street.

For almost 200 years, the policy of this nation has been made under our Constitution by those leaders in the Congress and in the White House selected by all of the people. If a vocal minority, however fervent its cause, prevails over reason and the will of the majority this nation has no future as a free society.

And now I would like to address a word if I may to the young people of this nation who are particularly concerned, and I understand why they are concerned about this war.

I respect your idealism.

I share your concern for peace.

I want peace as much as you do.

There are powerful personal reasons I want to end this war. This week I will have to sign 83 letters to mothers, fathers, wives and loved ones of men who have given their lives for America in Vietnam. It is very little satisfaction to me that this is only one-third as many letters as I signed the first week in office. There is nothing I want more than to see the day come when I do not have to write any of those letters.

I want to end the war to save the lives of those brave young men in Vietnam.

But I want to end it in a way which will increase the chance that their younger brothers and their sons will not have to fight in some future Vietnam someplace in the world.

And I want to end the war for another reason. I want to end it so that the energy and dedication of you, our young people, now too often directed into bitter hatred against those responsible for the war, can be turned to the great challenges of peace, a better life for all Americans, a better life for all people on this earth.

I have chosen a plan for peace. I believe it will succeed.

If it does not succeed, what the critics say now won't matter. Or, if it does succeed, what the critics say now won't matter. If it does not succeed, anything I say then won't matter.

I know it may not be fashionable to speak of patriotism or national destiny these days. But I feel it is appropriate to do so on this occasion.

Two hundred years ago this nation was weak and poor. But even then, America was the hope of millions in the world. Today we have become the strongest and richest nation in the world. The wheel of destiny has turned so that any hope the world has for the survival of peace and freedom will be determined by whether the American people have the moral stamina and the courage to meet the challenge of free world leadership.

Let historians not record that when America was the most powerful nation in the world we passed on the other side of the road and allowed the last hopes for peace and freedom of millions of people to be suffocated by the forces of totalitarianism.

And so tonight—to you, the great silent majority of my fellow Americans—I ask for your support.

I pledged in my campaign for the Presidency to end the war in a way that we could win the peace. I have initiated a plan of action which will enable me to keep that pledge.

The more support I can have from the American people, the sooner that pledge can be redeemed; for the more divided we are at home, the less likely the enemy is to negotiate at Paris.

Let us be united for peace. Let us also be united against defeat. Because let us understand: North Vietnam cannot defeat or humiliate the United States. Only Americans can do that.

Fifty years ago, in this room and at this very desk, President Woodrow Wilson spoke words which caught the imagination of a war-weary world. He said, "This is the war to end wars." His dream for peace after World War I was shattered on the hard realities of great power politics and Woodrow Wilson died a broken man.

Tonight I do not tell you that the war in Vietnam is the war to end wars. But I do say this:

I have initiated a plan which will end this war in a way that will bring us closer to that great goal to which Woodrow Wilson and every American President in our history has been dedicated—the goal of a just and lasting peace.

As President I hold the responsibility for choosing the best path to that goal and then leading the nation along it.

I pledge to you tonight that I shall meet this responsibility with all of the strength and wisdom I can command in accordance with your hopes, mindful of your concerns, sustained by your prayers.

Thank you and good night.

Mr. CHAMBERLAIN. Mr. Speaker, last night our President gave us a sober, realistic appraisal of the situation in Vietnam that I believe should prove reassuring to the vast majority of American people. Taking the Nation into his confidence in a manner that the Chief Executive of a great and powerful nation can seldom undertake in matters gravely affecting international relations, President Nixon made abundantly clear his determination to bring an end to the hostilities. From this address, three facts of particular importance stand out. First, that during the past 9 months the trend of the conflict has been reversed and the level of hostilities substantially reduced; second, that a timetable exists for the complete withdrawal, in the near future, of American combat soldiers; and, third, the existence of this timetable puts the South Vietnamese Government on notice of its impending responsibilities toward maintaining its own security and establishing a viable nation.

The decision about our military disengagement in Vietnam therefore has been made. What remains is the question what will most help to bring it about at the earliest possible time.

The record of private contacts makes clear that the desire of the United States for an honorable, negotiated settlement fair to all concerned has been made manifest to the North Vietnamese.

So, too, has the readiness of the United States to consider not only its own proposals, but any others.

Therefore, what is needed now is not further evidence of U.S. "good faith," or of the U.S. desire for peace.

What is needed is evidence—persuasive to the North Vietnamese—that time is not on their side; that they have nothing further to gain by further prolonging the war.

And only the American people can now deliver that message to North Vietnam. We should do it by a clear and constant voice of support for our President's program for a just and lasting peace.

Mr. Speaker, I stand ready to do my part. Today, therefore, I am joining a bipartisan effort urging adoption of a resolution expressing confidence in the President's Vietnam policy.

Mr. BROYHILL of North Carolina. Mr. Speaker, anyone who listened to President Nixon's address with an open mind would have to acknowledge that America's Vietnam policies have been set in an entirely new direction since he took office.

Look at some of the evidence:

After 5 years of sending more and more troops to Vietnam, the troops are are now coming home from Vietnam.

For the first time, a comprehensive peace plan has been laid before the negotiators in Paris.

After years of Americanizing the war, the war is being Vietnamized.

The President has publicly committed himself to complete withdrawal of all American ground combat forces, with the fighting turned over to South Vietnamese troops.

This is not a policy that guarantees an instant end to the war; there is no instand end, short of a disastrous U.S. surrender. But it is a policy that guarantees an end, in a reasonable time, to the American combat role—and at the same time guarantees to the people of South Vietnam a chance to enjoy the freedom and independence so many thousands have died to secure.

The easiest thing in the world is to say "get out now"—or blithely to demand a "prompt and honorable end" to the U.S. involvement. But the plain, inescapable truth of the matter is that a "prompt" end—if that is defined as an immediate end—would wreathe us in dishonor, because it would betray the cause we have fought to uphold, and it would betray those South Vietnamese whc have risked their lives for freedom because they had faith in our pledges. President Nixon has charted a course to an honorable end, as promptly as that can be achieved—and the greater the support for that course, the more promptly we all can have peace.

Mr. SPRINGER. Mr. Speaker, some supposedly well-informed people still say, "but the President does not seem to have a plan for ending the war." Or, 'if he has a plan I do not know what it is."

No one who paid attention to President Nixon's speech on Vietnam policy should any longer make statements like that.

But in case the point still needs emphasis, let me give you a brief summary of his plan:

First, complete withdrawal of all U.S. ground combat forces and their replacement by South Vietnamese forces on an orderly, scheduled timetable. By December 15, 12 percent of total U.S. forces, equaling 20 percent of our combat strength, will be withdrawn. And because the level of enemy activity has dropped, "our timetable for withdrawal is more optimistic now than when we made our first estimates in June."

Second, buildup of South Vietnam capability to defend itself. Under our Vietnamization program, South Vietnamese forces have been trained and equipped to the point where in many cases "they have been able to take over combat responsibilities from our American forces." South Vietnam's armed forces have increased from 823,000 in January to more than 875,000 in November.

Third, continued public and private negotiations with the other side, taking into consideration in our own withdrawal timetable the level of their military activity and progress in the Paris Peace talks.

Fourth, an openness to negotiation on all points except the basic right of the South Vietnamese people to determine their own destiny.

This is a plan for peace—a double-edged plan involving both negotiations and new strength for the South Vietnamese forces.

It is a plan that is worthy of the wholehearted support of the American people—and I believe that it has that support.

Mr. MAILLIARD. Mr. Speaker, last night President Nixon pointed the way for the American people, the way to peace with honor, the way, if you will, to victory.

Mr. Speaker, when I say victory, I do not refer to the unconditional surrender we sought and won in World War II, for that is only one kind of victory. There are others.

For surely it will be a victory if, when we leave South Vietnam, as the President plans, we will leave it fully able to defend itself if it has the will to do so.

We will not have run out on our allies as some have proposed, and we will not have run out on our honor.

Instead, we will have taken a major step in implementing the President's plan for all of Southeast Asia.

The plan that says: The United States will keep all of our treaty commitments.

That we shall provide a shield if a nuclear power threatens the freedom of a nation allied with us or of a nation whose survival we consider vital to our security.

That in cases involving other types of aggression, we shall furnish military and economic assistance when requested, in accordance with our treaty commitments. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense.

Mr. Speaker, it is clear the President means to follow this plan in Vietnam. With our support in the Congress and the support of the American people that plan can work and we will indeed have victory for the South Vietnamese and peace with honor both for them and for the United States.

Mr. BUSH. Mr. Speaker, the President's speech reaffirmed my conviction that he does have a plan for peace.

Some say he has revealed nothing new, yet I would point out that he has revealed a plan for total withdrawal. This should encourage all Americans who want a prompt withdrawal of American forces.

I for one am not troubled that he has not revealed details of this plan for the very reasons stressed in his speech, namely, that such would be to play into the hands of Hanoi. As we have been aware of the public initiatives for peace, I think it is good he revealed the private initiatives for peace.

In discussing the slaughter at Hue, I feel certain the President created amongst all Americans an even greater awareness of the problems involved in total unilateral withdrawal with no safeguards for the people of South Vietnam.

I am now convinced more than ever of the President's personal desire to end the war. I think most Americans will agree with my assessment of his intentions and will support him as he tries to bring the war to a prompt conclusion.

Mr. KUYKENDALL. Mr. Speaker, the greater part of the world listened carefully last night to hear the President of the United States spell out, candidly and calmly, our Nation's position in Vietnam.

I happen to think his is the proper course, the only course open to us. I agree with his logic, and I hope the public will heed this appeal to reason.

We have dwelled too long on the fringe questions of Vietnam—who got us there, whose fault is it we are still there, why we should be supporting what some people consider a despotic regime—these are questions for historians to solve. Our problem, as our President reminded us last night, is not whether to get out of Vietnam, but how to do it.

If we holler "Hell no, we won't go," long enough and loud enough, we are faced with two choices. One is the far-fetched assumption that Hanoi will be so impressed with how reasonable we are being that Hanoi will be reasonable, too. The other, more likely assumption, is that we must prepare ourselves for total acceptance of Hanoi's surrender terms.

I need not dwell on the predictable results of that. Our President outlined them in no uncertain terms—mass murder, torture, reprisals, religious genocide. If our consciences hurt now for the Americans who have died—and mine does, every time I see another young man's face looking at me out of the obituary columns—think what a complete lack of national conscience would be necessary to turn our backs on the innocent men, women, and children whose deaths would be the price of our disinvolvement.

We are not warmongers. We simply want to get out by a route that will preclude the necessity of getting back in.

Mr. WOLD. Mr. Speaker, many comments have been made with regard to the address President Nixon made last night to the Nation about the path he is seeking to end the war in Vietnam. Many were sympathetic but there were a great number already crystalized in their determination to destroy the President. In my opinion, their efforts can only prolong the bitter agony of Vietnam.

It was not, however, to the political analysts to whom the President made his speech. He made it to the American people and to the Vietnamese—both North and South.

The President was under intense pressure to announce a complete and precipitous withdrawal or to announce that we would seek an early military victory in Vietnam.

The President announced the intention to do neither because both are extreme positions that do not lie within the realm of possibility. The President gave the American people and the world a candid and honest assessment of the Vietnamese situation, of how we became involved, and he did it without casting stones.

Then he proceeded to delineate what steps he has taken to end the war. It is

even more obvious than before his address that the United States has bent every effort to come to an agreement with Hanoi for an end to the war. Our only condition is that the people of South Vietnam have the right of self-determination to choose their fate.

I do not believe this to be an unreasonable condition nor do I believe the world will find it an unreasonable condition.

The President has now placed the onus for continuation of the war squarely where it belongs—on Hanoi.

Despite the lack of response from the Communists, the President indicated he is using every measure possible to end the war without the cooperation of Hanoi. In an unprecedented act of confidence with the American people, he outlined the steps—omitting only the specifics of time and troop movements. I add that these omissions are necessary for the success of the plan.

Two months ago I visited Vietnam. I had the opportunity to inspect first-hand the policy the United States has begun of turning the fighting of the war to those who must win it—the South Vietnamese.

It has been a slow policy but it is a process that began only 10 months ago upon the inauguration of President Nixon. I believe it has the elements of success.

The President emphasized the obligations the United States has, as a world power, to free nations around the world. The credibility of these commitments will depend upon our keeping the faith with those Vietnamese who over this long struggle have backed the cause of freedom in Vietnam.

Whether by choice or accident, circumstance and time have made the United States a world power. It is a burden that lies heavy, but it is a burden we must bear unless we are willing to destroy the faith of Americans in their Government and in the ideals that have taken this Nation from 13 colonies to the greatest nation on the face of this earth. We can do no less than honor these commitments.

The President has asked for the confidence of the American people. I believe he has their confidence but it must not be undermined by those who would use dissension as an instrument for political gain. We cannot afford division—either for our Nation or for the gallant Americans still fighting and dying in Vietnam.

Mr. HUNT. Mr. Speaker, I want to salute the President of these United States—a man of courage and integrity, a man who knows what it means to stand by his friends and his commitments.

And a man who knows also what it means to quit and retreat and surrender.

Mr. Speaker, the average American—that fellow out there who is your neighbor and mine—does not want to quit, does not want to go back on his word.

Sure, he is tired of this war. We all are. As we drive around in fancy cars and watch television and go to the football games, we are all tired of the war.

Some of us who have fought in other wars even have some idea of what this one is all about. And what it means to shoot and be shot at.

But, Mr. Speaker, despite all this, that fellow out there—your neighbor and mine—wants to hold his head up. He always has. And he knows he cannot and never will again if we surrender to a little, third-rate, rice paddy dictatorship like North Vietnam.

That is why, in spite of all the talk we are going to hear from the doves and the new left in the next few days—that is why most Americans are going to cheer the President and the speech he made last night.

He offered them the road to an honorable peace, a peace that will get our boys home without leaving our allies to the tender mercies of a regime that has an unequaled record of torture and mass murder. He offered them a way out—with honor.

Mr. Speaker, that fellow out there—your neighbor and mine—he is going to take that offer. The President is betting on it. And I am betting on the President. I think we both have made good bets.

Mr. AYRES. Mr. Speaker, I rise to note today that, much to the disappointment of some, this is neither the year of the dove nor the year of the paper tiger. I think the President made that clear in his address to the Nation last night.

He told Americans they can have an honorable peace. He told Hanoi that it cannot have peace at any price.

And as he told Americans that he has made progress in bringing their sons home and in winding down the intensity of the war, he also told Hanoi that it must stay wound down, because they do not have the alternative of intensifying it unilaterally.

I would like to repeat here what the President said, because it stands as a beacon to all the world that the United States and its President have not and will not settle for unconditional surrender.

He said:

> We have noted the reduced level of infiltration and the reduction of our casualties and are basing our withdrawal decisions partially on those factors.
>
> If the level of infiltration or our casualties increases while we are trying to scale down the fighting, it will be the result of a conscious decision by the enemy.
>
> Hanoi could make no greater mistake than to assume that an increase in violence will be to its own advantage. If I conclude that increased enemy action jeopardizes our remaining forces in Vietnam, I shall not hesitate to take strong and effective measures to deal with that situation.

Mr. Speaker, I am sure the American people are behind the President in that decision. I urge them by letter and wire to tell him so. He deserves their support.

Mr. MYERS. Mr. Speaker, President Johnson asked for patience and support.

President Nixon asked for patience and support.

What is the difference? Simply this: It is a far different thing to ask for patience when the end is not in view than to ask for patience when the end is visible. The former is a plea for blind faith. The latter is an appeal to informed reason.

The most important fact about President Nixon's Vietnam speech came in a comment midway through his speech. His plan, the President said, "will bring the war to an end regardless of what happens on the negotiating front." That is more than a prediction: it is a commitment. And it is a commitment on which the President can deliver.

The reason the President can deliver on that commitment is that an end to American participation no longer depends on negotiations. For the first time, we can say that control over our withdrawal lies largely in Saigon and Washington.

As the President said in a line which he added to his prepared text after it was released to the press:

> In the previous Administration we Americanized the war in Vietnam. In this Administration we are Vietnamizing the search for peace.

It is that line which gives the lie to those critics who say this is the same old policy.

According to the conventional wisdom, it takes two to make a war and two to end it, but President Nixon's recent speech on Vietnam goes beyond that formula. It still takes two to make a fast peace, he says, but he assures us that we will be able—on our own—to end our Vietnam war participation. In view of that fact, the President's call for patience and support is most reasonable. And if that support is forthcoming, then it is likely that we can end the war by the even faster route—the route of negotiations.

Mr. JOHNSON of Pennsylvania. Mr. Speaker—

> The more divided we are at home, the less likely the enemy is to negotiate in Paris.

That sentence from President Nixon's speech on Vietnam was, in my opinion, the most important part of a great, comprehensive statement on this country's policy.

For this is now the key to our success or failure. The President gave it to us straight:

> North Vietnam cannot defeat or humiliate the United States. Only Americans can do that.

As the President outlined with great candor the public and private and hitherto secret steps he has taken in an effort to bring peace, it became obvious where the obstacle to peace lies.

It is not the President of the United States.

It is not the Government in South Vietnam.

It is, as the President said, "the other side's absolute refusal to show the least willingness to join us in seeking a just peace."

And why have they refused? Because they are counting on divisiveness in the United States to weaken this country's resolve and lead to capitulation and humiliation. As the President said, the other side will not negotiate seriously "while it is convinced that all it has to do is to

wait for our next concession, and the next until it gets everything it wants."

This leaves no doubt about what our course must be. We must show Hanoi clear evidence that we are a strong, united people who want peace—but who want a just and lasting peace.

The President said:

Let us be united for peace. Let us also be united against defeat.

I say let all of us support our great President in his unrelenting pursuit of a just and lasting peace—and let us be sure that Hanoi has no doubt about where we stand.

Mr. POLLOCK. Mr. Speaker—

I respect your idealism.
I share your concern for peace.
I want peace as much as you do.

In those three sentences in his speech on Vietnam policy, President Nixon showed his understanding for the young people in America who are concerned about the war.

And he left no doubt that he, too, is deeply concerned. He said:

There are powerful personal reasons I want to end this war. This week I will have to sign 83 letters to mothers, fathers, wives and loved ones of men who had given their lives for America in Vietnam. It is very little satisfaction to me that this was only one-third as many as I signed during my first week in office. There is nothing I want more than to see the day come when I no longer must write any of those letters.

I want to end the war to save the lives of those brave young men in Vietnam.

I want to end it in a way which will increase the chance that their younger brothers and their sons will not have to fight in another Vietnam some place in the world.

I want to end the war so that the energy and dedication of our young people, now too often directed into bitter hatred against those they think are responsible for the war, can be turned to the great challenges of peace, a better life for all Americans and for people throughout the world.

After hearing the President of the United States utter these words, I cannot understand how anyone can charge that he is not for peace.

And I say he deserves the unified support of the American people in his program for peace.

Mr. BROWN of Michigan. Mr. Speaker, the record of private contacts makes clear that the desire of the United States for an honorable, negotiated settlement fair to all concerned has been made manifest to the North Vietnamese.

So, too, has the readiness of the United States to consider not only its own proposals, but any others.

Therefore, what is needed now is not further evidence of U.S. "good faith," or of the U.S. desire for peace.

What is needed is evidence—persuasive to the North Vietnamese—that time is not on their side; that they have nothing further to gain by further prolonging the war.

And only the American people can now deliver that message to North Vietnam. We should do it by a clear and constant voice of support for our President's program for a just and lasting peace.

Mr. TAFT. Mr. Speaker, I was particularly struck by the call to the "silent majority" of Americans to support the President's policies.

In effect the President has called upon all of us who hitherto have sat back and listened to others give their opinions, to let the world know just where the average American stands.

The President knows where that silent majority stands: It stands with peace—peace with freedom—peace with justice.

It stands with the President and with peace.

The President has done—is doing and will continue to do—his part in the struggle for peace.

Now it is the turn of the vast hitherto silent majority of Americans to speak out and say in one great voice that will echo across America and echo through the corridors of history:

Peace with justice. Peace with freedom. Peace that will remain peace.

Just recently, I have received almost 20,000 replies to a questionnaire to my district on the question of Vietnam. The results testify to the accuracy of the President's assessment. Approximately 70 percent of the replies favored the President's policies or even stronger ones. Less than one in five took the bug-out position.

I urge every American to show his support by writing or wiring the President and Congressmen with these simple words: "The President and peace."

Mr. RIVERS. Mr. Speaker, I was impressed with President Nixon's address to the Nation last night. He was candid, firm, and summarized the situation in South Vietnam so that everyone can understand.

Anyone who gives any thought to the situation knows that we cannot pull our troops out of Vietnam precipitously and thus invite a blood bath, as well as endanger the American troops who might be among the last to leave.

The President has indicated the steps that he has tried in the past and his hope for success in the future, but he did not paint a glowing overly optimistic picture of the future.

He cautioned that any future withdrawal would be based upon the reaction of the enemy. I was particularly impressed with his statement that if increased enemy action jeopardizes our remaining forces in Vietnam he will not hesitate to take strong and effective measures to deal with that situation.

The President has a very grave responsibility and only he can make certain decisions under our form of government. I will support him because he is my President, just as he is the President of every American citizen.

Mr. MILLER of Ohio. Mr. Speaker, I commend President Nixon on his statement to the Nation reasserting his earnest desire to bring an honorable peace to South Vietnam.

There can be no question about the sincerity of this country's peace efforts. We have explored every available diplomatic and private channel of communication to the enemy and have taken numerous initiatives to scale down the level of combat and casualties. The only response from the other side has been renewed intransigence and continued demands for us to, in effect, turn over the south to Communist control. The world should take note of which side in this conflict is obstinately refusing to move in the direction of peace.

Now, more than ever before, the American people must unite in a solid front behind our President and pledge their firm support for the policies he has designed to bring lasting peace to this troubled planet.

Mr. ESCH. Mr. Speaker, if there was any disappointment in the President's message last night, it was because the President dispelled for once and for all the myth that there is some "magic solution" and "easy way out" to the war in Vietnam.

It was a most objective and clear definition and disclosure of our present position in Vietnam and of the President's attempt to disengage this Nation from the conflict.

I was both heartened and discouraged by the speech, and I am sure that most Americans share my feelings. While I was discouraged by the negative report of our progress in negotiations, I was heartened by the disclosure of specific and identifiable evidence of a deescalation of the conflict and by the President's assurances of specific plans to disengage this country from the battlefield within a year. I was, however, distressed by the failure of the President to emphasize the need to move toward a more representative government in South Vietnam.

The people of this Nation should give close attention to the action, rather than simply the rhetoric of this administration. I believe that in the coming weeks there will be more explicit action regarding troop withdrawals and disengagement from fighting. I trust that there will also be movement toward an election in South Vietnam which will involve all parties.

While recognizing that the burden of policy must remain with the President, I intend to use whatever influence I have to further these two causes.

Mr. MESKILL. Mr. Speaker, I want to commend President Nixon for his forthright statement last night on the Vietnam war.

Last night, the President told it like it was. His statement was a frank, complete, and truthful résumé of everything that he has done since his election to bring an honorable end to the conflict in Vietnam at the earliest possible date.

The President has chosen the only sensible path to peace. The North Vietnamese have demonstrated that they do not want peace. The President made this clear last night by reciting the long series of peace initiatives he has undertaken only to see one after the other frustrated by the intransigence of the North Vietnamese leaders.

I agree with the President that the alternative to a negotiated settlement, which appears unattainable at this time, is to strengthen the South Vietnamese nation until it can stand freely and independently among the community of nations.

This is a logical and sensible approach to an extremely difficult situation bequeathed to President Nixon by his predecessor.

The Nixon policy statement was a refreshing contrast to the hazy messages of his predecessor on the subject of Viet-

nam. I am confident that the American people will rally around the President, thereby adding strength to the American pursuit for peace.

Mr. HAGAN. Mr. Speaker, this was one of the most sincere speeches I have heard any President make.

It is a speech that should convince any doubters of President Nixon's sincere desire and efforts to end the war in the speediest possible fashion, under conditions that everyone can live with.

I was glad to see that he clearly reiterated his determination that U.S. policy will not be set by a vocal minority in the streets.

The President has outlined the road we must travel to peace; I think the American people should now unite behind our President.

I heartily applaud Mr. Nixon's efforts to dissolve the "credibility gap," which plagued the previous two administrations.

GENERAL LEAVE TO EXTEND

Mr. ADAIR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the subject of the President's speech last night and the resolution introduced today.

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

There was no objection.

THANK YOU, MR. PRESIDENT, FOR LEADING US ON AN HONORABLE AND REASONABLE COURSE TOWARD PEACE IN VIETNAM

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Speaker, before the sound of the President's voice last night had died away, we heard the carping critics of the press and of politics begin to say that he had said nothing new about Vietnam. Some of the things the President said were not new. Devotion to human freedom is as old as America itself, and reflects the essence of the concepts upon which this great Nation was founded.

The President has led us on an honorable course, and that is not new for American Presidents. But there are things that are new in Vietnam. First is the President's new policy for Asia, which he reaffirmed to the American people last night, and had earlier made clear to Asian leaders, which should keep us from becoming involved in a combat way, as we have been in Vietnam, in the future.

Second is his new policy in Vietnam itself of the Vietnamization of the war, a phased withdrawal of American troops and a policy for peace that can succeed, and is not contingent upon the negotiations in Paris for its success.

What is not new, Mr. Speaker, is the tired, sad song of surrender that some are still singing after 4 long years. That has not changed with the situation as the enemy has become weaker and the infant democratic Republic of South Vietnam stronger. That has not changed as the President has started on a policy that can succeed. And I would suggest a new song for the critics entitled "Thank you, Mr. President, for leading us on an honorable and reasonable course that can bring peace with honor in Vietnam."

PRESIDENT NIXON'S PEACE EFFORTS

(Mr. HANSEN of Idaho asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN of Idaho. Mr. Speaker, I commend President Nixon for his thoughtful, candid and responsible statement on the war in Vietnam.

The President's efforts to achieve peace with justice in Vietnam are deserving of the support of all Americans.

Since taking office in January President Nixon has reversed the policies of two previous administrations, changing the direction of American involvement in the war.

The level of fighting has been sharply reduced.

Instead of a steady buildup of American troops, our forces are being withdrawn.

The armed forces of South Vietnam are being trained and equipped at a much more rapid rate to assume the responsibility for the defense of their country.

Instead of building up false hopes with optimistic reports, the President has taken the American people into his confidence, telling them the bad as well as the good news about the war and prospects for peace.

The President has made a good faith effort to use every channel available, official and unofficial, public and private, to open meaningful negotiations for a peaceful settlement of the conflict.

The road to peace that the President is following is not an easy one. But, it is the road of responsibility and reflects his deep commitment to the principles of freedom, human dignity, and self-determination that are so much a part of our American history and tradition. To yield to the demands of a few for immediate, total and unconditional withdrawal of American forces from Vietnam, regardless of the consequences, would betray these principles and set the stage for future wars and greater bloodshed.

The President's sincere quest for an honorable settlement that will be the foundation for a permanent peace is deserving of our support.

The quickest way to end the war and to secure peace and freedom in Southeast Asia will be for all Americans to heed the President's plea for unity, to close ranks and demonstrate their support for his peace efforts.

THE PRESIDENT'S VIETNAM STATEMENT

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, Some headline writers, in my view, missed the central theme of President Nixon's address on Vietnam last night. Like others who have spoken, today I am glad to be a cosponsor of the Wright resolution. It is fine as far it goes, but it, too, misses the central theme of the President's address. The central theme of Mr. Nixon was:

First, a plan has been worked out for the total withdrawal of all U.S. combat ground forces.

Second, the timetable for withdrawal is more optimistic now than when it was first made in June. It was in June that the President expressed his hope that he could beat former Secretary of Defense Clark Clifford's timetable of withdrawing 100,000 troops by the end of this year and all ground combat troops by the end of 1970. Now, the President is even more optimistic than he was then.

Third, fulfillment of the plan does not depend on diplomatic developments in Paris or elsewhere.

The rest of the address was a carefully balanced combination of optimism and caution, aimed at preserving maximum stability both here and in South Vietnam while orderly withdrawal takes place.

Considering that the President had earlier written off a military solution and and directed substantial reductions in combat personnel, the address should encourage all who seek an earlier end to U.S. invovement in the war.

PRESIDENT NIXON'S NOVEMBER 3 VIETNAM SPEECH

(Mr. ANDERSON of Illinois asked and was given permission to extend his remarks at this point in the RECORD.

Mr. ANDERSON of Illinois. Mr. Speaker, last night the President of the United States addressed the Nation on the most critical problem facing us today, the war in Vietnam. I listened with undivided attention, and I have since read the text of his speech with great care. I find it a remarkable speech, not so much because of anything the President said—for he announced no bold new initiatives—but because of the candor and sincerity with which the President took the American people into his counsels and into his confidence. If it is true that in a modern presidential system of government only the President can effectively make and implement foreign policy, it is nonetheless true that no President can shape a successful foreign policy without the support of the American people. One of the great tragedies of this war is that our Nation became involved in the bloodshed by Presidential discretion, without the clear understanding and support of our people. President Nixon has seen that we cannot bring this war to an honorable end, we cannot redeem our commitment with honor, unless the American people know exactly what is going on. Last night the President told us. He recited the details of our involvement in Vietnam with the utmost candor and sincerity. But he went farther: He disclosed the full record of his own attempts at private negotiations and his personal appeal for peace in his letter

to Ho Chi Minh; he made clear that from the beginning of his administration, and indeed from before the time that he took office, he has been personally dedicated to ending the war and insuring a lasting peace. No longer do we have a President who will not tell the American people the full story. I believe this speech will mark a turning point—not necessarily in the war, for that depends on Hanoi's response—but it will mark a turning point in our people's confidence in their Government. The credibility gap is gone.

To those who ask, "What is new?" The answer is: "Not what has been said but what has been done." What is new is not in the speech but in the record of this administration. President Nixon has turned the war around. Instead of escalating he is deescalating. Instead of sending American troops to Vietnam, he is bringing them home—and some 60,000 are now on their way, more than 20 percent of all our combat forces in Vietnam. The heavy fighting is now being done by South Vietnamese troops. And the President has made a firm commitment to seek a formal peace whenever Hanoi is ready to negotiate.

There is no new policy as of November 3. Why should there be, when the new policy that President Nixon began to put into operation in June and July of this year shows clear evidence of being successful? What is new about our Vietnam policy is that it is working. And lest there is any doubt about what that policy is, let me quote from the President's own words. He said last night:

> In July, on my visit to Vietnam, I changed General Abram's orders so that they were consistent with the objectives of our new policy. Under the new orders the primary mission of our troops is to enable the South Vietnamese forces to assume the full responsibility for the security of South Vietnam.

What is truly impressive about the President's handling of the war is that, despite the absolute refusal of Hanoi to negotiate in good faith, Mr. Nixon has been able to proceed on the second track of his policy, which is Vietnamization of the war, and he has been able to report impressive gains in the fighting capacity of the South Vietnamese and their ability to replace American troops in heavy combat missions.

I am sure that many of you have seen the press reports from Vietnam which indicate that the very journalists and private observers who have always been most pessimistic about America's involvement in the Vietnam war are having second thoughts. It may well be too early to sound the call for a "new optimism," but it is nevertheless clear that the South Vietnamese people are not about to give up quickly or desperately the security that many of them are beginning to feel under the Saigon government. The American Government has forsworn the attempt to gain a brutal military victory, but it now seems clear that the Vietcong and Hanoi are no closer to military victory themselves, and indeed their hold upon the people of many parts of the South may be slipping quietly away. Now is the time to negotiate seriously, and we should call upon Hanoi to make clear its good faith just as President Nixon has made clear his own.

Mr. Speaker, I would like to underline if I may another point that the President made in his address to the Nation last night. He stated clearly that he has worked out a plan, with the cooperation of the South Vietnamese, for the complete withdrawal of all U.S. ground combat forces, and their replacement by South Vietnamese. The timetable for withdrawal has not been announced, and the President firmly intends to maintain the flexibility needed to withdraw from strength and not from weakness. The schedule of withdrawal will be governed by three important factors:

First, the progress made by South Vietnamese forces who will replace our American combat troops; this factor depends on our allies' strength of will and our own capacity to train and equip them for the defense of their own Government.

Second, the withdrawal schedule will depend on progress made at the Paris talks, and as the President indicated last night, the responsibility for delay now lies squarely at Hanoi's door; if North Vietnam wants peace, the table has been set and they have been invited.

Third, and perhaps most important, the schedule will be worked out in view of the level of enemy activity in the South; here Hanoi will have a chance to show clearly if it wants peace, for if hostilities against our forces and the South Vietnamese are increased, it will be solely the initiative of Hanoi.

The significance of these provisions, as I see it, is this: American troops are coming home, regardless, and the Vietnamese will be encouraged to settle their problems among themselves peacefully and politically. But we will not leave a weak and unprepared ally to face an intransigently hostile foe, and at the same time we have made it clear that it is up to Hanoi to hasten or halt the search for peace, whether at Paris or on the battlefield in Vietnam. The initiative for war or peace now rests with them.

We are at a critical juncture in the development of American policy toward Vietnam and toward Asia. President Nixon needs the support of the American people to demonstrate that the United States will accept neither a military defeat nor a political humiliation. The American people can hasten the day when the last U.S. soldier leaves Vietnam if we will now give the President the vote of confidence he deserves—not for what he has said or promised, but for what he has actually done in turning the war around, and for what he is committed to do: bringing the war to an early and honorable end.

PRESIDENT'S SPEECH ON VIETNAM

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, the President's strong denunciation of a unilateral withdrawal certainly met with my approval. As I listened, I sympathized with the President. He has inherited a situation which is as difficult as any in history, with the possible exception of the decision President Lincoln had to make on the Civil War. It seemed to me that the President took the only rational approach. If we simply surrendered and said there is no hope—we are pulling out, we could have no self-respect as a nation. I liked his strong appeal for unity. Just now, we must unite behind our President if we are to negotiate a meaningful peace.

He announced no cease-fire. He said that we would continue withdrawal as quickly as South Vietnam troops can take over the military responsibility. The President is searching for a lasting peace in Vietnam. I thought he was right that we cannot give up a chance for lasting peace by immediate peace through surrender. That would be a disaster of immense magnitude and there would be no opportunity for lasting peace. The President has taken many steps which he hopes will bring about an early and peaceful settlement and yet insure the integrity of South Vietnam. I think the "silent majority," as he called them, will support him in his approach to "Vietnamize" the search for peace.

PRESIDENT'S SPEECH ON VIETNAM WAS CANDID, FORTHRIGHT STATEMENT

(Mr. BROTZMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROTZMAN. Mr. Speaker, I am pleased to join my colleagues in cosponsoring the Wright resolution.

I thought President Nixon's speech was a candid, forthright statement to the American people on the situation in Vietnam.

He stated the extent of our efforts to secure peace, and the cruel result which could be expected from a "precipitant" withdrawal—but he also gave us hope that there is now a plan to effect our withdrawal. I suppose we all hoped for an announcement of some dramatic breakthrough, but even more I believe the American people appreciate the truth.

It seems to me that the speech was directed as much to Hanoi as to the American people, and if Hanoi was listening the message should have been clear: the United States will continue to withdraw its troops as long as the tempo of the war continues to decline.

This is the heart of the so-called Grid plan, which I have advocated since 1967. Those of us who drafted the plan called it a "phased bilateral deescalation," and now that it is finally being implemented I am hopeful that the war will end by a mutual disengagement. The President's speech certainly opens the door wider on this avenue to peace.

PRESIDENT'S SPEECH ON VIETNAM

(Mr. McCLURE asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. McCLURE. Mr. Speaker, President Nixon's superb statement on Vietnam last night must have been reassuring to just about everyone. For those who felt we have been drifting from stalemate to stalemate, there is the knowledge of a plan for peace. For those who said that a land war in Asia should be the burden of Asian boys, there is comfort in the planned withdrawal of American combat troops on an orderly basis. For those who see this Nation as overcommitted, fighting Communist totalitarianism virtually alone, there is now the Nixon doctrine under which future aggression will be resisted through aid and leadership, but not manpower. For those who were appalled at the policies of limited escalation and gradualism, there is the President's implied threat that a "conscious decision" by the enemy to increase the conflict will result in "strong and effective measures."

For me personally, the President's most memorable words were these:

> North Vietnam cannot defeat or humiliate the United States. Only Americans can do that.

How badly that needed saying.

It is not unlawful—or even un-American—to picket the White House or to lead a torchlight parade in behalf of peace. Nor is it un-American to oppose the President's foreign policy or demand immediate withdrawal of all American troops. But on the other hand, it is also not un-American to provide the leadership of the free world in behalf of liberty and against totalitarianism. And it is certainly not un-American to make the sacrifices—regrettably, but willingly—needed to maintain this freedom, just as American fighting men do each day in Southeast Asia.

None of these things are unlawful or un-American, but some are unwise. Surely we must again recognize the difference between those things which perpetuate the spirit of America and those which promote dissension and destroy the moral stamina of our people.

I sincerely hope the President's words unite the American people and that those men of influence who have made a career out of opposing the Vietnam war will put their personal ambitions aside long enough to let the message take its natural course.

FREE WORLD NEEDS PATRIOTS

(Mr. BEALL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEALL of Maryland. Mr. Speaker, the President spoke last night of patriotism and national destiny, and noted that they "may not be fashionable" at this time.

And he may be partly right. Certainly there are those today who sneer at patriotism, who speak derogatorily of superpatriots and flag wavers, who downgrade pride in country and any talk of national honor.

But, Mr. Speaker, I am sure that the President's words struck a chord in the hearts and minds of millions and millions of Americans all across the country last night.

Americans whose grandfathers fought in the Civil War, or who fought in World War I, Americans who fought in World War II, or who are fighting in Vietnam. Americans of all ages and races and both sexes who know they live in the greatest country in the world and are proud of it.

Americans who cannot understand the talk of retreat and surrender.

Mr. Speaker, let me quote the President:

> Two hundred years ago this nation was weak and poor. But even then America was the hope of millions in the world. Today we have become the strongest and richest nation in the world. The wheel of destiny has turned so that any hope the world has for survival of peace and freedom will be determined by whether the American people have the moral stamina and the courage to meet the challenge of free world leadership.

Mr. Speaker, the kind of leadership the free world needs comes only from patriots and men with a sense of national destiny. We should be grateful that America's President is indeed a patriot, a man who intends that our country will live up to its destiny with honor and integrity and faith in God.

IT IS NOT "BUY NOW, PAY LATER"

(Mr. KYL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KYL. Mr. Speaker, in his address to the American people, President Nixon spoke with a forthright candor rare among Presidents discussing delicate international issues. He has spelled out why we are there, how our policies have changed, what we have done in an effort to bring the war to a peaceful conclusion, what the consequences would be if he took the advice of those urging a precipitous withdrawal.

Anyone who listened carefully could only conclude that this is a man of peace, genuinely, and fervently dedicated to the pursuit of peace—but a genuine peace, not the false peace that comes with a "buy now, pay later" tag.

It is time for America to abandon its illusions, and face up to the hard fact that there is no simple, easy way out. The sooner we accept this, the sooner the enemy will be ready to let the war end.

PRESIDENT GAVE HONEST AND DIRECTLY STATED APPRAISAL

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, last night President Nixon addressed the Nation on radio and television to give the people a clear picture of what we are trying to do in Vietnam, and where he hopes his course will lead us in the future. It was an honest and directly stated appraisal that requires no "reading between the lines" for interpretation. The President should be applauded by all Americans for such frankness and honesty on a subject that has not always been treated the way his administration has treated it.

President Nixon indicated he clearly understands America's desire for peace. He outlined the unusual steps he has taken since becoming President to seek that peace. Unfortunately, he was obliged to report to Americans that there has been little or no response on the part of the other side in the war.

But his plan for peace and an end to the war means we can still reach those objectives if the South Vietnamese will do their part, and if the North Vietnamese do not escalate the war. Much now depends on the future actions in Hanoi—and those actions may depend on what those in this country who oppose our President do in months ahead.

The President is conscious of the fact that his action must stand the test of history—and that history is a harsh judge. I am sure it will stand that test.

The real question is whether America's national character will stand the test. I am confident that it will, also. It always has.

SUPPORT FOR THE PRESIDENT

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, I am very pleased to have this opportunity of joining with my colleagues here on the floor of the House today to pay tribute to the speech I heard last evening by the President of the United States.

I heard the speech with mixed emotions. I listened very intently and very objectively. I listened with an open mind because I really wanted to know how the people would feel after they heard the speech.

At the conclusion of his remarks I was very proud to be an American. I am very proud to have President Nixon as the leader of our country. I agreed with everything he said. I wished that he had said more, but I realize that he must impose restraint on himself as the leader of this great country. He must also take into consideration many other factors that would lead him to moderation in his remarks to the people of the United States.

As I said, I felt great pride in our country and in our President; however, before the echoes of his words had died, we heard the nitpickers and the carpers, who sat in their smugness, taking him apart and criticizing. The critics told why his speech was not good and why it did not live up to their hopes and expectations. I could not help but feel that their remarks were prepared long before the President had even finished writing his speech. I am sure no matter what he said or in what manner his words might have been delivered, the reaction of some of those self-centered, self-appointed "molders of public opinion" would have been the same. This was very disappointing to me.

I know that those who criticize for the sake of hearing their own voices do not speak for the American people any more

than the gentleman from New York (Mr. ROSENTHAL) who says he speaks for the silent majority. They speak for no majority whatever. They speak for themselves. They speak for those self-servicing, gutless people who would like to "bug out," to do anything to get out, to sacrifice everything America stands for, simply to serve the interests of a very vocal minority.

SUPPORT FOR THE PRESIDENT

(Mr. MARSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARSH. Mr. Speaker, last night the President appealed to the "silent majority" of Americans to take the leadership in providing national unity to support our foreign policy in Southeast Asia. This appeal was long overdue, and I congratulate the President for making it. I share the belief that the vast silent majority of our fellow citizens want to see the war end in such a way that it will secure the peace, and are willing to support the President in achieving that goal. It is for this reason that I have joined with my other colleagues in sponsoring this resolution today to show the President that there exists a reservoir of support and strength for his efforts to obtain an end to that conflict in such a way as to prevent a far wider war.

The President's speech is only the first step in achieving national unity. Ways and means must be provided for the silent majority to express their support. Time and time again, I have stressed the need for our Chief Executive to mobilize public opinion, and I have criticized past administrations for their failure to achieve greater citizen understanding of our objectives and greater civilian participation in our war effort. This failure resulted in the credibility gap, in my opinion.

In a democratic nation, you cannot effectively prosecute a war by a small group of power elite who make all the decisions and who do not incorporate into the effort the great strength and talent that is available outside of the resources of government.

The American people must be given ways and means to demonstrate their support of our efforts other than just sending their sons to the battlefields.

Citizens and civic groups that have tried to aid the American effort through civic action programs designed to demonstrate their support of the American military man, or to assist the Vietnamese people, often have found these efforts to be an exercise in frustration and futility. More often than not, they have met with continued discouragement in such attempts when they deal with agencies of Government charged with prosecuting a war effort, including the Department of Defense.

I hope the President will urge high-ranking Government officials who wonder about the erosion of public opinion here at home to devote some of their time and attention to ways they can help interested American citizens who want to put a shoulder to the wheel and demonstrate their support for the American cause and those who serve in our Armed Forces in Vietnam.

In March of 1968, I urged the creation of a blue-ribbon committee on ultimate victory in Vietnam, composed principally of prominent qualified figures from the private sector and given full backing by the administration in the matter of necessary expenses and access to the governmental centers of policy.

Ways and means should be found to develop teams from industry, agriculture, medicine, public safety, and professional public administration; and a bipartisan group of senior statesmen could be enlisted to formulate basic concepts and sweeping recommendations for getting a program of governmental and economic stabilization moving in the troubled land which is the Republic of Vietnam.

I am certain that business would respond, and that there are thousands of local civic service organizations which have been waiting to be asked to help, and to be told how to help, as they have in past wars.

I similarly urge creation of such a committee in order that the "silent majority" to which the President referred can be heard as the voice of the Nation.

DISAPPOINTMENT AT THE PRESIDENT'S SPEECH—THE SILENT SOUTH VIETNAMESE

(Mr. WALDIE asked and was given permission to address the House for 1 minute.)

Mr. WALDIE. Mr. Speaker, listening to my colleagues, I assume I was apparently one of the few people in the Nation that listened to the President's speech last night and was not in fact delighted with that which I heard. In part I suppose my disappointment was so great because of the great buildup for the speech, that the failure to meet those expectations and anticipations to any degree contributed to my disappointment. I would think that the President, instead of addressing himself just to the silent majority here in our country, ought to have also addressed himself to that silent majority in South Vietnam; the silent South Vietnam that does not fight, does not care, and does not like us or his own country.

We talk about bugging out and leaving South Vietnam subject to a blood bath. There are 1.2 million South Vietnamese men we have there under arms opposing roughly 400,000 of the enemy. If we pull out American troops, now, and leave 1.2 million South Vietnamese men who have been in an army for 6 years, confronting an enemy one-third in size, that is not bugging out unless that army is totally incompetent and incapable or does not care. That I suspect is the case. If that is the case, it does not seem to me that the best interests of America are any longer served by tolerating a casualty rate of 82 to 100 men dead a week while we leisurely pursue a withdrawal.

Let the silent South Vietnamese start speaking up and fighting for his country. We have done enough for them.

I was very disappointed, Mr. Speaker, at the President's address.

IN SUPPORT OF THE PRESIDENT'S SPEECH

(Mr. HUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNT. Mr. Speaker, I had not intended to take the floor today, but I want to add my voice too as one of the Americans who was satisfied with the President's speech. I wonder where these people have been for the past 6 to 8 years who suddenly become dissatisfied with everything but who prior to January of this year never had the courage to raise their voice or, if they did so, it was in some obscure place where only those who attend the bar meetings would understand—and I do not mean places that attorneys frequent. I thought that the speech last night was the only speech that a sensible man who holds the distinguished post of President of this Nation could give. It was an outright offer for peace on honorable conditions. It was not one that held out the hand of total surrender. It was not one that would belittle or demean those who had fought with us—our allies—nor would it abandon those persons in Asia and the Asian Continent who have depended upon us so long. There is only one way to do things honorably. That is to keep your word. I think President Nixon is doing his best to keep the word of the two Presidents who preceded him in this very vital matter. I am not dissatisfied with the President, in fact I am very satisfied. I have at times been somewhat critical of his program. So if you are going to talk about the devil, then be the devil's advocate not just today but every day in your life and stand by your remarks and principles to the end.

THE PRESIDENT REPORTS ON VIETNAM

(Mr. LATTA asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. LATTA. Mr. Speaker, the President of the United States has made his long-awaited report to the Nation on the war in Vietnam. It was just that—a report—and not a pronouncement of a change of policy. Many had failed to heed the frequent admonitions from the White House not to expect any dramatic or startling announcements to be made during this report. Many would have preferred that the President use the occasion of his address to the Nation—and to the world—to announce further and accelerated withdrawals of American troops from Vietnam. He chose instead to bring the American people up to date on the conflict, to set forth guidelines for further deescalation of the American involvement and increased Vietnamization of the war, as well as recalling the history of our involvement. His was the type speech one would expect from a President determined to bring this war to an end in a way not to bring dishonor to his country nor to permit history to record that our tremendous sacrifices in Vietnam have been for naught.

The President recited the efforts of his

administration to get North Vietnam to deescalate the conflict and to enter into meaningful negotiations. He pointed to his efforts to get Ho Chi Minh to break the deadlock at Paris just prior to Ho's death. He also pointed to efforts made to secure Russia's assistance in getting negotiations for peace underway.

All through President Nixon's address, one could sense that he was trying to impress upon the American people that the more divided we appear at home on this issue, the less likely it is that North Vietnam will choose to negotiate an end to this conflict. How difficult it must be for the President of our great country to labor for an honorable peace when his every action is challenged by one segment or another of our population and for him to know that these very challenges bring reassurances to Hanoi that all they have to do is to wait us out.

Notwithstanding the many obstacles intentionally or unintentionally laid in his path toward peace, the President had some progress to report. The Nixon administration has reversed a trend of the last administration and is bringing troops home instead of sending more and more of our young men to Vietnam. The President stated that by December 15, over 60,000 men will have been withdrawn from South Vietnam. Most importantly, this will be 20 percent of all of our combat troops.

President Nixon reported that the South Vietnamese have taken over more of the combat responsibilities, that enemy infiltration over the last 3 months is less than 20 percent of what it was over the same period last year, and most importantly, that U.S. casualties have declined during the last 2 months to the lowest in 3 years.

As for the future, the President announced a plan for the complete withdrawal of all U.S. ground combat forces and their replacement by the South Vietnamese forces on an orderly scheduled timetable. Naturally, the President did not announce this timetable, as it would have put an end to the Paris peace talks and would have given North Vietnam a schedule to wait out before moving into South Vietnam.

President Nixon mentioned two other factors on which he would base our withdrawal decisions—the level of enemy activity and the progress of the training program for the South Vietnamese forces. He went on to say that progress on both these fronts has been greater than we had anticipated. I welcome this progress and I am certain all of the American people do as it will bring our troops home—with honor—if it continues.

Mr. Speaker, as the President of the United States struggles to bring this war to an end, let us not forget his words:

> North Vietnam cannot defeat or humiliate the United States. Only Americans can do that.

IN SUPPORT OF THE PRESIDENT'S SPEECH

(Mr. SCOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, let me add my words of support for the President and the message he delivered to the Nation yesterday. It is encouraging to note that support is bipartisan and I know the President will welcome the kind remarks of my Democratic colleagues, as well as Members of our own party. I have today joined with many other Members of both parties in introducing a resolution in support of the President in his efforts to negotiate a just peace in Vietnam.

I was particularly impressed with that portion of the President's speech relating to the Vietnamese taking over the responsibility of fighting the war in Vietnam as rapidly as circumstances will permit. I suppose people throughout the world will attempt to read something additional into the President's message. In this vein I would hope, that not only in Vietnam but throughout the free world other freedom-loving nations will be encouraged to assume their fair share of the burden of maintaining peace in the world. Also that our foreign policy will be based on the principle of helping nations who help themselves and that our friends in Europe will assume an increased share of the burden of protecting their interest and that of maintaining peace throughout the world.

The President, as I recall, said that we would support all of our treaty obligations; but, recognizing that the freedom-loving nations of the world have their own responsibilities, I believe we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense. Let us hope that our country will be united behind our President in his efforts to negotiate a just peace with the common enemy.

THE PRESIDENT'S SPEECH ON VIETNAM

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, I join with so many of my colleagues today in commending the speech of our President.

I might say I was proud also of my Speaker's comments on this address.

Mr. Speaker, some 2 weeks ago I was privileged, along with some dozen of our colleagues in this Chamber, to meet with the President of the United States. At that time we had the opportunity of hearing our President fully express his views, his policies and, yes, his concerns, while at the same time soliciting our own views and concerns and what we believed to be the feelings of our constituents.

I want to say, Mr. Speaker, that from that meeting I came away with an awareness and an assurance that there was no need for anyone in America to take to the streets in order for the President of these United States to know the feelings of this country. He knows how the country feels.

At that time when our President asked of me what the feelings of my constituents were, I said then that I thought my own actions, in never having criticized by word or deed my President, be he the present President or his predecessor, were representative of the overwhelming sentiment of the majority of my constituents who were silently concerned.

Now, Mr. Speaker, the President has spoken to the silent concerned majority of America. I hope that not only those of us in this Chamber who have been heretofore silent and concerned, but our constituents all across America, will now speak out and let the President know that they stand behind him in his policy to bring peace to Southeast Asia.

WHAT IS NEW AND WHAT IS RIGHT

(Mr. BURTON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Utah. Mr. Speaker, no words could better sum up the strength of President Nixon's speech on Vietnam than those 11 simple but profound words he himself used in the middle of his speech. Speaking of his choice to pursue a policy he has already begun, he said:

> It is not the easy way. It is the right way.

Those stark, unadorned words, spoken from the depths of the mind and heart and spirit of a man of peace, are eloquent testimony to his intense desire for a just peace with freedom in Vietnam.

He has chosen to do what he knows is right. Not what is easy. Or necessarily even popular. But right.

That is all I want to know. That is all the American people want to know.

Does this man believe in his policy? Will he change it if enough demonstrators march in the streets? Will pressure make him cave in and sell out? Will he take the "easy way?" We have our answer. We have a President who says: "The right way."

It is my conviction that those words will echo through history when the sophistry and the cant and the misdirected eloquence of lesser men have long since been forgotten.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar Day. The Clerk will call the first individual bill on the Private Calendar.

JOHN VINCENT AMIRAULT

The Clerk called the bill (H.R. 2552) for the relief of John Vincent Amirault.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

REFERENCE OF H.R. 1961 TO THE CHIEF COMMISSIONER OF THE COURT OF CLAIMS

The Clerk called House Resolution 86, referring the bill (H.R. 1961) to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

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

There was no objection.

MRS. BEATRICE JAFFE

The Clerk called the bill (H.R. 1865) for the relief of Mrs. Beatrice Jaffe.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

AMALIA P. MONTERO

The Clerk called the bill (H.R. 6375) for the relief of Amalia P. Montero.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

VISITACION ENRIQUEZ MAYPA

The Clerk called the bill (H.R. 6389) for the relief of Visitacion Enriquez Maypa.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

YAU MING CHINN (GON MING LOO)

The Clerk called the bill (S. 1438) for the relief of Yau Ming Chinn (Gon Ming Loo).

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

CAPT. MELVIN A. KAYE

The Clerk called the bill (H.R. 1453) for the relief of Capt. Melvin A. Kaye.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ROBERT G. SMITH

The Clerk called the bill (H.R. 3723) for the relief of Robert G. Smith.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

Mr. BROYHILL of Virginia. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALL and Mr. GROSS objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

MRS. RUTH BRUNNER

The Clerk called the bill (H.R. 9488) for the relief of Mrs. Ruth Brunner.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MRS. IRENE G. QUEJA

The Clerk called the bill (S. 564) for the relief of Mrs. Irene G. Queja.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the Senate concurrent resolution (S. Con. Res. 33) favoring the suspension of deportation of certain aliens.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this concurrent resolution be passed over without prejudice.

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

There was no objection.

DELILAH AURORA GAMATERO

The Clerk called the bill (H.R. 2817) for the relief of Delilah Aurora Gamatero.

There being no objection, the Clerk read the bill, as follows:

H.R. 2817

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Delilah Aurora Gamatero may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. Carlos C. Gamatero, a citizen of the United States, pursuant to section 204 of the Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Delilah Aurora Gamatero shall be held and considered to be the natural-born alien daughter of Mr. and Mrs. Carlos C. Gamatero, a citizen of the United States and a lawfully resident alien, respectively: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SABINA RIGGI FARINA

The Clerk called the bill (H.R. 3629) for the relief of Mrs. Sabina Riggi Farina.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

PLACIDO VITERBO

The Clerk called the bill (H.R. 3955) for the relief of Placido Viterbo.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

WILLIAM PATRICK MAGEE

The Clerk called the bill (H.R. 9001) for the relief of William Patrick Magee.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

WILLIAM D. PENDER

The Clerk called the bill (S. 901) for the relief of William D. Pender.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2302) for the relief of Mrs. Rose Thomas.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MILOYE M. SOKITCH

The Clerk called the bill (H.R. 3571) for the relief of Miloye M. Sokitch.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

CONFERRING JURISDICTION ON CLAIM OF PHILIP J. FICHMAN

The Clerk called the bill (H.R. 10658) conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of Philip J. Fichman.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

CAPT. WILLIAM O. HANLE

The Clerk called the bill (S. 882) for the relief of Capt. William O. Hanle.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

REFERENCE OF CLAIMS OF BRANKA MARDESSICH AND SONIA S. SILVANI

The Clerk called House Resolution 498, to refer the bill (H.R. 4498) entitled "A bill for the relief of Branka Mardessich and Sonia S. Silvani" to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

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

There was no objection.

BERT N. ADAMS AND EMMA ADAMS

The Clerk called the bill (H.R. 7567) for the relief of Bert N. Adams and Emma Adams.

There being no objection, the Clerk read the bill, as follows:

H.R. 7567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of the Internal Revenue Code of 1954, the amounts received by Bert N. Adams and Emma Adams, of Yuma, Arizona, pursuant to a judgment rendered against the United States for infringement of a patent held by the said Bert N. Adams shall not be subject to income tax under chapter 1 of such Code.

With the following committee amendment:

Page 1, lines 7 and 8, strike "not be subject to income tax under chapter 1 of such Code." and insert "be treated as gain from the sale or exchange of a capital asset held for more than six months.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Bert N. Adams, deceased, and Emma Adams."

A motion to reconsider was laid on the table.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 11500) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ROSE MINUTILLO

The Clerk called the bill (H.R. 12089) for the relief of Rose Minutillo.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

IRVING M. SOBIN CO., INC., AND/OR IRVING M. SOBIN CHEMICAL CO., INC.

The Clerk called the bill (H.R. 1782) for the relief of Irving M. Sobin Co., Inc., and/or Irving M. Sobin Chemical Co., Inc.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MR. AND MRS. WONG YUI

The Clerk called the bill (S. 92) for the relief of Mr. and Mrs. Wong Yui.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

DUG FOO WONG

The Clerk called the bill (S. 2019) for the relief of Dug Foo Wong.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

TIMOTHY L. ANCRUM (ALSO KNOWN AS TIMMIE ROGERS)

The Clerk called the bill (H.R. 3590) for the relief of Timothy L. Ancrum (also known as Timmie Rogers).

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Georgia (Mr. DAVIS)?

There was no objection.

REFERENCE OF CLAIM OF JOHN S. ATTINELLO

The Clerk called House Resolution 533, to refer the bill (H.R. 3722) entitled "A bill for the relief of John S. Attinello" to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2059 of title 28, United States Code, as amended.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

Mr. HUNGATE. Mr. Speaker, reserving the right to object——

The SPEAKER. The gentleman cannot reserve the right to object.

POINT OF ORDER

Mr. HUNGATE. Mr. Speaker, may I be heard on a point of order?

Mr. Speaker, I would raise the point of order that a reservation of objection to the unanimous-consent request would lie. This is not a reservation of objection to the bill. This is a reservation of objection to the unanimous-consent request to pass the bill over.

The SPEAKER. The Chair calls the attention of the gentleman from Missouri to the rules of the House, clause 6, rule XXIV, which can be found on the inside page of the Private Calendar for today, in connection with the call of the Private Calendar that:

No reservation of objection shall be entertained by the Speaker.

Mr. HUNGATE. Mr. Speaker, may I be heard on that paragraph?

The SPEAKER. The gentleman from Ohio has asked that the resolution be passed over without prejudice and in accordance with the specific rule applying to the Private Calendar, no reservation of objection shall be entertained by the Speaker.

Is there objection to the request of the gentleman from Ohio (Mr. BROWN) that the resolution be passed over without prejudice?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

BANK HOLDING COMPANIES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 587 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 587

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6778) to amend the Bank Holding Company Act of 1956, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking and Currency now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from California is recognized for 1 hour.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 257]

Abbitt	Feighan	Passman
Addabbo	Fish	Patten
Barrett	Flood	Pepper
Berry	Flynt	Pike
Biaggi	Ford, Gerald R.	Pirnie
Blackburn	Ford, William D.	Podell
Blanton	Fulton, Tenn.	Poff
Blatnik	Garmatz	Powell
Boland	Gaydos	Pucinski
Bolling	Giaimo	Rees
Brasco	Gilbert	Reid, N.Y.
Brown, Calif.	Goldwater	Reifel
Byrne, Pa.	Green, Pa.	Rhodes
Cahill	Griffin	Riegle
Carey	Griffiths	Rooney, N.Y.
Carter	Grover	Rooney, Pa.
Celler	Halpern	Rostenkowski
Chisholm	Hansen, Wash.	Roth
Clancy	Hastings	Ryan
Clark	Hébert	Scheuer
Clausen, Don H.	Helstoski	Smith, Iowa
Clay	Howard	Smith, N.Y.
Cleveland	Jarman	Snyder
Conte	Jonas	Steiger, Ariz.
Conyers	Jones, Ala.	Stokes
Corbett	Kee	Stubblefield
Corman	Kirwan	Taft
Coughlin	Kleppe	Teague, Tex.
Cowger	Koch	Thompson, N.J.
Daddario	Lipscomb	Udall
Dawson	Lowenstein	Utt
Dennis	Lukens	Vigorito
Dent	McClory	Watkins
Derwinski	McDonald, Mich.	Watson
Dickinson	McKneally	Watts
Diggs	Mann	Weicker
Dingell	Mathias	Whalley
Donohue	Mayne	Whitehurst
Downing	Meskill	Whitten
Dulski	Monagan	Widnall
Duncan	Morgan	Williams
Dwyer	Morton	Wolff
Edwards, Calif.	Murphy, N.Y.	Wyatt
Eilberg	Nix	Wydler
Eshleman	O'Hara	Yatron
Fallon	Olsen	Zion
Farbstein		

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 292 Members have answered to their names, a quorum.

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

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, on behalf of the Committee on Rules, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

BANK HOLDING COMPANIES

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. SMITH), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 587 provides an open rule with 5 hours of general debate for consideration of H.R. 6778 to amend the Bank Holding Company Act of 1956, and for other purposes. The resolution also provides that it shall be in order to consider the committee substitute as an original bill for the purpose of amendment.

The principal purpose of H.R. 6778 is to bring within the regulation of the Bank Holding Company Act of 1956 companies which control only one bank. Another purpose is to broaden the scope of activities in which bank holding companies can engage beyond the rigid standard set forth in the 1956 act, while at the same time retaining the separation between banking and bank related activities, on the one hand, and industry and commerce, on the other. This is accomplished by permitting the Federal Reserve Board to approve nonbanking activities of bank holding companies which are "functionally related to banking."

All bank holding companies, one-bank as well as multiple-bank holding companies, would be subjected to the 1956 act.

As amended, the bill retains the Federal Reserve Board as the administering agency and gives the Board added flexibility in administering the act. It treats one-bank and multiple-bank holding companies alike.

Under the present act holding companies owning no more than one bank are permitted to engage in any other business activities regardless of whether they are related to banking.

Mr. Speaker, as a result of actions taken by the Congress some years ago there has been a very rapid buildup in so-called one-bank holding company activities.

I am sure my colleagues will agree, if they are in the same position that I am, that this is a rather controversial issue. I am sure all Members have received a large variety of mail on the subject, both pro and con.

Let me simply say, Mr. Speaker, the Committee on Rules heard a good deal of discussion on this subject at the time the Committee on Banking and Currency sought a rule. There was a specific request by the members of the committee, including the chairman of that committee, the distinguished gentleman from Texas, to make in order a bill recently introduced by the gentleman from Pennsylvania (Mr. MOORHEAD). There were a variety of other suggestions at that time. The Committee on Rules in its wisdom, and you may agree or disagree with the wisdom that we used with reference to this, decided to report the bill as brought to the committee and as reported out by a majority vote of the Committee on Banking and Currency.

It is my understanding that there will be, of course, since it is an open rule, a variety of amendments offered in one form or another. On the other hand, it is my understanding that certain provisions of the Moorhead bill will not be considered germane and would, therefore, not be in order. But I do think it is well that we understand, as I have indicated, that there is substantial controversy surrounding this legislation. I would assume that most Members would want to attune their time in order to be available at the time this bill will be open for amendment.

As has been indicated, there are 5 hours of general debate allowed because of the complexity of the subject, and I am not sure whether the committee will use the entire 5 hours or not. But it was the judgment of the Committee on Rules that they be given the 5 hours in order to explain amply the various positions that various Members have taken in connection with bringing under regulation of the One-Bank Holding Company Act the one-bank holding companies.

Mr. Speaker, I urge the adoption of the resolution in order to permit the Committee on Banking and Currency to discuss the provisions of H.R. 6778.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as stated by the distinguished gentleman from California very ably, House Resolution 587 provides an open rule with 5 hours of debate for the consideration of H.R. 6778, the bank holding company bill.

Mr. Speaker, the purpose of the bill is to bring under the regulation of the Bank Holding Company Act of 1956 those holding companies which have up to now escaped regulation because they controlled only one bank.

Additionally, the bill broadens the scope of activities in which any bank holding company may engage, in addition to its banking activities, such activities to be determined and regulated by the Federal Reserve Board.

Congress has long seen the desirability and necessity of the basic separation of banking activities from other business operations. This principle has been embodied in Federal law since 1933 and was fully enunciated in the 1956 Bank Holding Company Act. That act prohibited any company holding 25 percent or more of two or more banks from engaging in non-bank-related activities or business. Companies controlling only one bank were exempted from the provision of the act. In recent years this exemption has proven a problem as major banks have discovered it and, by restructuring themselves into holding companies controlling only one bank, have been able to go into business activities forbidden to holding companies covered by the act.

The purpose of this legislation is to curb this growing trend.

The bill repeals the exemption for one-bank holding companies. However, for those companies already formed and operating non-bank-related business prior to February 17, 1969, no divestment requirement is included. They will be permitted to continue as before, but may not add other non-bank-related operations to their business activities.

Regulation of all bank holding companies will continue to be done by the Federal Reserve Board. It will decide what activities are permissible and what are not for a bank holding company under the new language which somewhat expands the area of permitted activities. Any nonbanking activity which the Federal Reserve Board determines to be "functionally related to banking" may be engaged in. Two areas are forbidden to banks—insurance agency business and sale of mutual funds.

Prevailing views are filed by a bipartisan group favoring the bill. They believe it remedies the existing abuses and will stop future ones. Further, they believe it unfair to cut off bank holding companies lawfully operating prior to February 17, 1969, under the existing exemption

which permits such companies to engage in non-bank-related businesses. These members do not believe such companies should be forced to divest themselves of such operations. The date selected is the date of the introduction of legislation to remove this exemption; they believe it to be a fair date. Finally, these members support the broadening of the possible areas of activity for all bank holding companies, under regulation and control of the Federal Reserve Board, and using the new criteria of "functionally related to banking." This is in line with testimony on the subject by Board Chairman William M. Martin.

Additional views are filed, opposing the bill in its present form, by Chairman PATMAN and 11 members. They agree that action is necessary but oppose specific features of the bill.

As stated by the gentleman from California (Mr. SISK), H.R. 14403, introduced by the gentleman from Georgia (Mr. BLACKBURN) and others on October 20 of this year, was not made in order as a substitute. The committee bill itself is a substitute, and that was made in order, so that measure, H.R. 14403, as suggested, will have to be considered in the nature of an amendment. My information is that people are all over the lot on this one. Some travel agents want it, some travel agents do not want it; some banks want it, some independents do not want it. All of them seem to say that they will accept it. They want the grandfather clause moved back.

I imagine that during the 5 hours debate we will have quite an elucidating education as to H.R. 6778, the bank holding company bill. Undoubtedly you will all like to stay around for the next couple of days and listen to the debate.

Mr. Speaker, I urge adoption of the rule.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. BENNETT).

(Mr. BENNETT asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. BENNETT. Mr. Speaker, the one-bank holding company bill, H.R. 6778, is one of the important pieces of legislation this Congress will face.

On the first day of this session I introduced H.R. 946, a bill simply to eliminate all exemptions in the Bank Holding Company Act of 1956; and I testified before the committee, when hearings were held on this matter. My bill would eliminate all the remaining exemptions in the Bank Holding Company Act of 1956. A bank holding company, after the passage of my bill, which chose to keep its bank would have to divest itself of its nonbanking businesses.

I believe in the principle established by the Glass-Steagall Act of 1933: That it is in the public interest for banks and nonbanking businesses to remain separate.

This principle was first laid down by Congress during the depression partly because of the relationship established at that time between commercial banks with nonbanking activities, and the stock market crash of 1929.

The House Banking and Currency Committee and the House of Representatives in 1955 upheld this principle that banks and nonbanking businesses should not do business under the same management. This was in the hearings which led to the enactment of the Bank Holding Company Act in 1956. The House agreed in 1955 and again in 1965 endorsed this policy in a record vote, 199 to 178. This is a sound and good policy, protecting our competitive, free enterprise system.

Mr. Speaker, my bill would have insured this policy—twice supported by the full House of Representatives. I am disappointed it was not reported to the House floor, because it would have eliminated the loopholes written into the Banking Act of 1956. H.R. 6778 fails to meet this test.

Chairman William McChesney Martin of the Federal Reserve Board testified to the House Banking Committee that he favored some kind of a "grandfather clause," and suggested a fixed date or as an alternative exempting "companies with banking assets of less than $30 million and nonbank assets of less than $10 million," Chairman Martin said in the hearings:

> An exemption for companies with banking assets of less than $30 million and non-bank assets of less than $10 million would not seriously weaken the protection this legislation is designed to provide, while it would recognize that divestiture would be particularly difficult for small, closely held holding companies.

About 85 percent of the one-bank holding companies in existence September 1, 1968, had deposits of less than $30 million. Vice Chairman J. L. Robertson of the Federal Reserve Board also supports this amendment.

Although the House has twice passed a measure without this savings clause, the measure has twice been greatly reduced in the Senate—so I favor the Martin suggestion as a method of increasing the chances of Senate support.

In order to accomplish what I think should be done I have drafted the following amendment. I hope to be recognized for the introduction of this amendment during the amendment proceedings on the bill before us. My amendment reads:

AMENDMENT TO BE OFFERED TO H.R. 6778 BY CONGRESSMAN CHARLES E. BENNETT

Strike all after the enacting clause and insert in lieu thereof:

"That subsection (a) of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a), as amended by Public Law 89–485) is amended by striking the words 'each of two or more banks' wherever such words appear and inserting in lieu thereof the words 'any bank'.

"SEC. 2. The first sentence of subsection (a) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a), as amended by Public Law 89–485), is amended to read as follows:

"'It shall be unlawful, except with the prior approval of the Board, (1) for any action to be taken that causes any bank to become a bank holding company or any other company to become a bank holding company with respect to more than one subsidiary bank; (2) for any action to be taken that causes a bank to become a subsidiary of a bank holding company; (3) for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank if, after such acquisition, such company will directly or indirectly own or control more than 5 per centum of the voting shares of such bank: (4) for any bank holding company or subsidiary thereof, other than a bank, to acquire all or substantially all of the assets of a bank: or (5) for any bank holding company to merge or consolidate with any other bank holding company.'

"SEC. 3. The first sentence of subsection (c) of section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c), as amended by Public Law 89–485) is amended by striking the words 'shall not apply to any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, and such prohibition shall not, with respect to any other bank holding company' and inserting in lieu thereof the words 'shall not, with respect to any bank holding company'.

"SEC. 4. The provisions of this law shall not apply to one-bank holding companies with bank-assets of less than $30,000,000 and nonbank assets of less than $10,000,000."

Mr. Speaker, the health of the American economy is in part dependent upon keeping the business of banking completely separate from nonbanking business.

There are several important reasons for this:

First. Depositors' funds in a bank doing business with a subsidiary business can be threatened because of the extension of unwise credit to the nonbanking subsidiary. Some of our largest banks in the 1920's were guilty of this type of activity, which caused detriment to depositors, stockholders, and the public at large.

Second. Banks are the principal suppliers of credit and capital to industrial and commercial businesses in our Nation. They are in a position to discriminate against businesses other than their own nonbanking businesses in the extension of credit. This is a particularly serious problem in the many cities and towns in the country where there are only one or two major banking institutions to which business can turn for substantial amounts of credit.

Third. Banks which own or are owned by nonbanking businesses are in a position to demand, with minor regulation, that borrowers do business with their subsidiaries to continue a good relationship with the bank. This is a basic threat to competition and creates unfair competitive practices.

Fourth. The size of the combined banking and nonbanking aggregation is in itself a thrust toward monopoly.

The Banking Act of 1933 did not solve the problem completely because bank holding companies were formed to get around the law by allowing such companies to own banks and businesses, since it was not the bank that owned the business. For 20 years, between 1936 and 1956, the Congress was urged by the three different Presidents and the Federal Reserve Board to enact legislation bringing bank holding companies under adequate Federal bank supervision. The rapid expansion of bank holding corporations and bank mergers in the 1950's led to the enactment of the Bank Holding Company Act of 1956.

The report on the 1956 act outlines the reasons for requiring bank holding companies to divest themselves of nonbanking businesses:

> The reasons underlying the divestment requirement are simple. As a general rule,

banks are prohibited from engaging in any other type of enterprise than banking itself. This is because of the danger to the depositors which might result where the bank finds itself, in effect, both the borrower and the lender.

The bank holding company is under no such restriction. It may acquire and operate as many non-banking businesses as it has funds and the disposition to acquire. There are in the country today . . . banking holding companies which, in addition to their investments in the stocks of banks, also control the operations of such non-banking businesses as insurance, manufacture, real estate, mining, and a number of other.

The report continued:

Whenever a holding company thus controls both banks and non-banking businesses, it is apparent that the holding company's non-banking businesses may thereby occupy a preferred position over that of their competitors in obtaining bank credit.

Significant exemptions were written into the act of 1956, which violate the principle adopted in 1933 by the Congress and I believe all exemptions should be removed from the 1956 act.

In signing the 1956 act into law, President Eisenhower said:

As a result of the various exemptions and other provisions, the legislation falls short of achieving these objectives . . . The exemptions and other special provisions will require the further attention of the Congress.

In its first report after the passage of the 1956 act, the Federal Reserve Board said:

If it is contrary to the public interest for banking and non-banking businesses to be under the same control, the principle is applicable whether a company controls one bank or a hundred banks, and the possibility of abuses from such common control is the same. In fact, if a company controls only one large bank, that company's interests in extensive non-banking businesses could lead to abuses even more serious than if the company controlled two or more very small banks.

In 1955, when the bank holding company legislation came up in the House of Representatives the bill contained no exemptions as I have outlined to you. The House Banking and Currency Committee had hearings and reports and decided that no exemptions were necessary and there was no reason for them. The bill, which I voted for, passed the House on June 14, 1955, by a vote of 371 to 24. Then the bill went over to the Senate where the exemptions were written into the bill.

In 1965, two bills were reported by the House Banking and Currency Committee. One would have removed the financial general exemption from the 1956 act, and the other would have removed the Du Pont estate exemption. The Du Pont bill came to the floor first.

I had attended many of the House Banking Committee meetings on the Du Pont legislation, has made a detailed and thorough study of the Banking Act of 1933 and the Bank Holding Company Act of 1956, and had meetings with the staffs of Federal Reserve Board and the House Banking Committee.

When the time came to make a decision on H.R. 7371, the bill to remove the Du Pont exemption. I was well prepared on the issue and was convinced as to what the right thing was to do, that is, remove all exemptions or in lieu of that any one or more of them.

The bill, H.R. 7371, came before the House on September 13, 1965. In the debate on the rule to determine parliamentary procedure for the bill, I announced that I would carry out the recommendations of the Federal Reserve Board and try to remove all the exemptions to the Bank Holding Act of 1956, or failing in that, to eliminate any exemption that the House would agree to eliminate.

The House passed my amendment in 1965 to eliminate all exemptions to the 1956 act by a vote of 199 to 178 and passed the bill as amended by a voice vote. The Senate agreed with the House, to eliminate the Du Pont exemption and several others but retained the one-bank holding company exemption and the labor union exemption and that is the way the law is today.

Since 1965, I have had legislation pending to eliminate all exemptions in the Bank Holding Company Act of 1956. Mine was the first bill introduced in the current Congress to do this.

In the last year or so there has developed great concern over the increased formation of one-bank holding companies and the growth in this area represents a present danger that a few corporate giants and big banks could control the economy of the Nation, leading to more monopoly and less competition. There is concern about this problem not only because of the increasing holding company operations, but because of the greater incidence of chain banking raising serious questions about concentration and monopoly.

Since 1955 one-bank holding companies have grown from 117 to almost 800 today. In 1955, the deposits of the 117 one-bank holding companies were $11.6 billion.

Under the present banking laws, the activities by one-bank holding companies are not regulated and the Federal Reserve Board cannot prohibit business dealings between banks and other non-banking subsidiaries of the holding company. The only power the Federal Reserve Board has in this is the periodic audit which it has for all Federal Reserve member banks.

It is conceivable that a holding company would combine, say, General Motors, General Motors Acceptance Corp., a major bank, a major builder, and major insurance companies.

The purposes of the Bank Holding Company Act, to prevent intermingling of banking and nonbanking activities, and to curb the concentration of power in banking, are being nullified by the exemption on one-bank holding companies.

I believe in the words of Federal Reserve Board Chairman Martin, who said recently:

This is a real can of worms. It can affect the whole capitalistic system in the United States. The line between banking and commerce should not be erased.

Traditionally, the strength of American business has been in its diversity. The continuation of the one-bank holding company exemption clearly has the ability to bring this Nation to a point where a handful of huge conglomerates could control our total economy.

This trend must be checked if we are to continue a healthy, free enterprise and competitive society, which our strength rests upon.

The three bills considered in the House Banking and Currency Committee, the chairman's bill, H.R. 6778, the administration bill, H.R. 9385, and my bill, H.R. 946, sought to eliminate or vastly reduce the significance of one-bank holding companies but the method of going about this was vastly different in the three proposals. I felt my bill was a simple, easily understood measure based on sound principle. If the need for legislation is as great as it appears to be, then we must protect the public to as great a degree as is possible under the law.

Mr. SISK. Mr. Speaker, I yield 7 minutes to the gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Speaker, I rise to give a little bit of the background of the legislation, which is before the House at this time. I hope to give some indication of how the debate should run and what the outcomes pro and con will probably be.

In 1965 we considered legislation on bank holding companies and came to the determination, after having had the question before us over the years, that the Congress would set under the Federal Reserve System controls over the bank holding companies having two or more banks. Regardless of how we look at the arguments here as to why the one-bank holding companies were not covered then and why there were other exemptions, such as the one in which we exempted the testamentary trusts—and we had to address ourselves to that in 1967—we are here now, in 1969, addressing ourselves to the largest exemption we had in 1965, which was the one-bank holding company.

Since March of 1965, 87 commercial banks have formed or are forming one-bank holding companies. During the period since March 1965, there were the first stirrings of those who saw the great opportunities for expanding banks and bank operations under this form of corporate organization. Especially was there movement after 1967, because 61 banks out of the 87 have formed one-bank holding companies since 1967.

Why all this drive? I think if we look at the history of banking we will find bankers were by and large rather a prosaic group in terms of how aggressively they addressed themselves to their role in the economy. They tended to sit in the quiet, musty interior of the bank and gather in deposits and await the suppliant public seeking loans. This was true until we got past World War II. At that time there began to be a great deal of aggressive action by other financial institutions and the requirement in modern days came strongly on line for capital, because we came out of a period of time when new businesses tended to have a balance between what they required in manpower and what they required in machinery or capital investment, to a heavy distortion on the part of capital requirement.

For instance, I will use an example out of my own district. Before World War II the Dairy Belt which was in my district was pretty heavily populated

with small dairies, with 40 to 60 cows, usually run by a Dutch or Portuguese family with six, eight, or more children. This was one of the most economical units, because there were many milkers in the family. A dairy could be run with 60 cows and maybe 100 or 200 acres and with enough kids, because they provided manpower to balance off the investment of capital.

Today I have far fewer dairies. I would say there are less than one-twentieth of the dairies we had at the beginning of World War II. There are not now 40, 50, or 60 cows; there are from 300 to 600 cows. The dairy operation does not need kids, because there are electrical machines to do the milking. But if one wants to go into the dairy business, it is necessary today to have at least a half million dollars.

This is an example of what has happened in the business world of the United States. A heavy investment in capital is required to go into almost any business enterprise today.

With these requirements for capital it was clear there was money to be made in accumulating capital. The banks saw this. They have aggressively answered the call for trying to accumulate capital. They do not wait for deposits. Banks solicit and bid for time deposits as well as saving deposits. The banks are going to the market with bonds. They are in the Euro-dollar market. Anywhere capital is available, the banks are out early and late working for the Yankee dollar.

In doing that they have also wanted to get in on part of the action where the capital goes to work. They have become service organizations as well as capital accumulating institutions, because just accumulating capital was not enough. Some people could do that easier than the banks.

Banks have become service organizations and they are trying to expand their services. They see in the full range of business needs of their loan and deposit clients a broad spectrum of services which they could collectively supply efficiently and effectively. By and large I believe that is all right. However, there has to be a balance in our economy between those who have financial capability and those who have productive capacity and service capacity in the broad sense. We should not have the two competing one against the other in a way which makes for unfair competition; that is one of the basic economic policies of America. The challenge is to encourage proper and productive innovation but protect against unfair advantage or unjustified economic power.

We want to make America strong. We want to do all we have to to keep up with all the other economies in the world. But we want to keep within our country a balance between these forces of innovation and competition.

That is what this bill is all about. We should not do in this bill anything to destroy the opportunities of the banks to play a new dynamic role such as they are now playing. On the other hand we should not give them any opportunity to be unfair competitors in fields of enterprise in which, having capital controls and having capital abilities, they would be able to outbid services of other persons who have been giving the services and doing the production.

I believe that if the Members will follow on that line we may be able to come out with a good bill here.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6778) to amend the Bank Holding Company Act of 1956, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6778, with Mr. HOLIFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 2½ hours, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 2½ hours.

The Chair recognizes the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, in the next 2 or 3 days the House of Representatives will be considering legislation to regulate the activities of one-bank holding companies. While this may seem to be a dry, technical subject, it is, in fact, a matter of grave concern to millions of people and thousands of businesses across the United States.

Every so often, a fundamental issue, which has been avoided, evaded, passed over or ignored for a long period of time finally comes to a head. Circumstances require that the delay in meeting such a basic issue head on is no longer possible or acceptable.

In my opinion, the Congress and, indeed, the country has reached this point concerning the effective regulation of bank holding companies. This issue, however, is much broader than the regulation of this type of business activity. It concerns the question of the proper relationship between the business of banking and all other businesses. It is not strictly a banking issue at all, or even an issue involving the relationship among different segments of the financial community. It is, in essence, a question whose answer could shape the ultimate structure of the entire American economy for many years to come.

Interest in this issue has been reflected in administration circles as well as in Congress. For example, the concern of the Federal Reserve Board about this matter was expressed recently by J. L. Robertson, Vice Chairman of the Board of Governors.

Governor Robertson said—

> We believe that the recent accelerating trend toward the establishment of [one bank holding] companies underscores the need for a re-examination of the Bank Holding Company Act. The Board is currently studying this important question which has so many ramifications, not only for banking but for the basic structure of our economy.

The basic issue before us is a fairly simple and a very fundamental one. In the 1930's Congress emphatically decided that the health of the American economy depended in large part on keeping the businesss of banking separate from all other businesses. The history, background, and development of the circumstances surrounding this issue, however, are not so simple. It took 20 years to obtain enactment of the Bank Holding Company Act of 1956. And, as pointed out by President Eisenhower on signing this landmark legislation, there remained many weaknesses and loopholes in the original Bank Holding Company Act which he urged the Congress to correct.

The time has now arrived when we can wait no longer to consider amending this legislation to plug these loopholes. The growth of unregulated bank holding companies over the last few years has been as dramatic as it is alarming. In 1965 there were estimated to be 550 one-bank holding companies with commercial bank deposits totalling $15.1 billion. The average deposit size of the bank subsidiaries of these 550 unregulated one-bank holding companies at that time was only $27.5 million. In 3 short years, however, by the end of 1968, the number of one-bank holding companies had grown by over 200 to 783, including those either created or planned. The total commercial bank deposits of these 783 unregulated one-bank holding companies was $108.2 billion. The average deposit size of the bank subsidiaries of these holding companies had grown five times to $138.2 million.

Congress did not think it necessary to regulate one-bank holding companies in the 1956 act because almost all of them at that time were quite small and had little overall economic power. But by 1969, due to the dramatic growth in one-bank holding companies outlined above, it became clear that the major banking institutions in the United States were prepared to use this device to expand into many nonbanking fields prohibited to them as banks by the banking laws. In addition, many large conglomerates decided to become one-bank holding companies by acquiring banks.

The growth of these unregulated one-bank holding companies has continued during 1969. Hardly a day goes by when there is not another announcement of the formation of new unregulated one-bank holding companies. Possibly as much as 40 percent of all commercial bank deposits in the entire United States are now held by one-bank holding companies. Among those who have converted to one-bank holding company status are nine of the 12 largest commercial banks in the United States.

Why is this issue so important to the future of the American economy?

Our economy cannot function properly without a sound, efficient, and objective banking system which will allocate credit and provide other banking services on a fair and equitable basis. Therefore, it is imperative that we continue to maintain the separation of banking activities from other businesses that has existed in Federal law since 1933.

As the prime source of credit, banks are in a unique position. No other business activity can exert this type of pressure and influence against other businesses. It has an exclusive monopoly on bank deposits. No other financial institution can accept deposits. Commercial banks have an exclusive, lucrative franchise on that. Clearly the banks are in a position to engage in unfair competition when they move into nonbanking businesses. The potential abuses are many but let me list some of the major dangers when a bank becomes part of a bank holding company operation:

First. Unsound lending decisions by banks feeding unwarranted amounts of credit to nonbank subsidiaries of the holding company.

Second. Loan discrimination of banks in favor of enterprises owned by the holding company and against companies which compete with subsidiaries of the holding company.

Third. Banks forcing borrowers, particularly small businesses, to purchase nonbanking services and goods from other subsidiaries of the holding company in order to obtain banking services, thus further tightening control and forcing a greater concentration of economic power.

Fourth. Banks using confidential information obtained from customers to enable other subsidiaries of holding companies to compete unfairly with their own customers.

Now, these problems are not theoretical or potential. The Banking and Currency Committee heard testimony during its lengthy consideration of H.R. 6778 concerning the kind of pressure banks have exerted to gain customers for various departments of the bank, including travel departments, accounting and bookkeeping departments and data processing services. Banks have been accused of requiring loan customers to furnish lists of their customers to the bank, and then the bank has used these lists to solicit business for the bank at the expense of their own customers. And a subcommittee of the Judiciary Committee has heard testimony recently on how banks can use their life and death power to grant or withhold credit to influence critical policy decisions of nonbanking corporations. This is a very serious problem under present circumstances. Just think how much more serious it would be if banks were permitted to go into any significant nonbank businesses. This is why the present situation requires the complete separation of banking activities from nonbanking activities.

The bill before us today, H.R. 6778, as amended, can be briefly described as follows:

First. It brings holding companies controlling 25 percent or more of the stock of one bank under regulation of the Bank Holding Company Act for the first time. Present law regulates bank holding companies which control 25 percent or more of the stock of two or more banks.

Second. It changes slightly the definition of nonbank activities in which bank holding companies may engage from that set forth in the 1956 act.

Third. It prohibits bank holding companies from engaging in the insurance agency business and the underwriting, public sale or distribution of mutual funds.

Fourth. It permits bank holding companies being regulated for the first time as a result of this legislation to continue to carry on all nonbank activities operated by them prior to February 17, 1969.

Let me discuss for a moment in some detail H.R. 6778, as amended, and reported from the House Banking and Currency Committee. Under section 1(c) of the bill, section 4(c)(8) of the Bank Holding Company Act would be amended by modifying to some degree the basis on which the Federal Reserve Board determines what nonbank activities bank holding companies and their subsidiaries may lawfully be permitted to engage in. The new test for the Federal Reserve Board to apply is that the activity must be "functionally related to banking in such a way that its performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public that outweigh possible adverse effects." While many members of the committee preferred to use the term "closely related to banking" instead of "functionally related to banking," it is not felt that there is any substantial difference between the two tests. In addition, it is extremely important to understand that, under the language of the amendment reported from the committee, the Board must determine not only that the activity is functionally related to banking, but that permitting a bank holding company or its subsidiary to engage in a particular activity must also be likely to produce genuine and substantial benefits to the public that would outweigh any possible adverse effects created by performance of such activity.

This language concerning the benefits to the public that outweigh possible adverse effects was taken from a suggestion made by the Federal Reserve Board. This proposed legislative language is found on page 220 of the hearing record of H.R. 6778. We can draw from the text of the Federal Reserve Board's recommendation the kind of criteria they would apply in making a judgment on whether a particular activity sought to be engaged in by a bank holding company or a subsidiary would benefit the public or, on the other hand, would have possible adverse effects. On the benefits side, the Board would have to make a judgment as to whether the particular activity would tend to offer the public such advantages as greater convenience, increased competition, or gains in efficiency. Some of the specific adverse effects to be considered in ruling on an application would be whether such activities, if carried on by the applicant bank holding company or its subsidiary, would tend to create the possibility of undue concentration of resources, decreased competition, conflicts of interest, or unsound banking practices.

These are the kinds of judgments that the Federal Reserve Board should make in approving or disapproving an application under the proposed new section 4(c)(8). The criteria listed above, however, are not all-inclusive, and other public interest factors should also be considered.

Another important point should be made. The public benefit standard in the proposed bill as reported includes the competitive factors, bringing into play the very important antitrust considerations necessary for proper review of such applications by the Board, as well as by the courts, if an appeal from the Board's decision is made.

My personal view is that these specific criteria outlined above should be contained in section 4(c)(8) rather than leaving it to the Board, as it seems they will, to interpret the amendment as reported to include these specific criteria. I will explain a little later on why I believe we should amend this section of the bill to specifically include these criteria.

While H.R. 6778, as amended and reported by the Banking and Currency Committee does for the first time bring one-bank holding companies under Federal regulation, the bill as reported also contains in the opinion of several members of the committee, including myself, certain grave deficiencies and omissions which must be corrected by amendment if Congress is to deal with this most serious economic problem in an effective and thorough way. Therefore, a number of amendments will be offered concerning these deficiencies. Some of these amendments, I understand, will receive support from both Democratic and Republican members of the committee.

Perhaps the most glaring deficiency in the bill is the so-called grandfather or forgiveness clause. The basic principle embodied in the Bank Holding Company Act is to completely divorce bank and bank-related activities from all other business activities. The February 17, 1969, grandfather clause in the bill as reported would reward certain one-bank holding companies by permitting them to engage in a large number of nonbank-related activities simply because those who control these companies anticipated that Congress would plug the one bank loophole. Such a grandfather clause is bad for a number of reasons:

It rewards those, for no particular reason, who entered non-bank-related businesses prior to the cutoff date in order to avoid regulation.

It creates unfair competition for banks and bank holding companies which would have to compete on unequal terms with their competitors who gain an advantage from the grandfather clause.

It permits a large number of important banking institutions to carry on, through the holding company device, a substantial number of non-bank-related activities and would, therefore, allow them to compete unfairly with nonbank competitors.

Personally, I am opposed to any grandfather clause. The present act provides for up to a 5-year period within which the newly regulated holding companies could divest themselves of nonqualifying nonbank activities. In addition, Congress has traditionally permitted such divestiture to take place on a tax free basis, since it is required by change in the law. Therefore, it is highly unlikely that anyone would suffer financially from passage of this bill without a grandfather clause.

However, the Congress did recognize in 1956, when the original Bank Holding Company Act was passed, that there were a substantial number of one-bank holding companies operating very small banks in small communities which could only be profitable if they were allowed to engage in nonbank activities. Therefore, some contend that a reasonable exemption from the Bank Holding Company Act should be provided for these small, traditional one-bank holding companies. It is clear that neither the grandfather date in H.R. 6778, as reported, of February 17, 1969, nor the grandfather date supported by the administration of June 30, 1968, is necessary to protect these small, traditional one-bank holding companies. The principal advantage of these dates is to allow a few large holding companies created between 1965 and 1968 or early 1969 to continue to mix banking and nonbanking activities in the future.

If there must be a grandfather clause, it seems to me that there are two reasonable alternative approaches. One would be to set the grandfather clause date at January 1, 1965. The reason for this is that the movement of large corporations, both banking and nonbanking, into the one-bank holding company field began in 1965. Almost all the one-bank holding companies existing before 1965 were the small, traditional, one-bank holding companies.

Because of my concern for the special privileges that would be obtained by certain corporations due to such a late grandfather clause as February 17, 1969, or June 30, 1968, I stated in my individual views, printed along with the report on H.R. 6778, that I would provide all Members of Congress with data concerning the corporations benefiting from that date. The basic findings of this survey, which was printed in the CONGRESSIONAL RECORD of October 21, 1969, beginning at page H9776, are as follows:

A total of 239 one-bank holding companies formed on or after January 1, 1965, and carrying on one or more nonbanking activities has been identified.

These 239 one-bank holding companies operate 575 nonbank subsidiaries engaged in no less than 124 different nonbank activities.

These 239 one-bank holding companies are located in 33 States and the District of Columbia. They operate banks in 31 States, having total deposits of over $15 billion.

Among the one-bank holding companies whose nonbank activities are exempted from divestiture under the proposed grandfather clause are the largest independent finance company in the United States, assets $3.7 billion; the largest trading stamp company in the United States, assets $422 million; the 114th and 293d largest industrial companies in the United States, assets $605 million and $667 million, respectively; the sixth largest retailing company in the United States, assets $2.6 billion; and a holding company controlling the 29th largest commercial bank in the United States, deposits $1.5 billion.

The nonbank activities of these recently created one-bank holding companies are likewise spread throughout the United States and are carried on in 33 States and the District of Columbia. The total assets of these companies run into the many billions of dollars.

The nonbank activities of these bank holding companies range over the entire spectrum of business activity, but are heavily concentrated in the following areas: insurance agencies, insurance companies, real estate, various types of credit and finance companies, department stores and retail outlets, and many types of manufacturing concerns.

It is clear from the examination of these detailed data that the basic purpose of this legislation would be substantially defeated by a grandfather clause with a date as late as 1968 or 1969. If we use a date, it should be before any major movement toward the use of the one-bank holding company loophole by the large corporate entities whether centered around bank or nonbank activities.

A second alternative to the problem of the small, traditional one-bank holding company would be the use of a so-called asset test. This would exempt from regulation of the Bank Holding Company Act all bank holding companies whose banks had total assets of less than a certain figure and whose nonbank assets were less than a designated amount. One proposal that has received wide comment was made during our hearings on H.R. 6778 by Vice Chairman J. L. Robertson, of the Federal Reserve Board. His proposal was to exempt all bank holding companies with banking assets of less than $30 million and nonbank assets of less than $10 million.

In some ways this proposal is a better approach to the problem than the use of any cutoff date. Under the asset test, there would be no blanket exemption from the act as there would by using a date. As soon as a holding company's bank assets or nonbank assets exceeded the limit prescribed, they would be required to register with the Federal Reserve Board and be subjected to regulation under the act.

As stated earlier, I am opposed personally to any grandfather clause. However, if it is found necessary to accept a grandfather clause, the best alternatives are either an early date, such as January 1, 1965, or the asset test as proposed by Governor Robertson of the Federal Reserve Board.

There is one more thing I would like to point out about the question of a grandfather clause. Those who support the date in the bill as reported that is, February 17, 1969, argue that this is the proper date because it is the date that H.R. 6778 was introduced. I believe this is totally irrelevant. Bank and nonbank businesses alike have been on notice that Congress was concerned about the one-bank loophole since the bill was originally enacted in 1956. The House of Representatives both in 1956 and in 1965 eliminated the one-bank loophole, but because of circumstances of time and compromise, the House's view did not prevail in the Senate or in conference.

It should also be pointed out that neither the 1956 act nor the 1966 amendments to the Bank Holding Company Act contained any grandfather clause. Under the 1956 act divestiture was required of 13 companies, including the giant Transamerica Co., which controlled the Bank of America. It is clear from the record that none of these companies was adversely affected by the divestiture.

Proponents of the February 17, 1969, grandfather clause date will also argue that the grandfather clause is written in such a way as to be unacceptable to those who appear to benefit from it. If that is the case, we really need no grandfather clause at all. Of course, the grandfather clause in the bill as reported does not meet with the complete acceptance of those who would benefit from it. In other words, it does not give them everything they want. But it clearly gives them much of what they want and does benefit them.

For example, the Sperry & Hutchinson Corp., which operates the largest trading stamp company in the United States, acquired the State National Bank of Bridgeport, Conn., in October 1968. This is a large bank in central Connecticut with over $318 million in bank deposits. In addition, the Sperry & Hutchinson Corp. controls three department stores, one in Buffalo, N.Y., one in Lansing, Mich., and one in Grand Rapids, Mich. It also operates a travel agency and controls one of the largest carpet and rug manufacturing companies in the country, Bigelow-Sanford, Inc. In addition, it controls a manufacturer of office and industrial furniture and two textile mills.

Now, it is true that if the February 17, 1969, grandfather date were left intact, the Sperry & Hutchinson green stamp people could not go into other business activities beyond those they now operate. However, there is absolutely nothing to prevent the Sperry & Hutchinson green stamp company from expanding their department store chain, their travel agency, their carpet manufacturer, their furniture manufacturer, their textile mills, and their banking operation within the State of Connecticut to an unlimited extent. And they could expand their other nonbanking activities in any State in the United States.

Many other examples, such as the CIT Financial Corp., which operates a half dozen other businesses besides banking; the National Lead Co., which is involved in many nonbanking activities; Montgomery Ward, which is one of the largest retailers in the United States, and many others could expand their present activities to an unlimited extent and also carry on banking with the February 17, 1969, grandfather clause. This is an unwarranted violation of the purpose of the Bank Holding Company Act and should not be tolerated.

Other amendments to be offered to strengthen H.R. 6778 deal with the fol-

lowing matters: tightening the definition of what constitutes control of a bank for purposes of regulating a holding company; the removal of the partnership exemption now found in the act; a more clearly defined test for determining the proper nonbank activities of bank holding companies, including the addition of specific criteria for the Federal Reserve Board to use in making a judgment on whether to approve an application—such as increased competition, undue concentration of resources, conflict of interest and unsound banking practices—specifying certain limitations and prohibitions on the nonbank activities of bank holding companies, such as the extent if at all to which they could engage in the travel agency business, offering professional accounting services, offering general data processing services, combining with insurance companies, selling mutual funds through the bank subsidiary of a bank holding company and running an equipment leasing operation.

I would like to discuss briefly each one of these proposed amendments at this point.

TIGHTENING THE DEFINITION OF WHAT CONSTITUTES CONTROL

Both H.R. 6778, as originally introduced, and H.R. 9385, the administration bill, which was endorsed by the Treasury Department, the Justice Department, and the Federal Reserve Board, would have amended existing law to more realistically define what constitutes control of a banking corporation. Present law defines control as existing when a company controls 25 percent or more of the stock of a bank. It is well known that any large corporation can be controlled with substantially less than 25 percent of its stock. This fact was supported in testimony before your committee on H.R. 6778 and was not challenged by any witness, even those representing the banking industry.

The amendments to the Bank Holding Company Act supported by the administration would have found that control existed when a company had the power to direct the management and policies of a bank. Unfortunately, H.R. 6778, as amended and reported by your committee, does not change present law and, thus, would permit a company to control any number of banks with just under 25 percent of the stock of each bank and still remain completely unregulated as to its nonbanking activities. Failure to amend the Bank Holding Company Act in this regard could have serious adverse effects in effectively administering the Bank Holding Company Act.

THE PARTNERSHIP EXEMPTION

Both H.R. 6778, as originally introduced, and H.R. 9385, the bill supported by the administration, remove the exemption in present law for banks controlled by partnerships. H.R. 6778 as amended and reported by your committee, however, leaves totally intact this exemption.

This is a serious loophole in the law, particularly since limited partnerships as well as general partnerships, are exempted from regulation by the Bank Holding Company Act. The limited partnership is very similar to the corporate form. By continuing to exempt all partnerships from regulation under the Bank Holding Company Act, another extremely serious defect in the coverage of the law exists which could be used to completely avoid the intent of Congress in regulating bank holding companies. One large chain of banks already exists through control by partnerships. Under the version of H.R. 6778 reported by your committee, partnerships controlling banks could engage in any nonbanking activities that they wished, along with operating their banking businesses in complete disregard of the purpose of the act.

THE PROPER TEST FOR DETERMINING NONBANK ACTIVITIES OF BANK HOLDING COMPANIES

H.R. 6778, as originally introduced, did not change the "closely related to banking" test found in the Bank Holding Company Act for determining what nonbank activities are permissible for bank holding companies. During consideration of the bill by your committee the test "functionally related to banking" was adopted. While many preferred to use the term "closely related to banking", it is not felt that there is any substantial difference between the two tests.

The test in H.R. 6778 as amended and reported is not the same as that recommended by the Federal Reserve Board, though the intent seems to be the same. I think that intent should be made clear in this legislation. The test recommended by the Federal Reserve Board reads as follows:

(L) performing any other activity that the Board has determined, after notice and opportunity for hearing, is functionally related to banking in such a way that its performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public, such as *greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased competition, conflicts of interest, or unsound banking practices.*

Under the Federal Reserve Board's recommended language it is clear that the Federal Reserve Board, in considering an application for a nonbank acquisition under section 4 of the act, must consider anticompetitive, as well as other antitrust factors. This provides important guidelines and criteria for the Board not explicitly contained in the bill as reported.

Further on in this debate, we will be discussing the desirability of specifically requiring the Federal Reserve Board to consider such antitrust factors as the anticompetitive effects of an application of a bank holding company to enter certain nonbanking fields. I suspect that when this is discussed, certain Members will claim that antitrust considerations are not properly the subject of banking legislation, but should be within the exclusive jurisdiction of the Judiciary Committee. They will produce a letter which I received from the distinguished chairman of the Judiciary Committee and claim that this is the position taken by Chairman CELLER.

These claims are totally and completely inaccurate. The application of antitrust laws to banking, including bank holding company matters, has never been questioned. In fact, the Banking and Currency Committee worked long and hard for many years on the Bank Merger Act. In addition, as every member of the Banking and Currency Committee knows or should know, the Bank Holding Company Act itself has antitrust provisions. Section 11 of the Bank Holding Company Act deals almost exclusively with antitrust matters. Chairman CELLER's letter, which I wish to insert in the RECORD at this point, did not state that antitrust matters pertaining to banking were not properly considered by the Banking and Currency Committee. The only point made in the letter was that H.R. 9385, the administration's bank holding company bill, introduced by the ranking minority member of the Banking and Currency Committee, contained a new antitrust criteria—that is, the absolute size of a company—which was not contained in any existing antitrust legislation. Chairman CELLER's point was that if new antitrust standards were to be considered, they should be considered by the Judiciary Committee. I wholeheartedly agree with this point.

Chairman CELLER's letter follows:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., June 19, 1969.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

MY DEAR WRIGHT: The Administration bill to regulate one-bank holding companies, H.R. 9385, introduced by Representative Widnall, contains a provision which makes size alone relevant in a determination of potential anticompetitive effects. This provision appears in a proposed amendment to section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. § 1843).

As you recall, section 4 of the Bank Holding Company Act proscribes bank holding companies from having ownership or control of nonbanking organizations, or from engaging in business other than that of banking, and section 4(c) grants exemptions to the activities otherwise prohibited in section 4. Clause 8 of section 4(c), among others, exempts activities which are found to be so closely related to the business of banking as to be a proper incident thereto. The Administration bill would amend clause 8 to provide guidelines established by the unanimous consent of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board. The "size" test is provided in the following language which appears on lines 20 through 24 on page 7, and lines 1 through 4 on page 8 of H.R. 9385:

"In establishing such guidelines consideration shall be given to any potential anticompetitive effects of a bank holding company engaging in any proposed type of activity, and limitations on permissible activities may be established on the basis of any relevant factors, *including size of bank holding company or its subsidiary banks, the size of any company be acquired or retained, and the size of communities in which such activities should be permitted.*" (*italic supplied*)

The proposed provision applies concepts of size as relevant factors in four contexts: size of the bank holding company, size of subsidiary banks, size of any company to be acquired, and size of community in which the activities are located. Under the amendment "bigness" in any one of these areas could be the basis for a finding of potential anticompetitive effects.

This proposal is one of the most far-reaching that I have seen to make "size," or "bigness" determinative in an antitrust context. It goes beyond the test originally enacted in the Bank Holding Company Act of 1956 in section 3(c). That section, until amended in 1966, required the Federal Reserve Board to

consider whether the acquisition of a bank "would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking . . ."

The House Antitrust Subcommittee at the present time is conducting an investigation into mergers and activities of conglomerate corporations. The legislative purpose of the Antitrust Subcommittee investigation is to determine whether the antitrust laws as presently formulated are adequate to cope with problems presented by conglomerate corporations. Any determination of the adequacy of the antitrust laws to meet the threat of conglomerate corporate growth and concentration of economic power necessarily involves a consideration of whether a "size" test is appropriate.

For many years, both the Congress and the Courts have been reluctant to equate size and bigness with badness or antisocial behavior. Courts invariably have declared that size alone does not constitute a violation of the antitrust laws. The only exception to this has been where size has been measured by the share of a market, and the market share has amounted to a monopoly.

I believe that if it is appropriate at this time to legislate against size, such legislation should be based upon a consideration of a broader segment of the economy than banking alone. A departure of this magnitude from our previous policies should have a broad base. We need consideration of all segments of industry and of general business behavior in the economy. The banking industry should not be singled out for such a flank attack. All segments of business and industry, including banking, should be examined.

There are many factors to be considered before a "size" test is accepted as a measure of the legitimacy of business behavior. Many authorities point out that our economy is large and growing, with magnitude unprecedented in the history of the world. Such an undertaking requires great companies, with substantial assets to support domestic and foreign operations. Large size, particularly, is asserted to be necessary for the conduct of essential research operations. Other opponents of a "size" test point to the necessity of counterbalancing the power of large and growing unions. Further, if we are to accept a "size" test, how do you determine what is the appropriate size? What may have been too large in 1920, might not be too large under conditions in 1969.

Wholly apart from the wisdom of adopting for the first time a "size" test limited to the banking industry, there is another consideration involved in the proposed Administration amendment that disturbs me. The subject of the effect of size on business behavior is essentially an antitrust problem. Antitrust policies, enforcement of the antitrust laws, and factors in business behavior that result in restraints on trade, conspiracies, or monopoly always have been the province of the Committee on the Judiciary. Under the Rules of the House, the Judiciary Committee is responsible for matters relating to "protection of trade and commerce against unlawful restraints and monopolies." This jurisdiction has been resident in the House Judiciary Committee for many years, and the Members of this Committee have developed an expertise on antitrust matters, including the complex competitive considerations that would be involved in the adoption of a "size" test.

In view of the foregoing, I urge that the Members of the Banking and Currency Committee do not take action on that portion of the Administration bill which would establish a size test as relevant for a determination of potential anticompetitive effects. I urge that the Banking and Currency Committee defer to the Judiciary Committee on this part of the bill.

This request is made in the interest of logical and orderly procedure. The current investigation of the House Antitrust Subcommittee will canvass most thoroughly the antitrust elements of a size test. The Judiciary Committee is in a position to consider the application of such fundamental changes in our antitrust policy to all phases of our economy.

As Chairman of the Judiciary Committee, as well as of its Antitrust Subcommittee, I shall be more than pleased to keep the Chairman of the Banking and Currency Committee, the distinguished gentleman from Texas, Mr. Patman, fully informed of the progress made in our inquiry.

Sincerely yours,

Mannie

EMANUEL CELLER,
Chairman.

Since the standard of size found in H.R. 9385 is not present in the bill before us today, Chairman CELLER's letter is not relevant to the issues before us.

Aside from the importance to the public interest of having the above-mentioned specific factors considered by the Federal Reserve Board in approving a nonbank acquisition by a bank holding company, it is extremely important to include these factors so that competitors of bank holding companies will clearly be found to have an opportunity to be made a party to a proceeding before the Federal Reserve Board. On this ability to enter such a proceeding may also depend the right of such a competitor to obtain adequate judicial review of a Board ruling. Because of the strong feeling that any party allegedly injured by an administrative ruling should be permitted to have his day in court, H.R. 6778 as reported should be amended to clearly provide for this right.

ACTIVITIES WHICH SHOULD BE PROHIBITED TO BANK HOLDING COMPANIES

H.R. 6778, as amended and reported by your committee, prohibits bank holding companies or their nonbank subsidiaries from performing the function of a general insurance agent. On the basis of extensive testimony taken by your committee during 4 weeks of hearings, it was convincingly pointed out by many witnesses that certain other businesses, in addition to insurance agents, are seriously threatened by potential unfair competition from bank holding companies. These businesses, involving hundreds of thousands of independent businessmen throughout the United States include travel agencies, professional accounting firms, data processing companies and equipment leasing companies.

In addition, serious questions were raised by several witnesses during our hearings on H.R. 6778, including leading economists, concerning the tremendous economic power that would be created by the concentration of giant insurance companies and large banks under a single holding company umbrella. The assets of commercial banks and insurance companies comprise most of the assets available for use by all the institutional investors in the United States. Insurance companies and banks combined control roughly $865 billion, or 77.2 percent of the $1.1 trillion of institutional investors in the American economy. Commercial banks alone control $646 billion, or 57.7 percent of this total. Various news media have indicated possible mergers, through the holding company device, of several of the largest commercial banks and largest insurance companies in the country. One such merger was dropped last winter after the Justice Department brought suit. However, we cannot rely in the long run on such administrative action. We should legislatively prohibit such massive concentrations of economic power. There is no justification for them. By permitting a combination of banks and insurance companies, a tremendous concentration of financial resources would be attained to the detriment of the public interest.

Unfortunately nothing in H.R. 6778 as reported would prohibit these combinations from taking place within the bank holding company systems.

PROTECTING AGAINST BANKS AND BANK HOLDING COMPANIES ENGAGING IN THE SECURITIES BUSINESS

H.R. 6778, as amended and ordered reported, prohibits a bank holding company from acquiring the shares of any company "engaging in the underwriting, public sale, or distribution of mutual funds." This provision of the bill as presently drafted raises two serious questions: First, it prohibits nonbank subsidiaries of bank holding companies from engaging in the sale, underwriting, or distribution of mutual funds, but it does not prevent a bank subsidiary of a bank holding company or any other banking institution from carrying on such activities if permitted to do so by the bank supervisory agencies. In fact, the Comptroller of the Currency has already ruled that national banks can engage in what, in effect, are mutual fund operations; and second, the term "mutual fund" is not defined anywhere in Federal law. Technically, what banks have been seeking to do is to sell participations in what are known as commingled agency accounts. This is, in effect, a mutual fund activity.

Therefore, it is questionable whether the amendment adopted in your committee will accomplish the stated purpose of prohibiting banks as well as bank holding companies, from engaging in this aspect of the securities business. An amendment should be adopted that clearly prohibits both banks and bank holding companies from engaging in mutual fund sales, as was intended in the original Glass-Steagall Act of 1933 which separated the business of banking from all aspects of the securities business.

In conclusion, let me say that as the author of the original bill, H.R. 6778, the bill before us today I strongly support legislation to broaden the coverage of the Bank Holding Company Act. This includes provisions found in the bill as reported which would for the first time bring one bank holding companies under the regulation of the Bank Holding Company Act and prohibits bank holding companies from engaging in the insurance agency business and the underwriting, public sale or distribution of mutual funds.

At the same time, I support certain amendments to strengthen and make more clear the legislative purpose in enacting these amendments to the Bank Holding Company Act. In particular, I will support amendment either removing or rolling back the grandfather

clause, tightening the definition of what constitutes control of a bank for purposes of regulating bank holding companies, removing the exemption for limited partnerships, making more specific the test that the Federal Reserve Board should use for determining nonbank activities permitted to bank holding companies, and adding to the list found in the bill, activities which would be prohibited to bank holding companies.

The bill, as reported, strengthened by these amendments, would in my opinion, be a landmark piece of legislation of vital concern to the future development of the American economy and the free enterprise system.

(Mr. WIDNALL (at the request of Mr. BROCK) was granted permission to extend his remarks at this point in the RECORD.)

Mr. WIDNALL. Mr. Chairman, as of January 1, 1968, there were only three one-bank holding companies with $2.5 billion of deposits which had been formed on the initiative of the bank. Since then, as the following table shows, there has been a substantial increase in the announced formation of such companies, particularly on the part of large banks.

Bank announced Cos. period	Number of Cos.	Deposits (billions)
6 months, Jan. 1 to June 30, 1968	6	$4.3
6 months, July 1 to Dec. 31, 1968	74	104.3
6 months, Jan. 1 to June 30, 1969	30	32.9
3 months, July 1 to Sept. 30, 1969	7	1.6
Total	117	143.1

These bank announced one-bank holding companies account for more than 33 percent of all bank deposits and about 2½ times the deposits held by multiple-bank holding companies.

Theoretically, these bank initiated one-bank holding companies are free to engage in banking and any other business activities subject only to the restraints of antitrust law. Actually, with comparatively minor exceptions, they have not chosen to do so.

In addition to the bank announced one-bank holding companies, there have been an increasing number of acquisitions of a single bank by nonbanking companies.

Both types of acquisitions should be brought under the constraints of the 1956 Bank Holding Company Act. Essentially that is what this bill, H.R. 6778, would do. It would remove the one-bank holding company exemption from the 1956 act. Even if the bill did nothing more than that, it would be a good one-bank holding company bill.

The 1956 act did require multiple-bank holding companies to divest themselves of outside business activities not closely related to banking. The 1956 act has prevented multiple-bank holding companies from mixing banking and commerce. It is not theory but fact that the 1956 act has been and is sound and effective bank holding company legislation for the multiple-bank holding companies subject to its control. The act will work equally well in providing sound and effective Federal regulation of one-bank holding companies.

At the suggestion of the Chairman of the Federal Reserve Board, the committee changed the criteria the Board must use in deciding the types of outside business activities in which a bank holding company can engage. The present law states that such activities must be of "a financial, fiduciary, or insurance nature" and so closely related to banking as to be a proper incident thereto. That is broad authority but over the years the Board has given it very strict interpretations. The result is the Board finds itself unduly restrained by the precedents of the tight administrative interpretations it has made in the past. The Chairman of the Fed suggested the test be recast in terms of activities functionally related to banking which when performed by a bank holding company will bring probable benefits to the public which outweigh possible adverse effects. That is also broad authority. It could be more, or less, restrictive than existing law depending on Board determination. But it is a change which gives the Board leeway to adjust its administration of the act to evolving economic change with emphasis on more fully meeting the needs of the public.

The bill does limit the Board's direction in two respects. It prohibits the holding company and its nonbanking subsidiaries from entering into the general insurance agency business and sale of mutual funds hereafter. It leaves unchanged whatever right the bank subsidiary has under applicable State and Federal law to engage in such activities.

There had been some complaints that the Board had been too slow in acting upon holding company applications. A 90-day action requirement was added under which within 90 days after the Board has received a completed application, it must act to approve or deny, as otherwise the application will be deemed approved.

One of the real problems confronting the committee was what if anything should be done about recognizing the status of the more than 700 one-bank holding companies already in existence which legally are engaging in various types of outside nonbanking activities.

Since the Congress in the 1956 act initially sanctioned and in the 1966 amendments reaffirmed the exemption of one-bank holding companies from coverage of the act, the decision was made that in all fairness a grandfather clause should be provided as of the date of introduction of this bill; namely, February 17, 1969. It is a tight provision. It freezes nonconforming activities to the status as of that date. A one-bank holding company then engaging in what are to become nonconforming activities is frozen into the activities in which it was then engaged and prohibited from expanding into other nonconforming activities. Also, the one-bank holding company is frozen as to the share investment it held in nonconforming businesses as of the grandfather date.

Theoretically, the grandfather clause treats all alike in that it gives full recognition to the status quo. Practically, it will not work that way. A great number of small one-bank holding companies probably can live with the grandfather clause. A large proportion of these, ironically, were formed by insurance agencies operating in the midwestern part of the country where such an arrangement is a common way of life. They came into existence not for expansion purposes but because of tax considerations. For a small holding company owning a bank, if it has a qualifying percentage of other business income, it can avoid being treated as a personal holdng company for tax purposes. The grandfather clause, therefore, will prevent forced disruption of the banking pattern presently existing in the whole Midwestern section of our country. However, it will call a halt to the future creation of such companies.

For the larger and substantial companies the results will be quite different. They can continue as they are only if they are content to remain frozen in the activities in which they are then engaged and only if they will sit still with a freeze on share investment in the nonconforming activities. This they will not do. Faced with a freeze on expansion, there is no question in my mind that they will elect to dispose of their bank and cease to be a one-bank holding company.

A dissenting minority of the committee has cited the Sperry & Hutchinson Co. as a beneficiary of the February 17, 1969, grandfather clause and attempted to dub the grandfather clause as an S. & H. green stamp amendment. Let us examine the facts.

The Sperry & Hutchinson Co., a $422 million company, acquired the $320 million deposit State National Bank of Connecticut in September 1968 and thereby became a one-bank holding company. In addition to its trading stamp operations, the S. & H. Co. is a multiple business firm. It acquired Bigelow-Sanford Inc., one of the Nation's four largest carpet manufacturers, in 1968. In January 1969, it acquired the W. H. Gunlock Chair Co., manufacturers of quality wooden seating. S. & H. owns three department stores located in Buffalo, N.Y.; Grand Rapids, Mich.; and Lansing, Mich. Last year, the company sold a previously owned department store in Baton Rouge, La. Only the other day, S. & H. announced the acquisition of David M. Lea and Co., a furniture manufacturer located in Richmond, Va.

S. & H. is a company on the move. No matter what date is chosen for a grandfather clause, it cannot live with a freeze on the businesses in which it can engage and the shares it can own. A Washington representative of the company made clear in a letter to the chairman of our committee under date of July 9, 1969, that the company is opposed to the grandfather provision in the bill and that, and I quote, "under no circumstance would it be appropriate to call the Widnall amendment 'the S & H green stamp amendment.' "

I think simple equity demands that there be some sort of equitable grandfather clause for existing companies. Further, I believe it might be necessary to have a grandfather provision to muster the political support necessary for passage of the bill. There is no such

thing as a perfect grandfather clause doing equity to all in fact as well as theory. The provision in the committee bill in my opinion is the best yet proposed and I support it.

The bill as reported by the committee is concise. It meets the problem within the framework of a time proven statute. The 1956 Bank Holding Company Act has worked well. Bringing one-bank holding companies under control of that act will maintain the line between banking and nonrelated business. Such action will forestall potential abuses which otherwise could develop. The bill deserves the support of the Members of this House.

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

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

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

[Roll No. 258]

Abbitt	Flood	Olsen
Addabbo	Flynt	Ottinger
Arends	Foley	Passman
Aspinall	Ford, Gerald R.	Patten
Barrett	Frelinghuysen	Pepper
Berry	Friedel	Pike
Biaggi	Gallagher	Pirnie
Biester	Gaydos	Podell
Blackburn	Giaimo	Powell
Boland	Gilbert	Pucinski
Brasco	Goldwater	Railsback
Brown, Calif.	Green, Pa.	Reid, N.Y.
Burton, Calif.	Griffin	Reifel
Button	Griffiths	Rooney, N.Y.
Byrne, Pa.	Grover	Rooney, Pa.
Cahill	Halpern	Rosenthal
Carey	Hanley	Rostenkowski
Carter	Harsha	Roth
Celler	Hébert	Ryan
Chisholm	Helstoski	Scheuer
Clancy	Horton	Slack
Clark	Howard	Smith, Iowa
Clausen, Don H.	Jarman	Smith, N.Y.
	Jonas	Snyder
Clay	Jones, Ala.	Steiger, Ariz.
Cleveland	Kee	Stokes
Conte	Kirwan	Stubblefield
Conyers	Kleppe	Taft
Corman	Koch	Tiernan
Coughlin	Leggett	Udall
Cowger	Lipscomb	Utt
Daddario	Long, La.	Vigorito
Daniels, N.J.	Lowenstein	Watkins
Dawson	Lukens	Watson
Dennis	McClory	Watts
Dent	McDonald, Mich.	Weicker
Derwinski	McKneally	Whalen
Diggs	Madden	Whalley
Dingell	Mann	Whitehurst
Donohue	Mathias	Whitten
Downing	Mayne	Widnall
Dulski	Meskill	Williams
Duncan	Miller, Calif.	Wilson, Charles H.
Dwyer	Monagan	Wolff
Edwards, Calif.	Morgan	Wyatt
Eilberg	Morton	Wydler
Eshleman	Murphy, N.Y.	Yatron
Fallon	Nix	Zion
Farbstein	O'Hara	
Fish		

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill H.R. 6778, and finding itself without a quorum, he had directed the roll to be called, when 285 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. DEL CLAWSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman. I rise today in support of H.R. 6778, a bill to amend the Bank Holding Company Act of 1956.

Mr. Chairman, at the outset, I would like to take this opportunity to express my thanks to all the members of the Banking and Currency Committee who have worked long and hard over the last 6 months to bring this bill to the floor of the House. I would especially like to commend the chairman of our Banking and Currency Committee, the Honorable WRIGHT PATMAN from the State of Texas.

I have been an occasional critic of the activities of our committee when I have felt that meaningful legislation did not receive the deliberate and meaningful attention of our committee due to the fact that we seemed to be always under pressure to report a bill out of committee within a specific period of time. On this bill, however, the chairman granted ample and adequate opportunity for full discussion and debate. Witnesses were requested from all of the Members and 6 weeks of testimony was received in full committee.

Mr. Chairman, I think the generosity of the committee chairman is reflected in the bill that we have before us today. In my opinion, it is not the chairman's bill, it is not the administration's bill, but, in reality it is what the framers of the Constitution meant the legislative process to perform, a committee bill.

As a member of the House Banking and Currency Committee, I have, personally, resented in the past the general impression that has been created in the Congress that we do not have an effective committee. We have on our committee some of the most capable Members of the House of Representatives. Their general knowledge of the field of finance, both domestic and international, has been gained by years of experience. To those members who have contributed so much to the formation of this bill, I extend my most sincere thanks and I express publicly the pleasure that I enjoyed in working with them on this legislation and the hope that we can continue to do this in the future.

I think it would be interesting, Mr. Chairman, to state that on this legislation as in other similar legislation before the House, certain Members seem more active in one phase of a given subject than they do in another. This is true for many reasons.

It reminds me of the conversation I had with the gentleman from Illinois last week, the very able and distinguished Mr. ERLENBORN. I was quite curious to know why Mr. ERLENBORN, while only in his third term in Congress, seemed to carry the ball for the minority on the all-important subject of coal mine safety. Upon questioning him, I found that his congressional district did not contain a single coal mine. I felt that Mr. ERLENBORN gave me a very intelligent answer when I asked him how he developed such an interest in this particular subject. He explained to me that very few members on the minority side of his committee had coal mines, that this was an especially technical bill that required considerable personal study and attention, and he found himself slowly becoming an expert in this field for the simple reason that everyone else at that particular time on the committee was engaged in other activties and, honestly, there was no one else to carry the ball.

Mr. Chairman, I must admit that I feel somewhat the same in regard to H.R. 6778 and the general field of bank holding companies. Because of the tax structure of the State of Ohio, making it a prohibitively expensive proposition for a bank to become a one-bank holding company, there are relatively few Ohio banks that have joined the deluge of banks throughout the country in the formation of one-bank holding companies. To my knowledge, there are no one-bank holding companies in my district and there are none that are contemplated. I own no stock nor have I any personal interest in any one-bank holding company.

However, I do have a genuine concern for the orderly growth and development of the banking industry in this country. I genuinely believe the banking industry has contributed to making the free enterprise system the envy of the world and have contributed so much to the American way of life.

Mr. Chairman, we have come today, however, to remedy a development in this country that, if left unchecked, could affect the whole economic system of the United States. The time has come to provide legislation that would regulate one-bank holding companies. As with all legislation that appears before our committee and the Congress, this legislation to regulate one-bank holding companies is in the public interest.

Years ago, the Congress, in the Banking Act of 1933, took steps to separate banking from nonbanking businesses. In 1956, Congress, by the enactment of the Bank Holding Company Act, followed this philosophy in enacting legislation that affected companies that owned two or more banks. Again, in 1966, the Congress, in its wisdom, recognized that the Bank Holding Company Act was one that would need continual review by Congress and rightfully closed a loophole that had developed out of the original 1956 act.

Today we have come to the House to close another loophole. We will attempt, in the next couple of days, to enact legislation that will bring one-bank holding companies under the Multi-Bank Holding Company Act. At the end of our deliberations, I will be amazed if this bill does not receive unanimous support from the Members of the House of Representatives.

Mr. Chairman, there is some background that the members of the committee should have in regard to this legislation. I think that everyone would agree that we are here, primarily, because one of the most outstanding Americans of our time, the present Chairman of the Board of Governors of the Federal Reserve System, William McChesney Martin, appeared before our committee last fall and stated:

> The Board of Governors was deeply concerned about the rapid increase in the for-

mation of one-bank holding companies, and I express the view that this development, if unchecked, could affect the whole economic system of the United States.

Mr. Martin went on in detail to explain the potential for abuse with the formation of these one-bank holding companies to the principle of the separation of business and commerce. In testimony before our committee, Mr. Martin and other members of the Board continued to emphasize that their fears were for potential abuse rather than existing abuse. There is not one single case that the Board cited for the immediate need of this legislation, as was the case in the creation of the original 1956 act and in the amendments of 1966.

The chairman of our committee, on February 17, introduced a bill to accomplish Mr. Martin's goal and a goal which will be welcomed by Government officials and members of the banking industry. It is most significant that the chairman properly entitled this bill, and I quote: "A bill to amend the Bank Holding Company Act of 1956, and for other purposes."

Within a matter of days, the new administration, under the leadership of the Treasury Department, presented a bill along similar lines. It is known as H.R. 9385.

To some of us on the committee, it became apparent, as the weeks went by, that neither bill had the majority of support from the members of our committee. It was my firm feeling that both bills attempted to go much farther in the control and regulation of our banking system than the original idea of bringing one-bank holding companies under the Multi-Bank Holding Company Act. Both bills contained, not only amendments to the Multi-Bank Holding Company Act, they contained amendments to the Federal Deposit Insurance Act and amendments to the National Housing Act.

In order to bring order out of chaos and to bring a simple approach to the subject before the committee, I, personally, introduced a bill, H.R. 12130. Instead of a 12-page bill and a 23-page bill, we had an alternative before our committee in a three-page bill that would accomplish the original goal as outlined to the committee by the Chairman of the Federal Reserve Board.

The bill we have before us today, Mr. Chairman, is a refinement of H.R. 12130. This committee bill was voted out of our committee in this form by the overwhelming vote of 28 to 5.

In the bill before us, we are asked to amend two sections of the 1956 Bank Holding Company Act. It is expected that the Parliamentarian will recognize this fact and that all amendments that shall be offered will be limited to changes in these specific sections. There are numerous amendments that may be offered to other sections of the 1956 Bank Holding Company Act. The majority of the committee, however, in its wisdom, has declined at this time to consider these changes. And, Mr. Chairman, I should like to tell you why.

There is a general feeling among the members of our committee and members of the Banking Committee on the other side that the time has come to take a new and broad look at financial institutions generally. My distinguished colleagues, Mr. MOORHEAD and Mr. REUSS, more adequately stated it than I could, when they said last week, and I quote:

Frequently we find ourselves legislating on specific banking and other financial measures without being able to visualize the over-all affect on financial institutions in general.

They recommended a plan, for the consideration of the Members, to set up a national commission on financial institutions to report to Congress within 3 years legislation which would improve the structure and operation of financial institutions. Mr. Chairman, I feel strongly that we should, this year, bring one-bank holding companies under the Multi-Bank Holding Company Act and leave any further changes than those that have been reported in the committee bill to the wisdom of such a commission at a later time. Under no circumstances do I think the changes in our banking regulations should be made on the basis of complaints from competitors or potential competitors alone. I think that the establishment of a body with the time and resources to determine the proper scope for banking services, as determined by the public need and the public interest, should be the sole criteria for further changes in the banking industry.

For this reason, I wish to commend the gentlemen for their foresight and wisdom in calling for enactment of this legislation and, for what it is worth, I am pleased to inform them that I will wholeheartedly join with them in the introduction of their legislation.

Mr. Chairman, much has been said in the last few months concerning the activities of bank lobbyists and other lobbying activities with reference to this bank holding company legislation. I would like to express at this time my personal experience on this subject, since H.R. 6778, in its present form, is similar in nature to H.R. 12130.

The fundamental and simple approach taken by H.R. 12130 was the result of individual efforts by myself and the members of the minority staff on the Banking and Currency Committee. When H.R. 12130 was drafted and introduced, I was pleasantly surprised that none of the supposedly big, bad bank lobbyists contacted me in regard to it prior to its introduction. I, personally, believe that this was due to the fact that the lobbyists had concentrated their efforts on provisions of the chairman's bill and the administration's bill. I suspect that the big bank lobbyists never thought that the committee itself would rewrite the legislation.

Mr. Chairman, I would have to say, though, that, in all of my experience on the Banking and Currency Committee, I have never been attempted to be influenced by anyone as much as I have by the National Association of Insurance Agents. During the markup on this legislation, three of my most personal friends were brought in from my district to lobby for a provision that would, presumably, keep the banks from operating as insurance agents. In the last 48 hours I have received more telegrams from insurance agents in my district, asking me to support amendments, than I have ever received on any other legislation. I thought that the education lobbyists in this country had superseded some of the labor union lobbyists for the questionable title of lobbyist "No. 1." However, over the last few months, I am convinced that the National Association of Insurance Agents holds this questionable title at the present time.

Mr. Chairman, I would simply like to state further that the lobbying activities of the insurance agents have, so far, been successful. The committee, in its wisdom, recognized the fact that provisions prohibiting banks from engaging in certain insurance activities were a political necessity.

Mr. Chairman, I bring the activities of the National Association of Insurance Agents to the attention of the Members at this time for a specific reason. As stated earlier, I feel strongly it is the duty of the Banking and Currency Committee to always keep in mind that our first and foremost consideration is, and always should be, "what is best for the public interest." As I stated earlier, I do not believe in making changes in our banking regulations on the basis of complaints from competitors or potential competitors alone. Public need and public interest should be the criteria for further changes in the banking industry.

One must also take a look at another aspect of the deluge of mail that we have received from the National Association of Insurance Agents. One would be less than honest if he did not admit that the National Association of Travel Agents, the organizations involved in data processing and many other similar national organizations could, if they had wanted to spend the money or were so well organized, equal the volume of material that we have received from the insurance agents' representatives.

In this regard, I would like to further state that there is a gross misconception of the general purpose of this bill among many people. This legislation does not pertain to the regulation or restriction of activities which may be carried on by a bank. In fact, this legislation has no real relevance to banks that are not affiliated with or owned by holding companies. The regulation of activities in which a bank may be engaged is provided for in other laws which control the activities of banks. The regulatory agencies of this country for that purpose have been and will continue to be the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Reserve Board, depending on what type and charter that bank happens to be.

Mr. Chairman, in conclusion, I would like to reiterate the need for the passage of this legislation. The House will work its will tomorrow. I, for one, recognize that we do not have a perfect bill. I do believe, however, that we have a good bill. It is my sincere hope that the bill will pass out of committee and be voted overwhelmingly by the Members of the House in its present form.

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

Mr. STANTON. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, I would like to make two points. First of all, I think the gentleman has done the House a very great favor in making clear that this bill does not have any influence whatsoever in those instances where a bank which is not a holding company at all is engaged in the insurance business and under the regulation of the Comptroller of the Currency, as in the case of banks. This legislation will not affect that situation at all.

Mr. STANTON. Mr. Chairman, I appreciate the gentleman bringing out that point, but I wonder if the gentleman would not agree with me on this. Does the gentleman think this is common knowledge around this country, or does the gentleman think these people have been motivated by the thought that in their city or town, they, too, could be affected?

Mr. HANNA. I think perhaps there is some misunderstanding as to just what this bill will do and what the situation is. The insurance business is being carried on by the one-bank holding companies, but it is also true insurance business is being carried on by others. This bill will not touch that situation.

The other point the gentleman makes is one that interests me, about lobbying. Does the gentleman not agree with me that Members of the House should not be so naive as not to expect any influential sector of this country is not going to try to lobby Congress if that sector has a very important interest in what we are considering? Certainly the gentleman would agree with that.

Mr. STANTON. Let me say the gentleman in the well is a realist. He really meant to point out in what he said that other people in private life and in industry, such as the data processing and travel industries, if they would be willing to spend the money would be able to bring the same pressure to bear.

Mr. HANNA. I think we should place ourselves on record as expecting in this society and with the communications we have available in this country today and at this time, that Congress will be and should be contacted by people who have an interest in many subject matters which the Congress is considering.

Mr. STANTON. I thank the gentleman from California for his contribution.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, at the outset I thank the gentleman in the well for his fine statement on this legislation. I would be remiss if I did not commend the gentleman even more for the tremendous amount of work and time he has contributed to the consideration of this legislation in the committee and generally.

I would like to ask the gentleman in the well if it is not true that we have been receiving a number of communications on the holding company legislation from Michigan, but as the gentleman pointed out, Michigan does not permit the holding company structure. Is that not true?

Mr. STANTON. I would say to the gentleman that in preparing these remarks today, one of the things that surprised me last week was when a Member from the State of Michigan said:

What are you doing in my State of Michigan about insurance?

I said that to my knowledge I did not think we were doing anything, but I would doublecheck. I said I thought there was no holding company in the State of Michigan that had gotten into the insurance company business. Am I right, that there is no holding company in the State of Michigan for any purpose? Is that correct?

Mr. BROWN of Michigan. The gentleman is correct.

Let me ask another question. Is it not true that prior to consideration of this legislation this spring none of those who now feel adversely affected by this legislation, such as travel agents, accountants, data processors, and insurance agents, contacted us about abuses by the banks with respect to these activities?

Mr. STANTON. I would say to the gentleman this is true. For years we did not hear from people concerning the 1956 act and all we are doing now is bringing the one-bank holding company under the Bank Holding Company Act of 1956. So we will have to say, that if these people had complaints they are the same ones they have had for years.

Mr. BROWN of Michigan. Does not the gentleman believe that many of those who are indicating they are adversely affected by this legislation, are really reflecting a feeling that this legislation is authorizing some new activity that was not authorized before? Does the gentleman get that impression?

Mr. STANTON. I would say the gentleman from Michigan is correct in that respect. Sometimes the letters have expressed a certain fear that we are taking a different turn in this country. That certainly is contrary to the intent and purpose of the bill, which is to tighten a loophole.

Mr. BROWN of Michigan. If anything, in fact, this legislation restricts any of those practices.

Mr. STANTON. It is certainly the attempt and the desire of the committee to do that.

Mr. BROWN of Michigan. I thank the gentleman.

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

Mr. STANTON. I am happy to yield to the chairman.

Mr. PATMAN. I appreciate the gentleman's kind remarks. I know he is a very valuable member of our committee and will be helpful in formulating this legislation.

On the question of insurance agents, I believe the gentleman said he was for the provision that would keep the banks from acquiring insurance agencies; is that correct?

Mr. STANTON. I did not make that statement in my remarks here. I would say I support in this bill the provision to keep banks from acting as insurance agent. I personally believe banks should not act as insurance agents.

Mr. PATMAN. Does not the gentleman believe another threat is the banks acquiring insurance companies? I believe the information was brought out in the hearings that if a few banks, like the big banks of New York, a half dozen of them, should acquire a half dozen of the largest insurance companies, they would have enough cash reserves under the fractional reserve system to buy out practically every important business in the United States. They can create the money on the basis of 22 to 1, averaging time deposits and demand deposits, and that would give them unlimited amounts of money to do that. Does not the gentleman believe it would be against the public interest for the banks to be allowed to acquire insurance companies?

Mr. STANTON. I certainly would like to tell the chairman of our committee the overriding fear in my mind is no longer of the banks acquiring insurance companies. The trend in this country is for insurance companies to buy banks. I think there is an equal fear.

Mr. PATMAN. That is right.

Mr. STANTON. And an equal regard.

Mr. PATMAN. I share that view.

Mr. STANTON. It was pointed out at one time in our committee and we made a great thing about the bank in New York buying the Chubb Insurance Agency. This is what we were going to stop at one time in our committee.

Mr. Chairman, we did not stop it. It was the antitrust laws of this country and the Justice Department who moved to stop it. That was all important.

I would certainly bring out for the attention of the committee, there are certain antitrust provisions in the Bank Holding Act of 1956. All are maintained in this act.

Mr. PATMAN. Will the gentleman support an amendment to bring the antitrust laws as recommended by the administration in particular into this act here?

Mr. STANTON. I am glad the chairman asked for this colloquy, because it does bring out, and we will bring out tomorrow, all the different subjects we discussed in the committee, and the wisdom of the committee.

The gentleman read the letter to Chairman CELLER, and he made the statement that this bill in its present form does not refer to that. In the present form the gentleman is correct. When we get into antitrusts and all the rest, we have been warned by the chairman of the Judiciary Committee to take our time and to present antitrust legislation to the proper committee.

I know also that section 11 of the Federal Reserve Act involves bank holding companies, and we are today fully covered, in my opinion, on that.

I have to state, the answer would be, "I will not support it."

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

Mr. STANTON. Surely.

Mr. PATMAN. Basically, does the gentleman not believe that this act is for the purpose of keeping the banks in the banking business and keeping the banks out of the nonrelated businesses, for an obvious reason, that for the last 100 years the banks have had quite a lucrative business? And they should have. They should be profitable. They should make money. That is the best way to serve the public. But this is new. This is

getting the banks into the business of nonrelated companies.

Mr. STANTON. I believe, Mr. Chairman, in your remarks in your statement you have answered the question adequately.

The bill before the committee at this time in its present form does exactly, in my opinion, what you want to do. Definitely you have to separate banking and industry in this business.

Mr. PATMAN. One more question. If we were to leave the February 17, 1969, grandfather clause in there, that will allow not only nine of the 12 biggest banks in the Nation to have this one-bank holding company privilege, but next session of Congress, if we were to do that, we would have a request that would be backed up with lots of support to bring the other big banks in. Otherwise we would be discriminating against them. This could just be a springboard for subsequent legislation with other banks brought in.

Mr. STANTON. Let me ask you a question with regard to these nine or 12, because once again it brings out, in my humble opinion, a fallacy, I am sure you do not mean to state what you did in regard to the type of grandfather clause we have.

First of all there has been much made of these nine or 12 big banks becoming one big bank holding company. Of the nine, seven of them never bought an affiliate. They formed their structure, and they are waiting to see the type of bill that we pass, and also what the Federal Reserve Board allows them to get into in the way of other businesses. Under no circumstances will seven of these nine formed be affected by this grandfather clause. So I would like to state that this grandfather clause which we will get into tomorrow, in my opinion, is a very restricting thing the way it is formed. It definitely limits the type of business a person or a company is in to the business that they are in at the time. It limits their expansion, and it is a good type of grandfather clause, in my opinion.

Mr. PATMAN. If I understand the gentleman correctly, if he will yield further, he believes that the one-bank holding company should not be allowed to buy insurance agencies or insurance companies, and that being correct I think two of the major provisions of the act, and most valuable provisions, also, would be put in if we make sure that those banks come through along with travel agencies and others that are actually screaming to high heaven, and have a right to because they believe that they would be destroyed by this.

Mr. STANTON. As the chairman knows, this will be a subject for discussion at great length tomorrow when the subject comes up.

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

Mr. STANTON. I am pleased to yield to the gentleman.

Mr. HANNA. I think while we are making some clarifications—and I think the gentleman is doing a great service in making the clarifications—we should say this: It is true, is it not, that there is no place in the language of the present bill that we have before us where there is any authorization for one-bank holding companies to get into the insurance business or travel agency business as such? There is no power given under this bill for them to do this. Is that not true?

Mr. STANTON. The gentleman is correct.

Mr. HANNA. And if there is any concern, it would necessarily lie in the direction of the interpretation of the language "functionally related to banking." The question would be raised as to whether or not the Federal Reserve Board would be the one interpreting it under the regulations as to how far related functions go. If they have a concern, it would have to be in that direction, would it not? The public ought to know these things and know that this is the place that we are concerned in the bill. Is that correct?

Mr. STANTON. The gentleman's interpretation is exactly the same as mine. I appreciate it.

Mr. HANNA. And the responsibility for this interpretation lies with the Federal Reserve Board?

Mr. STANTON. The gentleman is correct.

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

Mr. STANTON. I yield to the gentleman.

Mr. MIZE. The multibank holding companies have been supervised by the Federal Reserve Board since 1956. Is that correct?

Mr. STANTON. That is correct.

Mr. MIZE. Have any of us heard any gripes on the part of anybody as to the way the Federal Reserve Board has supervised the multibank holding companies?

Have any of you heard of any gripes on the part of anybody based upon the manner in which the Federal Reserve has handled the multiholding companies?

Mr. STANTON. I would say that I have not heard of one single complaint as to the way the Federal Reserve has handled the multibank holding companies. I could not give you a specific example.

Mr. MIZE. Mr. Chairman, if the gentleman will yield further, is it not true that the situation that Chairman PATMAN described a few minutes ago about the possibility of banks buying up several life insurance companies and thereby laying a base for taking over American industry, is not that rather farfetched?

Mr. STANTON. We know perfectly well that the Department of Justice would never let such a thing happen. We have the experience of the past that no matter under what type of administration we have we do have protection on that point.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding and have asked him to yield for the purpose of asking him this question.

In the Glass-Steagall Act, Congress mandated the principle of separation between banking and the securities business. Recent testimony before the committee on one-bank holding company legislation amply demonstrated that this principle remains valid and necessary after a generation of experience.

Am I correct in understanding that this bill does not in any way limit the prohibitions contained in the Glass-Steagall Act against banks or their affiliates engaging in the securities business, generally.

Mr. MOORHEAD. I would say to my distinguished colleague that the gentleman is entirely correct. The Glass-Steagall Act presently prohibits a bank and any of its affiliates from engaging in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, or of interest in any such securities, whether or not any such interests are redeemable.

Banks, however, are not prohibited from dealing in and underwriting certain types of securities under section 5136 of the revised statutes and in these specific cases are exempted from the limitations and restrictions of the Glass-Steagall Act.

Mr. ST GERMAIN. Mr. Chairman, if the gentleman will yield further, the gentleman does agree that the bill now pending before us does not in any way affect the application of the Glass-Steagall Act?

Mr. MOORHEAD. No.

I think an amendment to clarify this section with respect to bank holding companies and their subsidiaries would be advisable.

Mr. ST GERMAIN. And we will get to that later?

Mr. MOORHEAD. That is correct.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Mr. MOORHEAD. Mr. Chairman, I rise in support of H.R. 6778 as reported by the Committee on Banking and Currency.

My support for the bill as reported is somewhat less than enthusiastic.

As reported, H.R. 6778 is like gift whisky. If it were any better they would not have given it to you. If it were any worse you could not swallow it.

As the gentleman from California (Mr. REES) said in his individual views, "I have mixed feelings in regard to H.R. 6778."

Because of the parliamentary situation in the committee, H.R. 6778 is a bobtailed bill. It is a one-section bill that does not cover all the problems which should be covered in one-bank holding company legislation.

I must confess to you that the committee has left undone those things which we ought to have done and we have permitted to be done those things which ought not to be done.

However, these sins of omission and commission can be corrected by amendment.

I believe we should seriously consider amending the bill insofar as it relates to the following situations.

We should change the grandfather clause date and prohibit the expansion of grandfather rights under any type of acquisition or merger.

Second, we should expand the legislation to cover situations relating to those raised by the gentleman from Rhode Island to cover securities and investment banking fully as well as insurance, travel agencies, auditing, data processing, and leasing.

While the bill as reported out of the committee should, in my opinion, be strengthened by amendments which will be offered at the appropriate time, it is certainly a step in the right direction. For the first time it brings under regulation of the Bank Holding Company Act holding companies which control only one bank.

And this is a very, very important step.

For the last few years, there has been mounting concern about the growth of what are known as conglomerate corporations. These are corporations which expand into many different activities, largely through mergers and acquisitions.

Some professional economists have predicted that if the present trend continues at the accelerated pace that has been typical of the last few years, within a decade a major part of our economy will be controlled by 200 or less corporations.

Within part of this overall picture is the growth of unregulated one-bank holding companies. To a large extent, one-bank holding companies are financially centered conglomerate corporations. They can, under present law, go into any business they wish. In terms of the large one-bank holding company, there are two varieties. One is what could be termed as the bank-centered one-bank holding company. This type is created by converting a large commercial bank, through an exchange of stock, into a holding company. The holding company becomes the parent holding most or all of the stock of the commercial bank. The bank itself becomes a subsidiary of the holding company. Other subsidiaries of the holding company may be added either de novo or through acquisition or merger as desired. While the bank subsidiary is subject to Federal and/or State regulation, the parent holding company and its nonbank subsidiaries are not.

The other type of large one-bank holding company that has emerged in recent years is the nonbank corporation which has acquired a bank. An example of this type of one-bank holding company is the CIT Financial Corp. which controls, in addition to the National Bank of North America, the 33d largest commercial bank in the United States, a number of nonbank subsidiaries. These include the largest finance company in the country, as well as subsidiaries manufacturing various kinds of scientific equipment and furniture. Another example would be the Sperry & Hutchinson Corp. which markets S. & H. green stamps. This company also controls one of the largest carpet manufacturers in the United States, a chain of department stores and textile manufacturers, in addition to the State National Bank of Bridgeport, Conn.

The growth of one-bank holding companies in the last few years is by now a well-known fact. Without going into detail, since 1965 that growth in terms of commercial bank deposits has been over 700 percent. Thirty-four of the hundred largest commercial banks in the country, with deposits over $100 billion, have formed or have announced plans to form one-bank holding companies. It is because of these facts that the Congress, the administration, the Federal Reserve Board, and many experts in the fields of economics and antitrust law have become extremely concerned by the fact that the present Bank Holding Company Act does not cover these very large financial conglomerates.

Therefore, earlier this year several bills were introduced to bring under regulation of the Bank Holding Company Act one-bank holding companies. The Banking and Currency Committee held what only can be described as exhaustive hearings. The hearing record runs to over 1,600 pages. The committee heard from Government witnesses, academic witnesses, industry witnesses, private citizens, consumer advocates, and others.

I believe that all of the members of the committee were convinced after hearing 4 weeks of testimony that there was indeed a need to regulate in some fashion companies controlling one bank, as well as those controlling more than one bank.

Why do we regulate bank holding companies at all? The Glass-Steagall Act of 1933 established the principle that the business of banking shoud be divorced from all other businesses. The Bank Holding Company Act of 1956 extended this principle to all holding companies controlling two or more banks.

There are a number of reasons for maintaining this separation of banking and nonbanking activities. Some of them are as follows:

First, there is a strong temptation to have the banking subsidiary of a holding company extend credit, perhaps unwisely, to others in the holding company family. This tends to create unsound financial conditions for the bank to the detriment of the bank's stockholders and the public at large. Some of the major banks in the country engaged in such activities during the 1920's and many experts feel that this was an important cause of the stock market crash of 1929;

Second, banks are the principle suppliers of substantial credit to almost every industrial, commercial, and other types of business, large and small, in the country. Therefore, banks should not be in a position to discriminate unfairly against the users of bank credit by establishing competing subsidiaries and then deny credit to the competitors of these subsidiaries.

Third, many large and small businesses, as well as individuals, depend on bank credit for their economic existence. If a bank is a part of a large conglomerate with many subsidiaries, the bank is in a position to insist that a borrower use the services of the holding company's other subsidiaries in order to maintain its line of credit. This creates unfair competition for non-bank-related competitors of these subsidiaries and would tend to substantially reduce or eliminate competition in many business activities to the detriment of the public interest.

These are the kinds of potential abuses which the amendments to the Bank Holding Company Act reported by the committee, and those that will be offered on the floor at the appropriate time, seek to prevent. The legislation we are considering today and tomorrow is the first before the Congress directly involving the control and regulation of conglomerates.

Even if, God forbid, no amendments are agreed to, H.R. 6778 is good enough to swallow.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

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

Mr. BROWN of Michigan. The gentleman has mentioned several amendments that he would propose or that he believes the House should consider. Are any of these amendments that were not at least to a certain extent discussed in committee?

Mr. MOORHEAD. I think each and every one of them—maybe not the exact wording—because they had to be changed due to the form in which the bill was reported—but the substance of them were all considered in committee. They were not voted on in committee, but they were discussed.

Mr. BROWN of Michigan. But would not the gentleman agree that any of the amendments that may be offered to this legislation were necessarily considered and disposed of by the committee in connection with reporting out this bill from committee?

Mr. MOORHEAD. Considered—yes. Disposed of—no.

I think many of the Members would like to have had a vote on just, for example, the effective date of the grandfather clause and on the issue of whether partnership should or should not be included and whether the definition of control should be revised. All these matters which were discussed in committee we had no votes on, so I would say they were considered and not disposed of.

Mr. ST GERMAIN. As a matter of fact, and I think the gentleman will agree with me, if it were not as a result of some very brilliant parliamentary maneuvering, the particular amendments, in fact, some in the exact form would have been offered by the committee had there been an opportunity to offer those amendments. However, it was impossible to discuss and vote on the amendments—and they were not because of the brilliant parliamentary maneuvering.

As a matter of fact, the substance of these amendments were fully discussed during many, many days of hearings and in the 1,600 pages of testimony I think all of this is amply clear that there was ample testimony by all of the individuals concerned with whom we are concerned and who will be concerned when we offer these amendments; is that not correct?

Mr. MOORHEAD. The gentleman is entirely correct. They were either included in the adminstration bill or one of the other bills.

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

Mr. MOORHEAD. I yield to the gentleman.

Mr. STEPHENS. Mr. Chairman, I appreciate the statement the gentleman has just made. I would like to point out one thing and see if he would not agree.

It is true that we did not have a formal vote in the committee on the grandfather clause, but we did have what you might call a straw vote on proposals I made on three dates and they were all rejected.

Mr. MOORHEAD. I do not remember that, I will tell the gentleman, but I would hope that the amendments that will be offered on this subject, a very important subject of the bill, will be considered and will be voted on by the Committee of the Whole.

Mr. STEPHENS. What I mean is the committee did have an opportunity to decide whether they would or would not vote on some of these things and decided they would not vote on them.

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

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

Mr. HANNA. I think whereas the gentelman from Michigan made it clear that this bill does not affect banks that may be doing some of the activities that we have been considering here, such as entering into insurance or the travel agency business, it is equally true, is it not, that this bill will not change the situation otherwise, and that national banks that are involved will still be subject to all the laws that presently apply to national banks in regards to the way they operate under present, current law? Is that not correct?

Mr. MOORHEAD. That is entirely correct, I will say to the gentleman, and so far as I know, to the amendments pending that would also apply. They would be limited to the subject of bank holding companies and their subsidiaries.

Mr. HANNA. I think it should be made clear that this bill would in no way do away with one-bank holding companies, no more than the bill in 1956 did not do away with multiple-bank holding companies; is that correct?

Mr. MOORHEAD. It would merely provide that they would be regulated instead of unregulated, as the one-bank holding companies now are.

Mr. HANNA. Without an amendment, the guideline for regulation as contained within this bill is again formulated in language that such activities as the bank is involved in must be functionally related to banking.

Mr. MOORHEAD. Yes. To the extent that an existing one-bank holding company has a subsidiary in a totally unrelated field, this would apply.

Mr. HANNA. Unless they were grandfathered in, in which case they could keep any involvements they have.

Mr. MOORHEAD. If they come within the grandfather exemption, they can keep anything and expand internally, but not go out and acquire additional companies.

Mr. ST GERMAIN. Mr. Chairman, as a member of the House Committee on Banking and Currency who filed additional views regarding H.R. 6778, a bill on the Bank Holding Company Act of 1956, I wish to speak as clearly and forcefully as possible in support of amendments which will be offered to this bill which are essential to protect the very existence of hundreds of thousands of independent businessmen throughout the United States, including travel agencies, professional accounting firms, data processing companies and equipment leasing companies and insurance agencies.

I sat through the extensive hearings before our committee on this legislation and became more convinced than ever of the serious threat which these small businessmen are confronted with as a result of their being forced to compete with large and powerful banks and bank holding companies.

I regret that the bill which our committee reported did not take into account the need to protect these small businessmen and I strongly urge my colleagues to join with me in supporting corrective amendments to afford a degree of protection for these businessmen and to assure that the Federal Reserve Board administering the Bank Holding Company Act of 1956 carefully weighs the anticompetitive effects of certain steps taken by bank holding companies and affords travel agents standing to protect themselves in the proceedings before the Federal Reserve Board in connection with efforts by bank holding companies to expand their operations.

Additionally, as stated in the report which accompanied H.R. 6778, one purpose of this bill is to retain "the separation between banking and bank-related activities, on the one hand, and industry and commerce, on the other."

One of the areas in which the committee feels that nonbank subsidiaries of bank holding companies should not engage "under any circumstances" is "the insurance agency business."

The language of H.R. 6778 which amends section 4(c)(8) of the Bank Holding Company Act of 1956 and adds a new seciton (11) which reads as follows:

> The board shall not approve the acquisition or retention under this paragraph (8) of shares of any company:
>
> (a) performing the functions of an insurance agent nor permit the bank holding company itself to act as an insurance agent, etc.

Section (11) is the grandfather clause and reads as follows:

> Shares lawfully acquired and owned on February 17, 1969, etc.

Without getting into the merits of February 17, 1969 date, the committee report clearly states that under no circumstances should nonbank subsidiaries of bank holding companies be permitted to engage in the insurance agency business.

All of explanation above notwithstanding the language of H.R. 6778 contains a loophole which might permit the acquisition of an insurance agency by a bank holding company so long as there is no exchange of shares involved in the acquisition. That is to say, any agency which is not incorporated—a partnership or proprietorship might legally be acquired by a bank holding company.

The report makes the intent of the committee with regard to the activity of insurance agencies abundantly clear. The existing language should be corrected to reflect this intent.

For these reasons I shall support the amendments that will be offered that are so necessary to accomplish that which must be accomplished in this very important area.

Mr. DEL CLAWSON. Mr. Chairman, at the present time, there is no Federal prohibition on a one-bank holding company controlling a bank and any other nonrelated business or businesses. One-bank holding companies are exempt from the Bank Holding Company Act of 1956 which prohibits multiple-bank holding companies from controlling two or more banks and nonrelated businesses. The bill H.R. 6778 would remove the one-bank exemption from the 1956 act, thereby making one-bank holding companies subject to the constraints of the act.

H.R. 6778 was introduced on February 17, 1969. That date of introduction of the bill has been set as the grandfather clause date because it was with introduction of the bill that all were put on notice of an impending statutory limitation on the right of one-bank holding companies to engage in nonrelated business.

As of February 17, 1969, there were approximately 700 known one-bank holding companies which had been formed by companies other than a bank. Deposits of their subsidiary banks amounted to about $16.7 billion.

As of February 17, 1969, there were 19 one-bank holding companies in operation which had been formed by banks. Deposits of the subsidiary banks totaled $37.4 billion. These are listed in appendix I.

Subsequent to February 17, 1969, and as of October 1, 1969, another 39 one-bank holding companies formed by banks came into operation. Deposits of the subsidiary banks totaled $94.9 billion. These are listed in appendix II.

It is obvious from these figures that the big impetus calling for one-bank holding company legislation has come from the recent formation by banks of one-bank holding companies. On January 1, 1968, there were only three bank-formed one-bank holding companies in existence. Since then, 55 banks, including many of the largest have formed one-bank holding companies. The 58 bank-formed one-bank holding companies with bank deposits of $132.3 billion dwarf the 700 one-bank companies formed by other than banks with deposits of only $16.7 billion.

Equitable treatment of the 758 companies for whom the rules are about to be changed as to the nonbanking activities in which they can engage, confronts the Congress with a problem. A majority of our committee had recommended a February 17, 1969, grandfather clause, with restrictive conditions.

The restrictive conditions are three in number. First, the holding company must have acquired its bank on or before

February 17, 1969, so that it was in fact a bank holding company by that date.

Second, the grandfather clause restricts the one-bank holding company to the business activities in which it was engaged on February 17, 1969. The company may elect to sit still and be frozen out of expansion into other fields and be a registered one-bank holding company. Or, the company may decide to dispose of its bank, cease to be a one-bank holding company and thus regain its freedom to grow and expand with changing business conditions.

Finally, the grandfather clause restricts the company's share investment in the nonconforming business to shares owned as of February 17, 1969. While internal expansion or debt expansion is not precluded, nevertheless, if the business needs additional share capital, this can only be obtained from outside sources thereby diluting the holding company's investment in its nonconforming business subsidiary.

It should be made clear that the grandfather clause does not exempt any one-bank holding company from the 1956 Act. All must register with the Federal Reserve, be supervised by the Board and be subject to the constraints of the act including the applicable provisions of the grandfather clause.

With the grandfather clause restrictions in mind, let us consider how it will work.

In several cases, banks formed holding companies prior to the grandfather clause date. For instance, Bank of America N.T. & S.A. formed its holding company in 1968. However, it did not acquire the bank until April 1, 1969. Because of the restriction in the grandfather clause that the one-bank holding company must have owned its bank on the grandfather clause date, this largest of all such companies is precluded from any possible benefit from the February 17, 1969, grandfather clause. In all, as has been noted, there are 39 bank-formed one-bank holding companies which acquired their banks after February 17, 1969. Their deposits of $94.9 billion account for 63.7 percent of the $149 billion total for all one-bank holding companies. They receive no benefit whatsoever from the grandfather clause. For them, it makes absolutely no difference whether the grandfather clause date is February 17, 1969, June 30, 1968, January 1, 1965 or for that matter, January 1, 1900.

There are 19 bank-formed one-bank holding companies with deposits of $37.4 billion which acquired their banks prior to February 17, 1969. Of these, 10 with deposits of $30.7 billion—20.3 percent of the total—had not acquired any nonbanking subsidiaries as of the grandfather clause date, so they do not benefit from the grandfather clause.

Considering these two groups together, it is clearly apparent that changing the grandfather clause to an earlier date means absolutely nothing to 49 bank-formed one-bank holding companies with $125.6 billion or 84 percent of the deposits of all one-bank holding companies.

Only nine bank-formed one-bank holding companies have acquired subsidiaries prior to February 17, 1969. They hold $6.7 billion deposits or but 4.5 percent of all one-bank holding company deposits. The chairman of our committee has inserted a table in the RECORD which includes these nine bank formed companies and lists their subsidiaries. What the table does not show is that in most instances the subsidiary operations represent activities previously conducted by the bank itself and merely spun off to the newly formed holding company. The table, beginning on page 444 of the hearings, brings out that very pertinent information.

It is crystal clear, based on the facts as they exist, that the problems of the grandfather clause lie not with the 58 bank-initiated one-bank holding companies—88.8 percent of the total deposit picture—but primarily with the 700 one-bank holding companies formed on the initiative of nonbank companies and accounting for $16.7 billion or 11.2 percent of the bank deposits involved in all one-bank holding companies. Let us examine the impact of the grandfather clause on them.

There are some 30 to 40 large industrial and nonbank financial companies which have acquired banks, including companies such as $2.6 billion Marcor—formerly Montgomery Ward—$605 million National Lead, $667 million General American Transportation, $613 million Gamble-Skogmo, $2.4 billion Goodyear Tire & Rubber, $422 million Sperry & Hutchinson and $3.7 billion CIT Financial Corp. For them, the grandfather clause is of questionable benefit. They are more concerned with its other restrictions than they are with the date.

The restrictions in the grandfather clause prohibiting expansion into other fields of business activity and freezing share investment in subsidaries will force them to make a hard decision. They may elect to retain the bank and become frozen out of expansion in other fields of activity, or they may elect to dispose of the bank and thereby regain their freedom to grow and expand with changing business conditions. Since in most of these instances, bank investment and earnings are relatively small compared with overall operations, it is probable they will elect to dispose of their bank. This is what has already happened with $4 billion International Tel & Tel which became a one-bank holding company upon acquisition of one of its subsidiaries which held a bank. I.T. & T. disposed of the bank. You can be sure the tail will not be allowed to wag the dog.

The hundreds of small one-bank holding companies are the heart of the grandfather clause problem. Tax considerations were the principal motivating force in the creation of these small corporations combining other business activities and banking. It is a common form of organization throughout the midwestern States. Over 200 of them have been formed in the past 5 years.

These small one-bank holding companies would be seriously damaged by a rollback in the grandfather clause date, as some have suggested, to January 1, 1965. Many would be forced out of business and for the others the banks probably would have to be merged into other larger banking institutions. All this would take place at the same time that an even larger number of similarly situated small one-bank holding companies engaging in nonrelated business were permitted to continue because they had acquired their banks prior to a January 1, 1965, grandfather clause date.

For the small one-bank holding companies, the date of the grandfather clause is of critical importance. The small companies can live with the activity and share investment freezes imposed by the grandfather clause as reported by the committee. They were formed, not for growth and expansion purposes, but for tax reasons.

A suggestion also has been made that the problem of small one-bank holding companies could be met by eliminating the grandfather clause and instead substituting an exemption from the act for all one-bank holding companies with less than $30 million banking assets and $10 million nonbanking assets. In retrospect, the biggest mistake the Congress made in enacting the Bank Holding Company Act of 1956 was the loophole it established by providing the complete exemption of all one-bank holding companies. The asset exemption approach for small companies would repeat this past error although in a more limited manner.

Today, you can find the mixing of almost any line of business you care to name with the business of banking, mostly on the part of the smaller companies. The asset approach limitation would allow this to continue unabated with more and more small companies mixing more and more types of nonbanking business with banking. That is no way to draw and much less maintain a line of demarcation between the two. Furthermore, an asset size loophole would build in future pressures to increase the prescribed limits when exempted companies approached the size limitations. If such limits were not increased, we only would have postponed the day when an ever larger number of companies would be faced with drastic readjustment of their affairs. To me, the asset exemption aproach makes neither good political nor economic sense.

If we were starting anew, there would be little disagreement over a policy of drawing a firm line between banking and other business not functionally related to banking. But we are not starting from scratch. We have hundreds of one-bank holding companies in operation making banking and nonrelated business in a multitude of ways and all operating in accordance with existing law. We are about to change the law because of potential serious abuses that could arise if action is not taken. There is no perfect solution that will do equity to all in fact as well as in theory. The grandfather clause in the bill as reported is a well reasoned approach to the many facets of the problem which I have tried to outline and support by the facts as they exist.

I think the committee approach in the bill it has reported is a good solution. It should have the support of the Members of this House.

APPENDIX I

BANK-FORMED 1-BANK HOLDING COMPANIES ACQUIRING BANK BEFORE FEB. 17, 1969

Location	Name of holding company	Name of bank	Date announced	Date bank acquisition	Deposits (millions)
Alabama: Birmingham	Birmingham Trust National Bank.	Birmingham Trust National Bank	Sept. 25, 1968	January 1969	$313.4
California: Los Angeles	Unionamerica, Inc	Union Bank	Mar. 10, 1967	September 1967	1,400.0
Indiana: Indianapolis	American Fletcher Corp	American Fletcher National Bank & Trust Co.	Aug. 6, 1968	January 1969	988.6
Massachusetts:					
Quincy	Shorebank, Inc	South Shore National Bank	Sept. 16, 1968	January 1969	137.5
Boston	Boston Co., Inc	Boston Safe Deposit & Trust Co	1964	1965	122.0
Nevada: Reno	First Bancorp	Nevada National Bank of Commerce	Dec. 19, 1968	December 1968	99.6
New York:					
New York	Chemical Bank New York Corp	Chemical Bank	Oct. 25, 1968	do	7,600.0
New York	First National City Corp	First National City Bank	July 3, 1968	October 1968	16,600.0
Brooklyn	Kings Lafayette Corp	Kings County Lafayette Trust Co	July 17, 1968	December 1968	197.9
North Carolina:					
Charlotte	First Union National Bancorp	First Union National Bank of North Carolina	Mar. 5, 1968	May 1968	831.2
Charlotte	North Carolina National Bank Corp.	North Carolina National Bank	June 19, 1968	November 1968	1,100.0
Winston-Salem	Wachovia Corp	Wachovia Bank & Trust Co. NA	May 10, 1968	December 1968	1,300.0
Oklahoma: Oklahoma City	First Oklahoma Bancorp	First National Bank & Trust Co	Oct. 1, 1968	October 1968	426.3
Oregon: Portland	U.S. Bancorp	United States National Bank of Oregon	Sept. 10, 1968	December 1968	1,500.0
Pennsylvania: Philadelphia	First Pennsylvania Corp	First Pennsylvania Banking and Trust Co	July 24, 1968	January 1969	2,100.0
Rhode Island: Providence	Industrial Bancorp, Inc	Industrial National Bank of Rhode Island	May 23, 1968	September 1968	824.6
Tennessee: Memphis	First National Holding Corp	First National Bank of Memphis	Aug. 19, 1968	January 1969	665.6
Texas: Houston	Capital National Corp	Capital National Bank	Sept. 9, 1968	December 1968	91.9
Washington: Seattle	Marine Bancorp	National Bank of Commerce	1927	1928	1,083.0
Total					37,381.4

APPENDIX II

BANK-FORMED 1-BANK HOLDING COMPANIES ACQUIRING BANK AFTER FEB. 17, 1969

Location	Name of holding company	Name of bank	Date announced	Date bank acquisition	Deposits (millions)
Arkansas: Little Rock	First Arkansas Bankstock Corp	Worthen Bank & Trust Co	Nov. 12, 1968	March 1969	$186.5
California:					
San Francisco	Bank America Corp	Bank of America National Trust & Savings Association.	Sept. 18, 1968	April 1969	21,500.0
Beverly Hills	City National Corp	City National Bank of Beverly Hills	Oct. 3, 1968	August 1969	371.9
San Francisco	Crocker National Corp	Crocker-Citizens National Bank	Sept. 19, 1968	April 1969	4,200.0
Do	Wells Fargo & Co	Wells Fargo National Association	Oct. 11, 1968	Feb. 28, 1969	4,700.0
San Diego	Southern California 1st National Corp.	Southern California First National Bank	Sept. 12, 1968	Feb. 28, 1969	501.8
Connecticut: Hartford	Hartford National Corp	Hartford National Bank & Trust Co	Aug. 23, 1968	April 1969	943.1
Georgia: Atlanta	Fulton National Corp	Fulton National Bank	Dec. 5, 1968	do	803.5
Illinois:					
Chicago	ANBATCO, Inc	American National Bank & Trust Co	Dec. 16, 1968	March 1969	755.3
Do	Central National Finance Corp	Central National Bank	Dec. 19, 1968	April 1969	412.2
Do	Conill Corp	Cont. Illinois National Bank & Trust Co	Nov. 12, 1968	March 1969	6,300.0
Do	First Chicago Corp	First National Bank of Chicago	Feb. 5, 1969	August 1969	5,700.0
Indiana: Indianapolis	Indiana National Corp	Indiana National Bank	Aug. 16, 1968	May 1969	926.5
Kansas: Wichita	Fourth Finance Corp	Fourth National Bank & Trust Co	July 25, 1969	August 1969	262.0
Maryland: Baltimore	Maryland National Corp	Maryland National Bank	Nov. 12, 1968	May 1969	920.3
Massachusetts: Worcester	Worcester Bancorp	Worcester County National Bank	Sept. 12, 1968	March 1969	269.8
Mississippi: Jackson	Deposit Guaranty Corp	Deposit Guaranty National Bank	Oct. 18, 1968	May 1969	357.1
Missouri:					
Kansas City	Merchants Bancorp	Merchants-Product Bank	Dec. 23, 1968	June 1969	58.9
Clayton	Clayton National Bancorp	St. Louis Co. National Bank	Dec. 17, 1968	August 1969	199.2
New Jersey: Jersey City	First Jersey National Corp	First Jersey National Bank	Nov. 12, 1968	June 1969	419.4
New York:					
New York	Chase Manhattan Corp	Chase Manhattan Bank National Association	Jan. 9, 1969	June 1969	16,700.0
Mineola	Franklin N.Y. Corp	Franklin National Bank	June 4, 1969	September 1969	2,300.0
New York	Manufacturers Hanover Corp	Manufacturers Hanover Trust Co	Dec. 4, 1968	April 1969	9,200.0
Do	J. P. Morgan & Co	Morgan Guaranty Trust	Dec. 19, 1968	April 1969	8,200.0
Oklahoma: Oklahoma City	Liberty National Corp	Liberty National Bank & Trust Co	Dec. 11, 1968	October 1969	364.0
Oregon: Portland	Orbanco, Inc	Oregon Bank	Oct. 8, 1968	April 1969	71.0
Pennsylvania:					
Philadelphia	Fidelity Corp. of Pennsylvania	Fidelity Bank	Nov. 12, 1968	April 1969	1,200.0
Bethlehem	First Valley Corp	First National Bank & Trust Co	Dec. 24, 1968	July 1969	114.5
Philadelphia	Lincoln National Co	Lincoln National Bank	December 1968	June 1969	37.9
Do	Philadelphia National Bank Corp.	Philadelphia National Bank	Jan. 22, 1969	June 1969	1,700.0
Do	Girard Co	Girard Trust Bank	Dec. 11, 1968	June 1969	1,400.0
Pittsburgh	Pittsburgh National Corp	Pittsburgh National Bank	Aug. 23, 1968	May 1969	1,400.0
Do	Western Pennsylvania National Bank Corp.	Western Pennsylvania National Bank	Sept. 13, 1968	April 1969	756.4
South Carolina:					
Charleston	Citizens & Southern Corp	Citizens & Southern National Bank	Aug. 8, 1968	June 1969	242.5
Columbia	First Bankshares Corp. of South Carolina.	First National Bank of South Carolina	Jan. 7, 1969	July 1969	196.3
Texas:					
Austin	American First Corp	American National Bank	May 22, 1969	June 1969	137.8
Houston	Houston National Corp	Houston National Bank	Dec. 23, 1968	March 1969	253.4
Do	Southern National Corp	Southern National Bank	Dec. 2, 1968	Apr. 1969	120.0
Virginia: Richmond	First & Merchants Corp	First & Merchants National Bank	Oct. 10, 1968	Feb. 26, 1969	692.0
Total					94,873.3

Mr. DEL CLAWSON. Mr. Chairman, I yield to the gentleman from Michigan (Mr. BROWN) such time as he desires.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

Mr. Chairman, due to the tremendous amount of correspondence that I have received with respect to this legislation, some time back, I prepared a statement in which I attempted to explain what I thought the committee had done in reporting out this legislation and interspersed my own views with respect to the substance of the legislation. Rather than belabor all of you with those lengthy remarks, since they amount to several pages of the RECORD, I would just like to refer the Members present and others who might be interested to the location of those remarks in the CONGRESSIONAL RECORD. They appear in the CONGRESSIONAL RECORD of October 28, on pages 31989–31992. I think a reading of them would be well worthwhile—of course, I am bound to think so—but certainly a reading of them would be much more palatable to the Members

present than my exposition of them would be at this time.

Mr. DEL CLAWSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. BEALL).

Mr. BEALL of Maryland. I thank the gentleman from California.

(Mr. BEALL of Maryland asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BEALL of Maryland. Mr. Chairman, as a former member of the Banking and Currency Committee and one who participated in the deliberations on this legislation, I rise in support of the bill as reported from the committee. In recognizing the problem created by banking institutions extending their operations into unrelated activities, through the bank holding company device, I feel that the extension and modification of the 1956 act is the logical method in which to treat this problem.

The entire subject matter, however, has been dealt with very effectively by others and I would like to confine my remarks to that part of the bill that has been so heavily lobbied.

I speak, of course, about the section dealing with the "grandfather clause" and the efforts of some representatives of the Insurance Agents Association to have this clause rolled back to July 1, 1965.

I should mention, in all candor, that I am an insurance agent by profession.

Prior to my election to Congress last year I received the bulk of my income from the sale of insurance. I have been an officer of my local agents association and belong to the State and National Association of Insurance Agents.

One of the great concerns of those who are engaged in the sale of insurance has been that financial institutions would get into the insurance agency business and thus deprive others of the opportunity to compete openly in the marketplace for the American public's business.

This I believe is a legitimate concern and, I might add, the Banking and Currency Committee agreed and wrote a prohibition into this bill restricting the activities of bank holding companies to the sale of credit life and accident and health insurance.

Up to this point I am entirely in agreement with my former associates in the insurance business.

Since the reporting of the bill, however, you have been deluged with communications asking that the grandfather clause be rolled back to July 1, 1965.

Since the bill was reported, the NAIA has continued its intense inspired letter campaign. I am sure all of you have mail saying the grandfather clause is "immoral" and demanding that, if there is to be a grandfather clause, it be rolled back to a January 1, 1965, effective date.

I have made no bones about disclosing the fact that I am an insurance agent. On a narrow self-interest basis, I suppose I should be for such an amendment. But, I am not and I would like to tell you why I oppose any amendment rolling back the grandfather clause date. It is a matter of commonsense equity. Rolling back the grandfather clause date to January 1, 1965, would serve the selfish interests of the particular groups. A substantial number of one-bank holding company competitors would be eliminated from the insurance agency business. In the process, over half that number of one-bank holding companies probably would be eliminated altogether since it was an insurance agency which formed the one-bank holding company and insurance is the only other business in which the holding company engages. When you look at a list of the hundreds of small one-bank holding companies in existence, you are struck by the large number bearing the names not of the bank acquired but instead the name of the insurance agency which formed the company.

We do not have small one-bank holding companies in Maryland, but it is a very common form of organization throughout the Midwestern States. Moving back the grandfather clause to January 1, 1965, as I have said, would knock out a large group of small one-bank holding companies. At the time, it allows substantially more than that number of such companies established prior to that date to continue their operations as is. That is not my idea of equity and I oppose any such change in the date of the grandfather clause.

Incidentally, other insurance agents associations do not take the hard line taken by the National Association of Insurance Agents. I call attention to documents I have received from two other agent groups which I will read into the RECORD. The first is a release under date of July 15, 1969, from the Washington counsel of the National Association of Casualty and Insurance Agents. It is a rather revealing statement on this controversy. It reads as follows:

NACSA WINS FIRST BATTLE IN LEGISLATIVE WAR ON BANK HOLDING COMPANIES

The House Banking and Currency Committee has approved language in its bank holding company legislation that will forbid any bank holding company from purchasing an interest in any insurance agency and also forbid the bank holding company from itself acting as an insurance agent—except where the insurance provided is limited to insuring the life of debtor pursuant to or in connection with a specific credit transaction or providing indemnity for payments becoming due on a specific loan or other transaction while the debtor is disabled.

As NACSA Washington Counsel, we are extremely pleased to see the House adopt the NACSA position on this legislation. Although we are disappointed that the proposed legislation has a grandfather clause, i.e., does not cover acquisitions made or business activities engaged in prior to February 17, 1969, we are confident that this legislation will prevent the widespread increase in bank holding companies acquisition of local insurance agencies/brokerage firms that had been anticipated by industry members.

This has been our first major legislative effort on behalf of NACSA and as previously stated, we are pleased with the results. We ended up with everything we asked for. However, although NACSA has won this battle, we have still a major part of the war to fight.

Let us review what NACSA has done to date:

1. As your Washington representatives, we briefed your officers and directors on the various one bank holding company bills before the Congress.

2. The NACSA Board decided to support neither the Administration nor the Patman bill but, to support instead, legislation that generally would limit the insurance activities of bank holding companies to credit accident and life coverage issued in connection with specific loans.

3. As Washington counsel, we prepared and submitted to the NACSA Regulatory Committee for approval, a complete legislative package for distribution to all members.

4. The legislative package was approved and distributed to all NACSA members. It provided facts and guidelines telling NACSA members what, when and how to tell their Congressmen in connection with this legislation.

5. As NACSA Washington Counsel, we worked with President Thorp Minister in preparing testimony for submission to Congress. We met with House Banking and Currency Committee staff and with the Committee Chairman, Wright Patman to see how the NACSA position could best be promoted.

6. Constant contact was kept between the NACSA Executive Secretary, Bruce Wallace, NACSA Board members, and NACSA Regulatory Committee, Counihan, Casey & Loomis and NACSA members so that the effects of our program could be evaluated on a day to day basis.

7. Meetings were held with Washington representatives of other insurance industry groups so that efforts could be coordinated wherever possible.

As a result of this action, the interests of NACSA were protected in the legislation finally agreed to by the House Banking & Currency Committee.

Indeed, the Committee has adopted the NACSA position on the only issue that was considered major by the Association.

We have outlined in detail the action taken so far just to show that every legislative campaign requires tremendous effort.

The One Bank Holding Company legislation will now go to the floor of the House for a vote. The bill must also be considered by the Senate Banking Committee and then go to the floor of the Senate for a vote.

Finally, any differences between House & Senate versions must be ironed out in conference before the bill is presented to the President.

As you can see, we still have a long war to fight. Each NACSA member will be getting requests to contact his Congressman and Senator on this bill. We thank you for your help so far, but warn you that more help will be needed.

The Senate Banking Committee is known to be extremely pro-banking and conservative. Banking interests will be fighting strongly behind the scenes to eliminate our section of this bill. Thus, while we have won the first battle, the war has just begun.

We urge all NACSA members to actively participate in this fight to keep banks and bank holding companies out of the insurance agency and brokerage business.

The other document is a copy of a resolution dated June 5, 1969, and signed by the executive vice president of the Minnesota Association of Independent Insurance Agents and submitted to the National Association of Insurance Agents executive committee. It reads:

RESOLUTION TO NATIONAL ASSOCIATION OF INSURANCE AGENTS EXECUTIVE COMMITTEE

Whereas the Minnesota Association of Independent Insurance Agents commends the National Association of Insurance Agents for their untiring efforts in the area of protecting the independent agent throughout the entire United States; and

Whereas the Minnesota Association of Independent Insurance Agents have always attempted in every way possible to support these activities; and

Whereas every agent member of the Na-

tional Association of Insurance Agents should recognize and support this effort; and

Whereas geographically, problems from time to time vary; and

Whereas the problem of the spreading of the Bank Holding Company concept may be unique to other regions; and

Whereas the situation has been in existence in Minnesota for many years; and

Whereas the membership of the Minnesota Association of Independent Insurance Agents consists of many such bank affiliated agencies; and

Whereas these agencies have supported the many programs of both the State and National Associations; and

Whereas the membership of these said agencies is important to the strength of the Minnesota Association of Independent Insurance Agents, the National Association of Insurance Agents, and the American Agency System: Now therefore be it

Resolved, That the Board of Directors of the Minnesota Association of Independent Insurance Agents go on record requesting the National Association of Insurance Agents Executive Committee to direct its Federal Affairs Committee to become aware of the unique situation of the Minnesota Association of Independent Insurance Agents and their many bank affiliated agency members, and to promote, if possible, enactment of legislation by the Banking and Currency Committee of the United States House of Representatives, grandfathering clause and such other legislation which would protect existing bank affiliated agencies conceived for the purpose of handling the insurance buying needs of the public under the American Agency System.

Dated Thursday, June 5, 1969, Minneapolis, Minn.

JAMES P. ANDERSON,
Executive Vice President, Minnesota Association of Independent Insurance Agents.

I call to your particular attention the last three lines of the resolving clause which asks for a "grandfathering clause and such other legislation which would protect existing bank-affiliated agencies conceived for the purpose of handling the insurance buying needs of the public under the American agency system." I have emphasized their words which in no uncertain terms support the February 17, 1969, grandfather clause instead of rolling it back to an earlier date.

It appears that a grandfather clause is necessary and I suggest it is not fair to say in 1969 that what was legal in 1965 is no longer so.

The committee bill does provide equitable treatment for all concerned and should be adopted as reported.

Mr. DEL CLAWSON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, in response to an invitation to speak to the South Dakota Bankers' Association from a good friend and former Columbusite, Mr. Neil Milner, back in December 1968, I was asked among other things to comment on the controversy over the Bank Holding Company Act, the exception and growth of one-bank holding companies, and to predict what might happen in the 91st Congress.

Everyone seemed to agree something had to be done, that there had to be a change in the present law which would avoid the growth of unregulated bank holding companies and I predicted a change. Little did I realize what was in store when I made that prediction at that time.

After that, on February 17, 1969, the gentleman from Texas, Mr. PATMAN, chairman of the Banking and Currency Committee, introduced H.R. 6778, which would subject one-bank holding companies to the same rules and regulations that govern multibank holding companies, as provided for in the Bank Holding Company Act of 1956. This bill and the administration bill—H.R. 9385, introduced by the gentleman from New Jersey (Mr. WIDNALL) sought to remove what had become an undesirable exemption from the Bank Holding Company Act of 1956, in that it exempted the one-bank holding company. But they went further and attempted to define statutorily what would be considered as bank-related activity.

I do not pretend to be an expert on the subject of banking or one-bank holding companies or multibank holding companies, and so, at one of our very first meetings, I asked what appeared to me at the time to be a not-too-intelligent question, which was: If the 1956 Bank Holding Company Act has held us in such good stead, and we have been allowed to perform so well under its rules and regulations and under its statutory authority, why do we go through all the complications of changing definitions or of establishing a laundry list of permitted activity? Why do we not just simply change the definition in the Bank Holding Company Act of 1956 from "each of two or more banks" to "any bank"? The general reaction at that meeting was what might be said to be one of "Ugh, thud." That was the reaction, unless I misinterpreted it.

But after a month of hearings and much pulling and hauling, a bill was reported out of the Banking and Currency Committee which does basically exactly that, except that it changes the definition of the business of banking to what is functionally related to banking rather than what is closely related to banking, as in the present law, and I cannot see much difference in that definition.

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

Mr. WYLIE. I yield to the chairman of the committee, the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, I am glad to hear the gentleman say he does not see any difference between "functionally related" and "closely related." I think it is generally accepted by Members of the committee that they remain the same thing and they intend the same thing. I am glad to hear the gentleman make that statement.

Mr. WYLIE. I thank the chairman.

I was about to add that there are many precedents for the language "closely related" and as to what it means, since 1956, and there is much history on it. I have the feeling that using the words "functionally related" might serve to confuse the administration of the statute, but I would also hasten to add I would accept the judgment of William McChesney Martin, then Chairman of the Federal Reserve Board, who said he preferred the words "functionally related" because they would be easier to interpret and administer, and that the words "closely related" are unnecessarily restricting.

I am not hung up, in other words, if the statute should be changed, as to whether the words should be "functionally related" or "closely related." I cannot see much difference.

But further, the bill provides for a grandfather clause so that all one-bank holding companies engaging in noncongeneric activities prior to February 17, 1969, would be permitted to continue. On this I feel strongly. I feel the grandfather clause is indefensible. It, in effect, says that, although we agree that the practice of one-bank holding company activity through a bank-centered conglomerate company is bad and the economic consequences may be so far-reaching as to cause dire economic results, still, if a one-bank holding company had the foresight to seize on the economic advantage prior to the time Congress cut off this economically evil practice, it should be allowed to continue.

I will offer an amendment which will strike the grandfather clause. There are many instances of the merging of banking and commerce and this type of activity has threatened to change the entire concept of the American free enterprise system. Between January 1, 1965, and June 30, 1968, 239 one-bank holding companies were formed having deposits of over $15 billion. The administration, through the Widnall bill to which I have referred, suggested a June 30, 1968, cutoff date as far as the grandfather clause is concerned. The theory of this date was, according to Under Secretary of the Treasury Charls E. Walker, "that it was not so far back in time that forced divestitures would disrupt the operations or threaten the liability of the small traditional one-bank holding companies."

An amendment will be offered to return the grandfather clause date to January 1, 1965. This would exempt approximately 400 one-bank holding companies. Because of the parliamentary situation, after a grandfather clause amendment of January 1, 1965, is offered, I will offer an amendment to make the date May 9, 1956, which is the date of the enactment of the original Bank Holding Company Act of 1956. On that date, 117 one-bank holding companies were, in effect, grandfathered in, by being excepted from the provisions of the new law. They were all small banks located in rural communities. It does not bother me very much that the grandfather clause will continue the exemption which they had on the date of the Bank Holding Company Act of 1956. None of them has grown to such an extent as to endanger our economy since that date.

I also plan to offer an amendment which would include partnerships in the definition of a bank holding company. This appears to me to be another obvious exemption which, if retained, could only extend the problem through another outlet. And I would predict we would be back here again in 2 or 3 years trying to amend the Bank Holding Company Act.

Everyone who has studied the problem agrees that the trend toward the merg-

ing of banking and commerce must be stopped. In his statement on March 24, 1969, President Nixon said:

Left unchecked, the trend toward the combining of banking and business could lead to the formation of a relatively small number of power centers dominating the American economy. This must not be permitted to happen; it would be bad for banking, bad for business, and bad for borrowers and consumers.

The strength of our economic system is rooted in diversity and free competition; the strength of our banking system depends largely on its independence. Banking must not dominate commerce or be dominated by it.

The Bank Holding Company Act of 1956—apparently from the testimony of all witnesses—has been effective and has done the job. If we have a statute which has done the job, why do we not retain as much of it as possible and recognize the problem as one of prevention rather than one which needs complete overhaul?

I support H.R. 6778, but feel strongly the grandfather clause should be eliminated and partnerships should be included.

Mrs. MINK. Mr. Chairman, I rise in support of amendments to H.R. 6778, the Bank Holding Company Act Amendments. The adoption of these amendments to H.R. 6778 is necessary to protect travel agencies and insurance agencies and to insure that these small private businesses have the opportunity to compete on an equal basis.

These amendments would restrict or prohibit bank holding companies from engaging in various business activities conducted by travel agencies, accounting firms, data processing firms, equipment leasing companies, and insurance agencies and companies. I favor general amendments for these types of businesses as well as specific amendments concerning travel agencies and professional accounting firms.

The principal purpose of H.R. 6778 is to amend the Bank Holding Company Act of 1956 to bring within the regulation provisions of the act companies which control only one bank. The closing of this huge loophole, which has allowed huge banking firms with all of their concentrated economic power to enter unrelated business activities in competition with independent firms which must in some cases borrow funds from the same banks for their operation, is indeed commendable.

Our purpose is to retain the separation between banking and nonbanking activities, and between business and commerce. The House Banking and Currency Committee bill, however, leaves broad discretion with the Federal Reserve Board to approve nonbanking activities of bank holding companies which are "functionally related to banking." The only two areas which the committee majority specifically barred under the bill are the insurance agency business and the mutual fund industry.

Unfortunately, there is nothing in the bill to prevent bank holding companies from combining with insurance companies in massive economic conglomerates which could have a devastating impact on independent businesses. Commercial banks and insurance companies are the two major sources of credit in this country. By permitting a combination of the two we would be creating financial empires that could well dictate and control entire industries.

Numerous travel agencies and other business firms in Hawaii have indicated to me their concern for the lack of control over these practices by bank-dominated holding companies under the bill as approved by the committee.

Congress acted wisely in 1956 by attempting to proscribe the gigantic economic control that could be exercised by banks through the holding company device. More recently the banks have discovered the one bank holding company loophole and have rushed to establish themselves in key industries prior to congressional action to close the door to this source of reckless windfall profiteering. The committee bill plays into the hands of these worldly wise bankers by inclusion of a "grandfather clause" which would protect their millions or billions of dollars of profits. There are other loopholes, such as the partnership exemption, in the committee bill as well.

We must move firmly to give banks full opportunity to expand in their own field and allow businesses to do so as well without interference by bank holding companies. The amendments to H.R. 6778 would accomplish this separation of function, and I strongly support their adoption.

Mr. ASHLEY. Mr. Chairman, I intend to speak only briefly on the bill before us and I do so only in the hope that my comments may clarify an apparent misunderstanding with respect to the purpose and scope of this legislation.

Since enactment of the 1956 Bank Holding Company Act, it has become reasonably clear that one-bank holding companies should be subject to regulation as well.

There are two principal issues involved in the legislation before us. First is the question of how to distinguish between banking and bank-related activities on the one hand, and industry and commerce on the other. This is accomplished in H.R. 6778 by charging the Federal Reserve Board with the responsibility of approving activities of one-bank holding companies which are "functionally related to banking" and to disapprove activities which are not so related.

The alternatives, rejected by the committee, would be for the Congress itself to specify in detail what activities are bank related, and I believe the committee was right in judging that this would result in far too inflexible an approach that would tend to put bank holding companies in an economic straitjacket in an economy that is changing very rapidly.

The second issue arises over the proposed cutoff or grandfather date of February 17, 1969. This problem arose because the Bank Holding Company Act of 1956 only brought under regulation holding companies having two or more banks. The result, as we now know, is that hundreds of one-bank holding companies have been formed since that date, some of which are congeneric—those having only bank-related activities—while others are conglomerate—those mixing nonbanking with banking activities.

The congeneric one-bank holding companies present no problem. They would simply become subject to regulation and to Federal Reserve scrutiny to assure future acquisitions are also bank related.

The conglomerate one-bank holding companies do pose a problem, however. These were formed in complete accordance with existing law and without foreknowledge, except with respect to the formation of very recent holding companies, that there would be any change in the law.

Inasmuch as one of the principal purposes of H.R. 6778 is to prevent the future formation of one-bank holding companies that mix bank related with nonbank-related activities, the question arose as to how the committee should treat this category of holding companies that have been formed in the past. While some members took the view that all conglomerate one-bank holding companies should be required to divest either their bank and bank related activities or their commercial activities, a majority felt that such companies formed prior to February 17, 1969, the date of introduction of the bill before us, should be allowed to retain their acquisitions, with the positive stipulation that these companies will be prohibited from further non-bank-related acquisitions in the future.

Frankly, Mr. Chairman, I think the second issue is more apparent than real. It's difficult to imagine a one-bank holding company with non-bank-related activities that would be willing to forgo further conglomerate acquisitions indefinitely into the future. My point is simply that the bill in effect requires voluntary divestiture rather than involuntary, because these companies will surely choose to spin off either their bank or their non-bank-related activities so that they can continue to grow.

For this reason I supported the February 1969 cutoff date.

Tomorrow I intend to offer amendments that will more clearly define what is meant by control of one-bank holding companies, together with two noncontroversial amendments that will make it clear that foreign banks are exempt, as well as domestic companies having banks abroad whose activities are ancillary to their domestic activities. The latter amendments have the approval of the Treasury Department and the Federal Reserve Board and I believe I am right in saying that they have the approval of both the majority and minority members of the Banking Committee.

Mr. MONTGOMERY. Mr. Chairman, like many other Members of this body, I maintain a continuing interest in, and sympathy for, the problems of small businessmen such as are in my district in Mississippi and who make up the backbone of our free enterprise system.

The local independent property insurance agents of my State and of this country are fine examples of this system. You will find them as community and business leaders in the villages and metropolitan centers of this country where, through their services, they have historically been as important in many instances to the economy of the community as have been the banks.

The fact is, the independent insur-

ance agents and the banks have usually complemented one another in carrying out the various business transactions in the business communities.

Business moves on the vehicle of credit. Credit is extended on the basis of security. A part of that security, inevitably, insures against loss from the unforeseen catastrophe be it fire, wind, explosion, accident, death, or infidelity. As a consequence, the borrower or the lender has, over the years, turned to insurance agents, specialists in their field, to prescribe and provide insurance or indemnity against the unforeseen loss.

In 1916 the Congress appeared to recognize the importance to the community of the local independent insurance agents by amending the National Bank Act to include section 92, wherein national banks are restricted to the sale of insurance to communities of less than 5,000 population.

Prior to this limiting action by the Congress the Office of the Comptroller of the Currency at that time ruled that national banks possessed no power to act as insurance agents. The Comptroller recommended to Congress that it grant insurance agency powers to national banks only in the smaller communities.

Some significance must also be attached to the fact that banking rules in some States prohibit a bank official from acting as an insurance agent. Banking regulation—mind you—not insurance regulation.

In the light of the 1916 congressional attitude and that of banking regulation, it would seem certainly that both Federal and State legislative bodies had in mind the blunting of the all too forceful, coercive power of credit.

Our House records will show that an attempt was made by the banking interests in 1958 to have the 1916 mandate set aside so that there would be no restrictions against wholesale entrance of big banks into the insurance agency business. This body refused to remove that 5,000 population restriction in the National Bank Act.

In 1963 the then Comptroller of the Currency, James J. Saxon, waived aside the congressional act of 1916, and the reaffirmation of 1958, when he took it upon himself to say that national banks could engage in the insurance agency business. The Federal courts overruled the Comptroller's action and reaffirmed our congressional intent as expressed in 1916 and 1958.

Today, unfortunately, many thousands of local independent insurance agents' business lives are threatened through big banks using the holding company device as a means by which to circumvent the banking laws and regulations which have confined banks to banking.

Through the big banks' use of this device, independent insurance agents are confronted with the need to fight with every means at hand to keep the coercive power of credit from draining off business from which they make a living and serve their community.

The independent insurance agents of this country are accustomed to meeting competition: competing among themselves, others like us, and the so-called captive agents. Independent agents succeed in proportion to their proven abilities and efforts. This is typical of our free enterprise system. I can agree with local insurance agents when they insist that never did they conceive that they would have to compete with big banks whose competitive weapons need not be ability or effort, but only the lending of money that maintains the flow of community business. I can well understand the predicament of the independent insurance agents, since I was one before coming to this great body.

I would therefore commend to the chairman, as being in the public interest, the reasonable requests of the independent insurance agents in connection with the bill we are considering to regulate bank holding companies, H.R. 6778.

I urge that we accept and endorse their three recommendations that this bill, H.R. 6778, be passed, including a present provision in the bill limiting the insurance agency activities of banks to writing credit life and/or credit accident and health written on the life of an individual to insure repayment of a loan. I recommend that we roll back the grandfather clause's forgiveness date to January 1, 1965. Also I recommend that we amend the bill by addition of the following language to section 4(c)(8) providing necessary tests to be used by the Federal Reserve Board in judging what are activities functionally related to banking:

(8) shares retained or acquired with the approval of the Board in any company performing any activity that the Board has determined, after notice and opportunity for hearing, is functionally related to banking in such a way that its performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public as greater convenience, increased competition or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased competition, conflicts of interest or unsound banking practices.

Mr. PATMAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, under the rule, the Clerk will read the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 6778

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

§ 1. Amendments to the Bank Holding Company Act

(a) Section references in this section refer to the sections of Public Law 511, 84th Congress, as amended.

(b) Section 2(a) of the Bank Holding Company Act of 1956, is amended by striking the words "each of two or more banks" wherever such words appear and inserting in lieu thereof the words "any bank".

(c) Section 4(c) of the Bank Holding Company Act of 1956 is amended by:

(1) amending Section 4(c)(8) to read as follows:

(8) shares retained or acquired with the approval of the Board in any company performing any activity that the Board has determined, after notice and opportunity for hearing, is functionally related to banking in such a way that its performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. The Board shall not approve the acquisition or retention under this paragraph (8) of shares of any company:

(a) performing the functions of an insurance agent, nor permit the bank holding company itself to act as an insurance agent, except where the insurance provided is limited to insuring the life of a debtor pursuant to or in connection with a specific credit transaction, or providing indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled, or

(b) engaging in the underwriting, public sale, or distribution of mutual funds.

The Board shall not approve any retention or acquisition under this paragraph (8) except in accordance with regulations prescribed by it, which shall include guidelines taking into account the standards above specified. Such guidelines shall be developed by the Board after consultation with the Comptroller of the Currency and the Federal Deposit Insurance Corporation. In making determinations under this paragraph (8) the Board may take into consideration whether entry is to be on a de novo basis or by acquisition of an existing company. The Board shall grant or deny any application under this subsection within ninety days after submission to it of the complete record on the application and in the event of the failure of the Board to so act, the application shall be deemed to have been granted. The Board shall include in its annual report to the Congress a description and a statement of the reasons for approval of each transaction approved by it under this paragraph (8) during the period covered by the report."

(2) striking "or" at the end of paragraph (9), striking the period at the end of paragraph (10) and inserting "; or", and adding a new paragraph (11) reading as follows:

"(11) shares lawfully acquired and owned on February 17, 1969, by any bank holding company (or subsidiary thereof) as of that date which will become subject to the Bank Holding Company Act of 1956 as a result of the enactment of the Bank Holding Company Act Amendments of 1969, so long as the company issuing such shares is not engaging and does not engage in any business or activities other than those in which it or the bank holding company (or its subsidiaries) was lawfully engaged on February 17, 1969."

Mr. PATMAN (during the reading). Mr. Chairman, in view of the fact that the amendment is printed in the bill and available to all Members, I ask unanimous consent that we dispense with further reading of it and that it be printed in the RECORD and open to amendment at any point.

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

There was no objection.

Mr. PATMAN. Mr. Chairman, I move to strike the last word with reference to clarifying the situation.

PARLIAMENTARY INQUIRY

Mr. HALL. Mr. Chairman, a parliamentary inquiry. Is this just one section that is considered read and open to amendment at any point?

The CHAIRMAN. There is just one section in the substitute committee amendment.

Mr. HALL. Then, this is to the entire bill as written?

The CHAIRMAN. Yes.

Mr. HALL. I thank the Chairman.

Mr. PATMAN. The situation is tomorrow we have at least one bill which will be called up under suspension, which will take 40 minutes. Then there is another bill that the leadership will bring up in the way of a conference report. That will take an hour. If we have as much as 3 hours tomorrow and certainly as much as 4, we can finish the bill, I believe, with the cooperation of the membership. With that understanding, I will ask, when we get back in the House, that all Members may have permission to revise and extend their remarks and include extraneous matter.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. BROWN of Michigan. As I understand it, your request was that the committee amendment be considered as read, and that it be open to amendment at any point, and then seek to have the Committee rise. Is that correct?

Mr. PATMAN. That is correct.

Mr. BROWN of Michigan. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6778 to amend the Bank Holding Company Act of 1956, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill and include extraneous matter.

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

There was no objection.

EDUCATING HANDICAPPED CHILDREN

(Mr. TIERNAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TIERNAN. Mr. Speaker, all of us who have been blessed with happy and healthy children should never forget the pains and anxieties of those who are less fortunate. There has been wonderful work done and amazing strides made in the field of educating handicapped children.

In my State of Rhode Island, the Meeting Street School in Providence is one of the finest examples of the dedication shown by those who are working in this vital area. This Children's Rehabilitation Center is one of the 25 model centers involved in the development of preschool educational practices for handicapped children. It is certainly a leader in its field.

The Meeting Street School is presently embarked on a transitional project to bring to the slow learner specific remedial programs. On October 19 the Providence Sunday Journal printed an article describing how this school "is extending itself, both geographically and philosophically, well beyond the image of that cute little girl on the Easter Seal posters."

I urge all of my colleagues to read about the work done at the Meeting Street School. It deserves our interest, support and energy.

The article follows:

MEETING STREET SCHOOL—TREATING THE INVISIBLY HANDICAPPED

(By Douglas R. Riggs)

For most of us, the Easter Seal Child serves as an annual reminder of Meeting Street School, Rhode Island's Easter Seal Society agency. She's that cute little girl with a happy smile, wearing leg braces or holding crutches, whose photograph appears regularly every March on posters and mailings for the annual fund drive. She has become a familiar symbol. Familiar, appealing, effective—and obsolete.

Well, not entirely obsolete. Meeting Street School continues to accept pre-school youngsters with physical handicaps of all sorts. And despite the near-eradication of polio after the introduction of the Salk vaccine in 1954, crutches and braces are still in evidence. Polio is not the only crippling disease.

But in recent years Meeting Street has become increasingly concerned about more subtle handicaps—handicaps which often can't be photographed, or seen, or even described concisely, but which interfere with a child's most important function: learning.

Estimates vary widely, but there's a growing suspicion that perhaps one child in every four is laboring under some sort of learning disability, which may or may not have a neurological basis. Perhaps the figure is only one in ten. But one thing is fairly certain: The number of recognized cases is only a fraction of the total.

Meeting Street School has been helping children with such handicaps for years. Thousands of youngsters who might otherwise have been labeled "slow" or "retarded" or "disturbed" (and who might have become all of these things eventually, if left to their own devices) have been helped toward normal schooling and useful lives. The school has earned a national reputation in the process.

It has grown in size and effectiveness through the years as well. It served 18 youngsters the year it opened, in 1946. This year it will help more than 650. It has a professional staff of 50, 30 of whom deal directly with the children. It also calls upon an active volunteer medical staff of 14 people, covering six specialties. It outgrew its original quarters on Meeting Street in 1957 and moved everything (including its original name) into rented buildings at the Butler Health Center on Grotto Avenue, where it now occupies about 10,000 square feet of space. The operating budget for the current fiscal year is $412,682.

Meanwhile, its philosophy of service to the community has undergone some expansion, too. The school was founded primarily to help children with cerebral palsy, which was then deemed the greatest unmet need in the community. "As we went along, we found that what we were doing had greater implications; our philosophy and techniques applied to other neurological problems," explained Miss Nancy D'Wolf, executive director.

"We are egotistical at the preschool level," she said. "We think we have an approach. Now we think the information we have on the severely handicapped has some value for the less handicapped. So the school will be placing greater emphasis on the "marginally" handicapped child, without lessening its commitment to the critically handicapped.

But whatever the school does on its own, in terms of the problem—the elusiveness and intractability of which confound the experts and the dimensions of which overwhelm them—Meeting Street is but a small voice in the wilderness . . . with a three-month waiting list.

Now it is embarking upon a three-year pilot project designed to amplify that voice and multiply its effectiveness, in cooperation with the Providence school system. With the help of a $30,000 planning grant from the federal Bureau of Handicapped Children (U.S. Office of Education). Meeting Street School last month launched a project titled "Establishment of Early Identification and Special Programs for Kindergarten and Grade One Children with Learning Handicaps."

"Early identification" is a message Meeting Street School has been preaching for a long time now. Indeed, its entire program is designed for, and generally limited to, infants and pre-school youngsters. (It is not a "school" in the academic sense at all. It's more like a Head Start program for the handicapped.)

The following excerpt from the grant proposal submitted by Dr. Peter K. Hainsworth, the psychologist at Meeting Street who is directing the current project, helps explain the school's philosophy:

"The state of Rhode Island established Rules and Regulations to govern the Education of Handicapped Children in 1963. These rules and regulations mandate special education services for all categories of handicapped children. While this legislation has resulted in an increase of special education services throughout the state, the increase has been of uneven quantity as well as quality. This has been particularly evident in the pre-school and early education areas where there is a consistent paucity of early detection, prevention, and/or habilitation programs.

"The result is that a small segment of the population of handicapped children, i.e. the grossly handicapped, identify themselves early and are served in the few private agencies available. But the large segment of the handicapped population have deficits which are not easily discernible until they are enmeshed in the school frustration-failure-despair syndrome. In most cases, one to three or more years elapse before any attempt is made to ameliorate their plight. By that time, it is often much more difficult to effect changes."

In fact, the response of the public schools to date can only be described as inadequate. Despite estimates of the number of school-age children with learning handicaps in Rhode Island that run into the tens of thousands, at last count only 14 of the state's 40 school districts had programs for "neurologically impaired" children, serving a total of 346 youngsters.

The experts are unanimous in agreeing on the need to catch it early, long before the child reaches school if possible. There is considerably less agreement on what "it" is, or even what to call it. "Brain damage" and "neurological impairment" are among the most common terms, both inadequate—and downright misleading, according to some physicians and most psychologists. Probably it is many things. Certainly it can't be called a disease and even the term "condition" seems too specific.

One thing it definitely is not is mental retardation, although anything which seriously impairs the learning process obviously can produce the kinds of mental deficits referred to as retardation eventually.

The kids involved are often of normal intelligence, however, which makes their handicap all the more frustrating—to their parents, their teachers, and above all to themselves. Especially if the problem is so

well hidden that everyone expects the afflicted child to behave like everyone else, as is often the case. This kind of frustration almost always leads to emotional problems, which complicate the diagnosis even further. All too often, in fact, a child's emotional imbalance is the first hint parents have that something is wrong.

The layman venturing into the domain of Meeting Street School soon finds himself adrift in a maze of terminology. The children there may be called brain damaged, neurologically impaired, perceptually handicapped; they may exhibit psychomotor deficiencies, cerebral dysfunction, maturational lag, learning disabilities, developmental aphasia, and such more-or-less specific symptoms as dyslexia (impairment of reading ability), dyslalia (speech impairment), or dyskinesia (difficulty making voluntary motions).

Eventually the suspicion dawns that this whole bewildering thicket of words and phrases conceals a wealth of medical ignorance. Somewhat disconcertingly, the suspicion is confirmed by no less an authority than Dr. Eric Denhoff, the school's medical director, and a man internationally known for his work in cerebral palsy and other neurological problems affecting children.

Dr. Denhoff doesn't say so in so many words, but he freely admits, in effect, that when it comes to the processes by which neurological impairment or brain dysfunction or whatever you call it prevents normal functioning, the experts literally don't know what they're talking about. Sometimes the *causes* of the handicap can be identified with some confidence, but often they too are a mystery.

In some cases, the cause of the problem or problems is almost certainly a specific episode, such as lead poisoning or a temporary loss of oxygen to the brain, as sometimes happens in difficult births. In other cases environmental factors can be identified, as when severe tensions between parent and child lead to emotional upsets producing hyperactivity and a short attention span. In other cases a combination of environmental and physiological factors is suspected, and in still others no one knows.

Dr. Hainsworth and Dr. Marian Siqueland, another Meeting Street School psychologist who has been closely associated with the current project from the beginning, prefer to speak of "psychoneurological inefficiency," to indicate that the handicaps in question are dependent upon both the child's "neurological intactness" and his past experience. They also speak of a child's "range of efficiency" and "level of functioning" rather than using the more specific (and hence more hazardous) terminology based on guesses as to the specific source of the problem.

They see the motor, visual-motor and language handicaps which come to their attention as being parts of a continuum of efficiency, which ranges from the severely handicapped, cerebral palsied child to the barely perceptible learning disabilities of the mildly inefficient child.

Diagnosis is obviously a tricky business at Meeting Street School. Every Wednesday morning the school's "team"—psychologists, therapists, social workers and Dr. Denhoff—meet for diagnosis and evaluation of specific cases. At these sessions Dr. Denhoff, seeing a child for the first time, gives him a thorough neurological examination in front of the others (who have examined the youngster previously). Then the child is led out and each member of the staff reports in turn on his findings, including the child's home environment and medical history.

Finally there is a general discussion, including recommendations. Frequently there are fundamental disagreements. (At one such session, Dr. Denhoff said of one five-year-old: "Ten years ago I would have said this kid is emotionally disturbed. But now I'm not so sure. We just don't know whether this is neurological or psychiatric or physiological.")

It seems to add up to this: In many cases, perhaps most, all one can say about a child with a learning handicap is that somewhere in the process of receiving information, sorting it into concepts, and expressing those concepts in words and deeds, something has gone wrong. The difficulty may be with the "input" (a perceptual handicap); the "output" (as in speech impairment) or somewhere in that mysterious sorting-out process which lies at the heart of human thought.

Most of us from time to time probably come very close to experiencing the kind of frustration felt by such children—when we dream. The kind of dream in which someone is calling you, for example, and for some reason you can't seem to answer. Or someone is beckoning to you and your legs won't move. Or you have to take a test in a subject you know well, but when you see the questions they make no sense. We call it a nightmare. For the handicapped child, it is life.

Such children can be helped. Meeting Street School has been doing so for years. In some cases, help means teaching a child to live with his handicap. In other cases it may mean teaching him to conquer the problem entirely. In most cases it also means teaching parents how to cope, how to lessen frustration in themselves and their children. But the children must be identified before they can be helped.

Last spring the school staff published the Meeting Street School Screening Test (MSSST), formulated with the help of a previous two-year federal grant. It is designed to evaluate a youngster's range of psychoneurological efficiency, particularly in relation to his chances for academic success or failure, and provide some indication of what remedial steps might be taken if the range is below normal.

The MSSST is quite different from the standard I.Q. test. I.Q. tests, roughly speaking, measure reasoning power—that mysterious process of concept-formation referred to above. The MSSST measures a child's efficiency of input and output. It may or may not be an index of neurological impairment. "At the lower end, we presume there are neurological problems," Dr. Hainsworth said. "In the middle it's hazardous to speculate."

This test was devised primarily for professional educators' use. The school has since published another for physicians, to help them expand their traditional neurological testing. Meanwhile, the staff has also produced a 300-page curriculum for children with learning handicaps, which it will continue to evaluate and refine during the three-year life of the current project.

This curriculum is actually more a matter of "how" to teach than "what." It emphasizes such things as providing a stable environment for the children; keeping everything in the classroom in the same place every day, having identical time schedules, etc. Inefficient children can't absorb very much at one time, nor deal easily with change. So you introduce materials one at a time, speaking in simple sentences rather than whole paragraphs.

The current cooperative project with the Providence school system came about because the Meeting Street School staff wanted to build upon, and use, the knowledge gained through devising the MSSST and the experimental curriculum. Dr. Hainsworth expects the planning grant to be the prelude to operational grants, which will support the project for three years at about $130,000 a year.

The plan is to set up a kind of demonstration classroom at Meeting Street School, using children from a Providence neighborhood where the prevailing socio-economic levels are low. (Children from "deprived" areas generally run a higher risk of learning disabilities.)

In the first year, one public school teacher will be brought in and trained extensively in this classroom, working with the 60 (approximately) "inefficient" children screened from the 600 kindergarteners and first graders in the target area, using the MSSST. In the second year, this teacher will start a transition class in the Providence schools, under the supervision of Dr. Hainsworth, Dr. Siqueland, and Mrs. Bernice Graser, assistant director of education for the project.

Meanwhile, the original demonstration classroom will be used to further develop curriculum and train two to four more teachers. In the third year these teachers will establish two more transitional classrooms, in Providence or in another school district in the state.

During the three-year lifetime of the project, the children in the demonstration classroom will have the benefits of careful scrutiny and testing. Many of them will be referred to specific remedial programs within or outside the public school system. In all, about 1,200 children will be screened, three to five teachers will receive special training, and three transition classes will be established in the public schools—classes in which children with minimal handicaps will get the special attention they need before entering the regular classroom. Hopefully this transitional program will continue and be expanded after the pilot program has run its course.

This is just one of the ways in which Meeting Street School is extending itself, both geographically and philosophically, well beyond the image of that cute little girl on the Easter Seal posters. And if she appears again next March, as she probably will, just smile back at her and remember that she has to symbolize an awful lot of progress, most of which can't be photographed, or seen, or even understood very well by most of us, But progress, just the same.

SOCIAL SECURITY INCREASES

(Mr. PHILBIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. PHILBIN. Mr. Speaker, I think we all must realize the urgency of raising social security benefits at the earliest possible time. We cannot further delay action that should have been taken long ago to bring these benefits in line with current high price levels and the cost of living.

It is estimated there are 25 million poor people in the country, and 8 million of them are on social security. Some 2 million of these receive only $55 a month.

We must have in mind that even when and if we do have these increases voted by Congress, there will be almost 3 million people on social security in this country to whom these increases will be meaningless, because the States, if they follow current practices authorized by State laws, will simply reduce benefits they are now receiving by the amount of the increases, thus in effect nullifying the increases.

It is gratifying that some have moved to support a bill calling for a 15-percent increase, and for other adjustments in the social security system that will provide support for the family welfare program, as suggested by the President, and insure that the increases voted by the

Congress will be assured to every social security recipient.

With due respect to the President's proposed 10-percent increase, I do not believe that it is sufficient, and had previously introduced a bill calling for a 15-percent increase across the board that would represent the cost-of-living and price-escalation factors.

I have taken this action, not because I believe a 15-percent increase across the board would be sufficient. To the contrary, I believe that it probably would not be enough to satisfy all cost-of-living factors.

But we must keep in mind that any bill enacted by the Congress would have to be signed by the President, and I am of the opinion that he would probably sign a bill calling for a 15-percent increase this year, if Congress should pass it.

On the whole, as I have stated many times, I believe that we need a complete overhauling of the social security system to provide benefits that will be nearest in line with current living costs and prices, and I think that before this can be done, it will be necessary for Congress to recognize that the payroll taxes are already too high, and we must be prepared to bolster the social security fund by annual appropriations from the national revenue.

There has already been entirely too much delay in voting social security increases, and I think that we must move at once, in fact, if there is further delay, it will not be countenanced, and the House will be constrained to take emergency action.

I believe our Ways and Means Committee is one of the greatest committees of this Congress, led by its very able, distinguished leader, and comprised of some of the most learned, informed, sophisticated, and capable Members of the House.

These gentlemen are, without exception, fully informed on all phases of social security laws, and other laws pertaining to the work of their committee.

None of them needs additional briefing and study that is necessary to prepare and report a bill that would meet the overwhelming consensus of the House and the American people.

I think that this committee could very easily report out a social security bill such as we require within a few days, so that it could come to the House where it could be passed by a most emphatic vote, and then sent to the Senate, where I feel that it will also be passed overwhelmingly, and be sent to the President for his signature, even before Christmas. It would be a fine Christmas present for millions of worthy Americans.

Mr. Speaker, I again urge, as I have done so many times, that we act in this vital matter without further delay. The hour is late, and we must relieve the unfortunate blight of many needy fellow citizens, and furnish them at least with some substantial support. Inadequate as it will be, to cover their full needs, we will be doing a duty that the American people expect us to perform to help large numbers of good fellow citizens whose only offense is that they are in advancing years without the surplus of worldly goods and enjoyments of high standards of living that so many Americans have these days.

Let us move substantial social security increases—and now.

GRAMBLING COLLEGE OF LOUISIANA: "THE PRIDE FACTORY"

The SPEAKER. Under a previous order of the House the gentleman from Louisiana (Mr. WAGGONNER) is recognized for 15 minutes.

Mr. WAGGONNER. Mr. Speaker, a recent issue of Mid-South magazine carries an article entitled, "The Pride Factory," a story about Grambling College of Louisiana. This college is not in my congressional district, but I have known the president of it, Dr. Ralph W. E. Jones, for a number of years and have the greatest respect and admiration for him, his faculty, and students.

It is an inspiring article, Mr. Speaker, and an inspiring success story of what can be accomplished by guts, grit, and determination. In these unfortunate times when the college campus is, too often, a battleground instead of a quiet arena for the pursuit of education, Grambling is a standout college. I hope every Member will take a few minutes out and read this article. One cannot help but be uplifted by it.

THE PRIDE FACTORY

(By William Thomas)

Six A.M. A dismal hour for football.

But there they are, more than 50 of them, some as big as fighting bulls, jogging through the mist of an autumn morning and fanning out across a field of trampled dandelions where, season after season, they come to separate the men from the supermen.

A whistle sounds.

A hundred hands clap.

A voice shouts—"Go, big baby! Tear their heads off!"

And it begins: Crounched toe-to-toe, knuckle-to-knuckle, nose-to-nose, they crack together with a resounding whoop—"Hut! Hut! Hut! Hut! Hut! Hut!"—popping pads, butting helmets and grappling over one foot of sod which, on another day in another place, may separate even further the haves from the have-nots.

To the casual observer, it might seem like just another collegiate football squad going through the wringer of conditioning. But this is no ordinary congregation of athletes bent on merely winning their letters, covering themselves with weekend glory and basking in the cheery smiles and misty glances of admiring coeds.

These are the Tigers of Grambling College, La., a small, mostly Negro school 20 miles below the Arkansas border. To those who play there, football is more than just a kick. It's their bag—a cram course in instantaneous success, the means by which a youth with little else going for him can climb to the top of the heap on the man-piles of professional football.

For if there ever was a football factory, it is Grambling. "The College Where Everybody Is Somebody" is just a whistle stop in Lincoln Parish, Louisiana, just a dot on the map, but a dot known to every major football scout in the country. (At one Grambling game not too long ago; there were 24 professional scouts in the stands.)

Little wonder. For as a producer of pro football players, Grambling has few peers. Last year, for example, there were nine graduating seniors on the Tiger squad—and every one of them was signed to a professional contract. Although it was the first time in the school's history—any school's history—that every senior player went on to the pros, the movement from Grambling to big-time football has been going on since the mid-1940s.

It began with Paul 'Tank' Younger, a 230-pound fullback, who scored 60 touchdowns in four years at Grambling and became the first graduate of a Negro college to play professional football.

"Tank Younger opened the door," says Grambling's top booster and publicity director, Collie Nicholson. "And when he did, every Negro athlete in the country saw his chance."

Since then, more than 80 Grambling graduates have plunged into professional football—35 of them were on the active rolls of National and American League teams this season—and they included some of the game's most outstanding players. Last year alone, for example, five former Grambling men were chosen for all-pro honors—Roosevelt Taylor of the Chicago Bears, Buck Buchanan of the Kansas City Chiefs, Clifton McNeil of the San Francisco Forty-Niners, Willie Brown of the Oakland Raiders and Garland Boyette of the Houston Oilers.

And, Sunday after Sunday, Grambling grads figure prominently in the professional football wars.

Late last season, for instance, San Francisco was trailing Green Bay, 20–7, when Grambling's Clifton McNeil speared a pass and darted for a touchdown to start the Forty-Niners on a fourth-quarter scoring jag. When it was over, San Francisco had upset Green Bay, 27–20.

Later, when Kansas City was playing Boston, another Grambling graduate, Goldie Sellers, returned a punt 76 yards and fired his Chiefs to a 31–17 victory.

A year before that, as the Baltimore Colts churned toward a touchdown that would have tied them for a divisional championship of the National Football League, it was Grambling's Willie Davis, playing for Green Bay, who tackled Johnny Unitas with such force that he lost the ball—and the game.

The man responsible for the production of all this black power is Edward Gay Robinson, who came to Grambling as football coach 29 years ago—with orders to produce a winning team. Although he had no coaching experience, "Eddie" Robinson had been a Little All-American at now-defunct Leland College in Baker, La., where he once completed 59 straight passes in six games.

Though green and young, Robinson was hired by R. W. E. Jones, Grambling's sports-minded president, who decided in 1941 that if a Southern college was going to amount to anything, it had to have a strong football program. And, as the college president saw it, Robinson was the man to produce the program.

However, Grambling wasn't built in a day. During his first season, Coach Robinson lost every game but one—and it was a tie. Then, the very next year, his team went undefeated, untied and unscored-on. Five years later, Robinson put together a football machine which had four Little All-Americans in the lineup, including Tank Younger.

"When a professional football scout finally showed up at Grambling," Robinson recalls, "we wouldn't let him get away till he'd seen Tank. And when Tank was signed by the Rams, he gave every Negro boy in the country something to shoot for."

Indeed he did. During his years with the Rams, the enormous Younger blasted his way to a place on the All-Pro team. His 60-touchdown record at Grambling still stands and he is now a member of the Small College Football Hall of Fame.

But more important, perhaps, is what all this did for Grambling College, an institution with such humble beginnings that it was founded originally as a private Negro high school in 1901. It was not until 1928 that the

school was turned into a junior college to train teachers.

When Dr. Jones became president in 1936, it was still a junior college and had only 120 students and 17 faculty members. Four years later, in 1940, it became a four-year state college which has grown steadily until today it boasts an enrollment of 4,000, a faculty of nearly 200, a campus exploding with a 16-million-dollar construction program and an operating budget of about six million dollars a year.

Even so, Grambling remains a relatively small Negro school, at the edge of a tiny community with a two-block business district and scattered residential section inhabited mostly by faculty members. On nearly every automobile there's a bumper sticker: "How Sweet It Is—Grambling Tigers."

On the surface, Grambling—both the town and the school—seem nothing more than a very small, very quiet college community which traditionally has attracted more girls than boys. Nevertheless, to this remote spot, mid-way between Monroe and Shreveport, La., has come a steady stream of magazine writers, national television crewmen, media men of all kinds who have helped make Grambling famous as few other Negro schools.

Partly, all this national attention is due to the savvy promoting of publicity director Collie Nicholson. But mostly it's the result of a football program which has been compared with the likes of Notre Dame, one of the few schools that consistently turns out more football professionals than Grambling.

The upshot is a steady influx of football talent—big, fast, tough, young athletes who frankly come to Grambling in hopes of landing a professional football career.

"I would be lying if I didn't say that many of our boys come here to prepare for pro football," says Coach Robinson. "We're not ashamed of it. A lot of these kids are from underprivileged families, and they see this as a short-cut to some of the things they want. And a lot of them get it.

"Some of these kids graduate from here and start right in making more money than anybody on our faculty. We encourage them to get an education, but we don't discourage them from playing professional football."

Actually, Coach Robinson helps prepare his Grambling players for pro ball by teaching them professional play patterns and methods. "The name of the game is blocking and tackling," he says. "But we also teach the terminology of the pros. If a boy is going to play professional football . . . if this is what brought him to Grambling . . . then the least we can do is teach him the terminology along with the basics.

"So, if I walk into his room where he's sleeping and I yell, 'Red Left!' I want him to jump up and tell me the formation is strong left, the backfield is split, and flankers are out or whatever."

Although Robinson has been employing professional coaching methods for years—he was one of the first Negro coaches to use the movie camera for review—he is continually revising and modifying his system to keep pace with the latest innovations in pro ball. Much of it comes from former Grambling players who have turned professional and, like Tank Younger, now a scout, return to the school year-after-year to lend a hand.

"Every boy who comes to Grambling with visions of playing pro ball is going to get every scrap of information we can pick up," says Robinson.

In addition to professional coaching, Grambling also provides its players with a remarkable showcase for their talent. Although its regular season consists mostly of games with other small Negro schools throughout the South, increasingly it has been playing special games on a national level.

Last year, the Tigers played in Yankee Stadium, in Madison Square Garden, in the Astrodome at Houston and in the Rose Bowl Stadium at Pasadena. This year, they opened their season with a charity game on the West Coast and followed it up a week later with another benefit in Yankee Stadium. (In both cases, the proceeds went to the Urban League.)

"We've got a new recruiting slogan going," quips one assistant coach. "Play for us and see the world."

Actually, Grambling now plays to more fans than many major universities. In 11 games last season, including their post-season victory in the Pasadena Bowl over Sacramento State, the Grambling Tigers performed before 227,585 paying customers.

However, fame has its disadvantages. "Every team we play wants to beat Grambling. So everybody's laying for us," says Robinson. It doesn't seem to make all that much difference, however. As he entered his 29th season this year, Robinson had won 188 games, tied 11 and lost only 66.

All this hasn't gone unnoticed by professional scouts or young athletes who want to play pro ball. In fact, for the first time, Grambling has attracted two white players to its squad.

Robinson, overjoyed by the fact that he has at last interested white contestants, is nevertheless surprised that it didn't happen earlier. "Surely, there are white boys who want to play professional football as much as colored boys," he says. "Well, why shouldn't they come to Grambling?"

Robinson anticipated some possible trouble when the first white youth, James Gregory, of Corcoran, Calif., applied for a football scholarship at Grambling. (Young Gregory was an all-state football player at Corcoran) where the team is coached by a Grambling graduate. He picked Grambling over several other schools at his coach's suggestion.)

"I was flattered when this boy . . . when any boy . . . says he wants to play for us," Robinson recalls. "And I felt this was important. I wanted to show everybody the kind of people we are—to demonstrate that anybody can play football for Grambling. All my life, I've seen one or two Negro boys on white teams. Now we had a chance to give as much as we asked, to accept this boy as part of our team."

Robinson is extremely conscious of Grambling's public image, and it shows in the habits of his players. Although they are undeniable rough housers on the field, they wear coats and ties on road trips and almost always bow their heads and say grace at the training table.

Thus, when the first white athlete came to Grambling, Robinson went to some lengths to see that nothing went awry.

"The first thing I did, was to have a talk with him. I told him, 'You're in a new environment, now, son, and when you get knocked down it's going to be different. Because all the other times you got knocked down, you looked around and everything was white. Well, when you get knocked down here, you're going to look around and everything's going to be black. What you've got to do is hang in there.' "

And, throughout his freshman year, that's precisley what Gregory, a quarterback, did.

"Gregory helped us in more ways than one," says Robinson. "We lost our first two games last year, and everybody was down in the dumps. We were trying to work ourselves out of it on the practice field. Our first-string defensive team was taking it out on the team for which Gregory was playing quarterback, and they were getting tough and pushing him.

"Well, everybody was mad and Gregory was wet and dirty and tired of being pushed around. He went back to pass, but the receivers were all covered and so he made his move and started a sweep. The offense started blocking like hell and Gregory went into the end zone. He slammed the ball on the ground and it bounced 15 feet in the air and everybody grinned.

"Somebody said, 'Now you got soul, Greg.' and that broke the tension and we never lost another ball game."

Long before the season ended, Gregory was an accepted part of the team. "When we walked into the Astrodome," recalls Robinson, "a sports writer began asking some of the players who the white boy was. They acted like they didn't know what he was talking about. What white boy? they asked. 'Isn't there a white boy on the team? said the sports writer. Oh, said one of our boys, he must mean James Gregory. Man, he ain't no white boy—he's a Tiger.' "

And, indeed, it takes a bit of tiger to play for Grambling, where seldom does a lineman weigh less than 240 pounds, and the backs aren't much smaller.

Although Robinson has turned out tackles, ends, halfbacks and fullbacks who have played some of the best professional football in the country, he has never developed a pro quarterback. And, after 29 years it has begun to bother him.

"For a long time, the Negro athlete wouldn't try for quarterback, because he never believed the pros would play him at that position. Once, one of them told me, 'I'll play quarterback for you, but you'll have to let me play defensive back for myself, because that's what I'm going to have to do with the pros.' "

Robinson no longer believes the argument holds water. "If we do our homework and produce a good quarterback, I think the pros will play him. And I really want to turn out a quarterback. I've been at this game 29 years, as long or longer than 'the Bear' (Alabama Coach Paul Bryant) and if he can produce any number of good quarterbacks, it looks like we could come up with just one."

For the past four years, Robinson has been grooming a likely candidate—James Harris—who was signed as a quarterback by the Buffalo Bills of the AFL. Although they have two veteran quarterbacks, the Bills' coaches are mightily impressed with Harris. In the Buffalo opener with the New York Jets, he became the first Negro quarterback ever to start the season for a professional team. And he was matched against the unmatchable Joe Namath, no less.

After a creditable showing in that game, Harris gave way to one of the Buffalo veterans and Robinson concedes that "he might not make it. But if he doesn't, the next guy will. This is just one more door we've got to open."

Grambling has opened many doors. In addition to one of the most remarkable football machines in the country, the school also turns out one of the finest basketball teams in small college circles, and some of its graduates have made the professional ranks on the courts. Two all-pro players last year, James Jones of New Orleans and Willis Reed of the New York Knicks, are former Grambling stars.

However, it is on the football field that Grambling has become a legend. And it is here that you learn why its program is so successful.

"You gotta have Pride! Pride! Pride!" shouts Coach Robinson as he watches his squad butt heads on the practice field. "You gotta look like a pro! Look like a champion! Because nobody's gonna respect you if you don't!"

Under Robinson's direction, two burly giants crouched nose-to-nose and, at a signal, crashed into one another through a narrow corridor formed by two tackling dummies. One of the boys lay sprawled on the ground, blood flowing from his nose.

"You got whipped, son," said Robinson. "You better get up and try again."

Six more times, the two players collided, and six more times the same youth was flat-

tened. On the seventh try, in desperation, he finally came out on top.

"I knew you could do it," Robinson told the boy delightedly.

"All you gotta have is a little pride. That's we're here to teach you."

TANGIBLE EVIDENCE NEEDED FROM THE SILENT MAJORITY

The SPEAKER. Under a previous order of the House the gentleman from Maryland (Mr. HOGAN) is recognized for 15 minutes.

Mr. HOGAN. Mr. Speaker, last night's major foreign policy speech by President Nixon well deserves the thoughtful attention and perusal of all Members of this body and of all Americans.

Two points in particular impressed me as I listened to the President speak to the American people. First, I believe it is absolutely imperative that the vast "silent" majority end their silence and begin to give tangible evidence that they support the President's Vietnam policy.

President Nixon outlined a cogent policy and plan for peace which merits the support of the American people.

Second, President Nixon's appeal to our young people touched upon the ultimate source of hope—or despair—in the future of this great country. The President made it clear that he favors peace as much as anyone. He is concerned about the same things which concern so many of our young people. I hope, therefore, that many of them will rally to his support and will not be lured to demonstrate opposition to his policy on November 15.

One thing which concerned me about the October Vietnam moratorium was that it presented only one side of American sentiment on the war. The moratorium was for many participants an expression of public desire for peace. Unfortunately, however, it was accepted by the North Vietnamese as a show of support for their war efforts, and, consequently, the protest seriously weakened our negotiating position at the bargaining table in Paris.

I am disturbed by the view which is emerging in some quarters that, unless one actively supported the moratorium, he is not in favor of ending the war in Vietnam. This is a most unfortunate circumstance because it can divide our people before both sides of the issue can even be heard or discussed. Regretfully, the news media plays up the role of the vocal minority and, as a result, the views of the vast majority are never heard.

Because our children are bombasted by the mass media throughout their formative and impressionable years, I fear that they are in danger of becoming saturated with only one point of view.

Those who participated in the moratorium do not seem to recognize that every responsible American prefers peace to war. President Nixon wants peace in Vietnam. I want peace in Vietnam. America as a Nation wants peace in Vietnam. I am fearful that Drew Pearson's successor, Jack Anderson, may be correct when, in his October 15 column, he wrote of some of our more vocal peaceniks—who seem to think they are the only ones in this country on the side of world peace and tranquillity—that: "They aren't against the war at all; they merely are on the enemy's side."

While I am not one who sees a Communist behind every tree, it nevertheless disturbs me greatly to see so many protests lodged against the American Government when, as the President said last night, we have initiated and carried through proposals for peace, while the Vietcong have thwarted negotiation and mutual withdrawal efforts at every point. If there are to be protests, why not direct them against the government of Hanoi which has brutally treated thousands of U.S. prisoners of war and continually refused to enter into any meaningful negotiations with the United States or South Vietnam?

Few Americans realize that, between the beginning of 1957 and the end of August this year, 25,243 South Vietnamese civilians were slaughtered in Communist terror attacks. These are not civilians killed during the battlefield action. They were victims of political assassination, of reprisals against villages, or they were persons killed because they had skills useful to the Saigon government.

The population of South Vietnam is one-twentieth that of the United States. If we suffered the same rate of deaths from terror attack, we would have lost a half million mayors, councilmen, health workers, teachers—people—in less than 12 years.

This is the other side of the Vietnam story which must be told to our people. I think it is particularly critical that this story be told now because, in every estimation, the November moratorium is expected to be even more one sided than that which occurred in October. The October observance proved to be cool and concentrated and nonviolent, but the inclusion of the Mobilization Committee To End the War in Vietnam in the November plans will undoubtedly increase the chances of a chaotic and turbulent demonstration.

THE BIG TRUCK BILL

The SPEAKER. Under a previous order of the House the gentleman from Iowa (Mr. SCHWENGEL) is recognized for 15 minutes.

Mr. SCHWENGEL. Mr. Speaker, on Friday of last week, I took the floor to reveal some preliminary data with respect to alleged truck safety violations in Davenport, Iowa, and also with respect to pressure being applied to truck drivers to obtain their endorsement of the big truck bill. At a press conference this morning, I released more detailed information on these violations and the pressures applied with respect to the big truck bill.

For the benefit of my colleagues, I am inserting the following material documenting the charges in the RECORD: Statement by Congressman FRED SCHWENGEL; letter from Charles M. Zogg, letter from drivers on safety violations; letter from Portland, Oreg., driver; stories from the Davenport Times-Democrat by Tom Kuncl:

STATEMENT BY CONGRESSMAN FRED SCHWENGEL

A shocking situation has come to my attention in recent days with respect to attempts by the trucking industry to influence Congressional action on the "Big Truck Bill."

A truck driver from my district has advised me that the company for which he works threatened to withhold his paycheck if he refused to write to me endorsing the Big Truck Bill.

This is incredible, and certainly will not be tolerated. The driver explained that a notice was posted on the company bulletin board indicating that drivers and their wives would be expected to write to their Congressman expressing support for the bill. The notice also stated that the company wanted copies of the letters so they could forward them to the president of the company.

The driver with whom I discussed the matter was given the run-around when he sought his pay check. He was forced to obtain it from the dispatcher rather than the regular office, and then received it only after a not too gentle remainder that he had not written the required letter.

This is just one more example of the high handed, dictatorial methods employed by some truck owners to steamroller their legislation through the Congress. It is incredible that in a free country like America, we could have a situation where this sort of thing could happen.

I am requesting that Members of Congress advise me of any correspondence they have received which would indicate a similar pattern of action by other truck companies.

I have asked that the Departments of Transportation and Labor, together with the Interstate Commerce Commission fully investigate this shocking situation.

This same driver has provided detailed information on safety violations with respect to equipment operated by his company. Some of these violations have been documented by a reporter from the Davenport Times-Democrat, Tom Kuncl.

The photographs taken by Brent Hanson at Mr. Kuncl's direction strikingly demonstrate the violations. I am urging an immediate and thorough investigation of this matter by the Motor Carrier Safety Bureau in the Department of Transportation.

I am authorized to release the contents of a letter from the driver to whom I have referred, Mr. Charles Zogg of Davenport, Iowa, and copies of the letter will also be made available to the appropriate government agencies.

I have suspected all along that the reason these drivers haven't come forward, is the extreme pressure from their employers. It now appears they realize how much they stand to lose under the bill.

It seems to me that the drivers do, indeed, have a good deal to lose by the enactment of this legislation.

First and foremost is the question of safety, but there is also the question of potential economic loss from enactment of the bill.

However, I think we are now witnessing a change in the attitude of our nation's truck drivers. The information provided by Mr. Zogg is one indication of this change. The evidence gathered by Ralph Nader's summer interns further substantiates this charge in attitude.

Also, I have received a copy of a letter from several Davenport truck drivers calling attention to equipment defects. The letter is to the Bureau of Motor Carrier Safety's Kansas City office. I will ask that they co-ordinate their investigation with respect to all of these alleged violations.

Finally, I have received a detailed letter from a Portland, Oregon, driver with respect to a safety factor which was completely overlooked at hearings on the bill. The problem is that of the relation of loading to control of the vehicles. The driver very articulately sets forth the problem and I am authorized to release the text of his letter.

Gentlemen, all of this points to the need for a complete and thorough study of the

safety aspects of this legislation by a competent and impartial study group. I intend to propose such a study as a substitute bill in executive sessions on the big truck bill.

LETTER FROM CHARLES M. ZOGG,
DAVENPORT, IOWA,
October 31, 1969.

Congressman FRED SCHWENGEL,
House of Representatives,
Washington, D.C.

DEAR SIR: In reference to our conversation a few weeks ago, I feel I should restate the facts I related to you at that time. I am doing this because I feel it is vital there be no misunderstanding and also that you may have these facts for your files to do with as you think best.

As you know, I am employed as a truck driver at the Bettendorf, Iowa, terminal of Ruan Transport Corporation.

About mid-August of this year a notice was posted on the bulletin board at the terminal saying that John Ruan considered it necessary for all the drivers and the drivers' wives to write to their Congressman, individually, expressing support for the "Big Truck Bill" pending in Congress. The letters were to be written in duplicate, one copy to be kept at the terminal to be forwarded to John Ruan later. All replies were to be turned into the Bettendorf office and they would in turn forward them to John Ruan. The notice also stated that if anyone did not know what to write, a sample letter was available in the office to copy from.

The following payday when I asked for my check I was told I had to see one of the office girls. When I asked her for my check, she asked me if I had written my letter yet and I said no, I am not in favor of the bill. At that time the dispatcher, Mr. Frazer asked me why not and we discussed it for a few minutes. I told him there was no provisions in the bill for added safety features and that I did not think the present highways and bridges were adequate to carry this increased load and width. He said he was not aware that it included widening the trucks but that I "need not worry." "Do you think John Ruan would put a piece of equipment on the road that was not safe?" I told him at that time that I would look the bill over and let him know. About two (2) weeks later another notice was posted asking the men if they had written their letters yet. It again said that all replies were to be turned in to the office and they would forward them to John Ruan.

The next payday when I asked for my check I was told it was not in the regular stack of checks and that I would have to see Bill Frazer. When I asked him he said he was going to hold it until after I had talked to the terminal manager, Roy Campbell. He said he wanted to talk to me after I talked to Roy Campbell and that if he kept my check he was sure I would come to see him. I became quite angry and told him that if my word was not good enough that I would be in to talk to him then he could keep the check. He said "O.K. I will." After I had the discussion with Mr. Campbell, which was in no way related to this matter, I went back to Bill Frazer's office and asked for my check.

He asked me why I hadn't written a letter to my Congressman yet. I told him I still did not favor the bill. He put my check in my shirt pocket and we discussed the Big Truck Bill for a few minutes more and then I left. The next day while talking to two (2) other drivers, Howard Hill and James Clark, they told me that when they had asked for their checks they had been told they had to write a letter first. They did and were then given their paychecks. The same procedure was used on a number of other drivers.

They are: Frank Gall, Fred Dirks, Thomas Sharpe, Dennis Hamburg, Donald Ellis, Gerald Kephart, and others including James De Vaughn who now drives for another company. Another driver, Colby Loechel was present when James De Vaughn was told he had to write a letter before he could get his check. Mr. Loechel told the dispatcher he could not hold a man's pay check like that and the dispatcher, Glen Maynard replied, "You haven't seen many things John Recon can't do."

It was only a few days later when I contacted you by telephone and related substantially these same facts. Since that time I have been told by the other drivers at this terminal that this is not the first time this has occurred at this terminal. When this bill first came before Congress I was not employed by Ruan Transport. The men who were here then and are still here say the same tactics were used at that time. Withholding pay checks until letters were written to Congressman in favor of the bill.

I feel very strongly about this bill, and I am sure most of the motoring public would too, if they were made aware of the many serious consequences involved.

I wish to thank you and all the others who have devoted so much time to what I hope is the eventual defeat of this bill. If at any time I may be of assistance in any way, I would consider it a privilege.

Very sincerely,

CHARLES M. ZOGG.

LETTER FROM DRIVERS ON SAFETY VIOLATIONS

DAVENPORT, IOWA,
November 1, 1969.

DEAR SIR: This is a copy of the letter that was sent to the Department of Transportation, Oct. 31, 1969.

Below are the names of the drivers that signed this letter:

Thomas E. Sharpe, Dennis Hamburg, James Clark, Ray Taylor, Charles Zogg, Donald Ellis, Gerald Kephart, Fred Dirks.

For the record, there were others that wished to sign said letter. But, due to circumstances were unable to be reached at the time.

For verification of these signatures contact: Mr. Byron Schierier, U.S. Department of Transportation.

Very sincerely,

THOMAS E. SHARPE.

OCTOBER 29, 1969.

U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION, OFFICE OF MOTOR CARRIER SAFETY,
Kansas City, Mo.
(Attention of Mr. Byron Schrerier).

GENTLEMEN: I am writing to you in regard to a situation which I believe has become intolerable.

At present, I am driving for Ruan Transport Corporation, Terminal No. 10, located in Bettendorf, Iowa. The situation which I refer to is the unsafe and poor condition of an alarming number of vehicles which other drivers and I take out on the road each day.

Specifically, I will cite these instances: The company for which I drive daily sends out vehicles which have faulty steering and brakes, bad coupling devices, poor lights, broken speedometers, trailers that leak petroleum both internally and externally, safety valves wired open, and air valves wired open, faulty equalizer arms on air suspension units, broken and cracked glass, no visors, units lacking necessary engine power, trailer frame cracks, split bulkheads, excessive engine oil leaks, and units rendered unsafe on present width highways because of dog-tracking.

Time and again we have challenged the safety of these vehicles, and in turn have been badgered, bullied and harrassed by management officials at the terminal. On one occasion I was advised that faulty couplings were not a safety factor.

In addition, the company has been able to find a certain percentage of drivers to continue taking these unsafe units out on regular runs.

Because I feel deeply about the potential threat to life that these unsafe vehicles pose, (not only to the motoring public, but to drivers as well), I am appealing to you to investigate the conditions I have outlined. I think you will find that steps need to be taken to insure that the trucks that other drivers meet on the highways tomorrow are as safely equipped and well maintained as they can be, and that they at least meet minimum standards enforced by your department.

Very sincerely,

——— ———.

LETTER FROM PORTLAND, OREG., DRIVER
OCTOBER 31, 1969

Re: H.R. 11870, increased truck length, width, and weight limits.

DEAR SIR: I am in adamant opposition to any increase in length (third trailer), width, or weight limits (even under the tightest restrictions), because, in time, these restrictions will be chipped away one inch at a time, witness the State of Oregon regarding darkness and Saturday operation.

My main reason is due to lack of trailer control. After the problems that we, the drivers, have had, and are having with standard size doubles, I have no desire to pull longer, wider, or heavier trailers. At times, they are totally unpredictable. In a cross-wind, it's almost impossible to keep them from swaying across the center line. If the truck has the slightest amount of play in the steering, then it becomes impossible.

Next comes load factor and cargo weight distribution. I can't begin to describe to you the eerie feeling of trying to maneuver this equipment down the road if one or both trailers is loaded tail-heavy, or top-heavy, or too heavily on one side or the other. They do whip; they do weave; they do lean; they do sway. All these things have happened to me. There are times when we bring the loads thru on sheer luck.

Please note that the glowing reports are uttered by the management personnel, not by the men who drive these trucks day in and day out.

Regarding the economy factor, why did the Interstate Commerce Commission recently rescind a temporary freight rate increase here in the Northwest after a thorough study?

Please note that the State of Minnesota won't even allow two-trailer combinations (doubles).

Please note that most of the test runs were made under controlled conditions with specially equipped tractors. These conditions and tractors are *not* indicative of what the situation will be like once the carriers get this bill across.

These are but a few of the many reasons for my opposition to this bill. These reasons are based on actual over-the-road experience with doubles. They are shared by most, if not all, of the other road drivers.

Respectfully,

——— ———.

P.S.—Copies of this letter have been sent to Reps. Cleveland, Kee, Everett, McCarthy, McEwen, Dellenback, Wyatt, Mrs. Green, and Rep. Fallon (and A.A.A.).

In addition, perhaps you could ask a few pointed questions as to why are we experiencing control and steering problems with the International Harvester Co. 4000 Series trucks that are equipped with the Rockwell-Standard steering and suspension (front-end). The problem is somewhere in caster-camber adjustment and spring length (front). In driving, they have a tendency to be slow to take in a sharp L.H. curve until the steering wheel hits a certain point and

then—wham—you are unexpectedly going too far left and have to pull right, and then left again to negotate the curve. You can well imagine the path that the trailers have taken at this point. Sound like fun? Thanks again.

[From Davenport (Iowa) Times-Democrat, Oct. 29, 1969]

SAY TRUCKER "HARASSED"

(By Tom Kuncl)

A truck driver says he has been "harassed" by his employers because he refused to write a letter to his congressman in favor of two pending "big truck" bills, the Times-Democrat learned today.

The driver said the "harassment" consisted of a threat made by management officials of a trucking terminal to hold back his weekly paycheck until he wrote the letter.

Rep. Fred Schwengel (R-Iowa), to whom the complaint went, said he will ask for an investigation by the Department of Labor and the Interstate Commerce Commission into the allegations. Schwengel is a member of the roads subcommittee of the U.S. House Public Works Committee.

The driver said he and other employes of the trucking company were told by supervisory personnel they should write letters to their congressmen expressing favor of two bills awaiting congressional action that would increase the width and weight of trucks operating on the nation's highways.

The driver said a notice on a bulletin board initially told drivers that they and their wives would be expected to write such letters and that the company wanted copies for forwarding to the firm's president.

Later, the driver said, employes whom he knew personally were told that they would be required to write the requested letter before they could pick up their weekly paychecks.

The driver is asserted to have reported the substance of these conversations to Schwengel.

The driver's own experience involving alleged management "harassment" came later, he said.

The driver said that when he went to pick up his paycheck he was told that it was not in the regular stack of pay envelopes and that he would have to report to a dispatcher to secure his wages.

The driver said he was told by the dispatcher "You haven't written your letter yet."

The driver added that when he became angry and said he would not sign such a letter the dispatcher produced his paycheck and gave it to him.

Schwengel said he would take the report of the driver to the Department of Labor and the ICC "just as soon as I can get over there," and indicated he would attempt to still do so today.

Schwengel said he was "shocked" by the driver's allegations.

Schwengel said the charges advanced by the driver support his contention that "the men who have to drive these big trucks don't want anything to do with them. It is the trucking companies who are trying to push this thing through against the wishes of drivers and the public."

Schwengel has been a consistent foe of proposed legislation that would increase the width of trucks from 8 feet to 8.5 feet and would permit them to carry heavier loads.

A similar bill died for lack of action in the 1968 House session. Two new bills calling for basically the same provisions are awaiting consideration in the House now.

[From the Times-Democrat, Davenport-Bettendorf, Iowa, Oct. 30, 1969]

TRUCK BILL ROLLS

(EDITORS NOTE: A truck driver charged Wednesday that his employers "harrassed" him because he has refused to write a letter to his congressman in favor of a proposed "big truck bill" pending before Congress. Those charges prompted Rep. Fred Schwengel to demand a probe into trucking company practices. Schwengel asked for hearings to be conducted in Davenport by the Department of Labor and the Interstate Commerce Commission. To put the "big truck bill" in to perspective, a Times-Democrat reporter was assigned to prepare this story.)

(By Tom Kuncl)

Rumbling noisily on a dozen tires, geared down for maximum power, a controversial piece of legislation which would permit wider and heavier trucks on the nation's highways is speeding through Washington again, heading for Congress.

Provisions of two bills pending before the House of Representatives would allow increases in maximum width of trucks and busses from 8 feet to 8.5 feet and permit increases of weight on both single and tandem axles.

An additional provision would set maximum truck lengths at 70 feet, a length now allowed unconditionally by only two states.

Hoping for a green Congressional light for the wider-heavier provisions are trucking companies, their lobbyists, and large volume truck service users.

They argue that present laws were written for a different motoring era and that continued growth of the trucking industry depends on liberalization of current width and weight restrictions.

In addition, the bills' supporters contend greater width provisions would allow design engineers to build a new and better generation of intercity trucks by incorporating safer equipment inside the expanded area.

Waiting to flash a red light against passage of the bills are doubting legislators, including Iowa's Fred Schwengel, who say they are concerned about the lack of real research into the implications of wider-heavier trucks on existing roads.

Their opposition is backed by some of the nation's principal motoring clubs arguing that more lives will be lost in traffic deaths due to increased truck widths and by some engineers who maintain that America's costly road networks will be more rapidly broken down by trucks carrying heavier loads.

Engineers argue also that large portions of road network may not even be sufficient to survive weights trucks are presently permitted to carry.

The potential replacement costs for these systems, Schwengel says "is staggering."

Spokesmen for the trucking industry do not share Schwengel's views.

William A. Bresnahan, managing director of the American Trucking Association, says passage of the bill would "create an opportunity for significant advances in the economics and technology of highway transportation and, at the same time, assure protection of the roads and bridges."

The additional half-foot width, Bresnahan told a Congressional sub-committee studying the bill, "would make it possible to mount more adequate tires, to space them better for cool running, to have adequate room around them for dual chains and still have room for adequate springs, and larger capacity brakes on an adequate frame."

Edward V. Kiley, research counsel for the trucking association, told the same committee that the trucking industry is "vitally concerned with safety and continuously strives to improve its record."

Kiley said truck drivers' impressive record of safety per million miles traveled "should not be attacked by resorts to arbitrarily selected statistics, extensions of existing data to unreasonable units, or by illustrations of the simple laws of physics."

Kiley was referring to a study conducted by the Wisconsin Division of the American Automobile Associaton showing that proportionately nearly twice as many automobile occupants die in collisions between cars and twin-trailer trucks as in collisions between cars and semi-trailer trucks.

The Federal Highway Administration study says: "Until accident analyses and statistical methods can afford us better insights, judgment must rest on inferences from existing facts, taking into account the limitations of the data."

Of the economics involved the study says, "While our analysis has estimated the effect of such traffic on the Interstate and other Federal Aid Systems, no estimate has been made of effects of local roads and city streets that are not located on the Federal aid systems."

Unweighted, and perhaps precisely unweighable, remains the feeling of John Q. Motoring Public about bigger, wider, heavier trucks.

To date he has made his feelings known somewhat, and adversely, through surveys conducted by motoring clubs.

How heavily that reaction will ultimately weigh when the bill comes up for action remains questionable.

TRUCKERS WE'RE VITALLY CONCERNED ABOUT SAFETY

The highway department study concedes, very near the end of its report that "the advisability and practicality of increasing truck sizes and weights depend in part on how other highway users feel about this."

Schwengel says he feels that the issue cannot be resolved "in part" by how other motorists feel about the issue of bigger trucks.

"It's not just a question of dollars and cents, which is important enough, it is also a question of human lives," Schwengel said.

"We had better know what we are doing before we finally consider this legislation," he added.

The bills now awating dispatch by Congress are similar to proposals made in 1968. No final action was taken on those proposals and the bills died at the end of the session.

The hue and cry raised against passage of the wider-heavier provisions at that time threw the question into the arena of the 1968 presidential election.

Both Vice President Humphrey and Richard Nixon said they favored further study before Congress gave its approval to the legislation.

Nixon, during the campaign, said he wanted "a good hard look" at the proposal. He said it raised "serious questions, including the safety and convenience of the motoring public."

That "hard look" Nixon said would be to make certain ". . . the interests of the traveling public and also the life of our highways are fully protected. . . ."

Those two issues, broadly, safety and cost, have become the bones of contention contained in the two new bills proposed before this session of Congress.

The "hard look" asked for by Nixon resulted in preparation of a study by the Federal Highway Administration reviewing safety and economic questions raised by the proposed width-weight increases.

While that report cited general approval of provisions of the increase bill, it did so with some qualifications and two direct reservations.

The report pointed to wide gaps in what experts really know about the effect of bigger trucks on traffic deaths and admitted there is much more to learn about how well many of the nation's roads could stand up under increased weights.

The report added that it was the feeling of the federal agency that even if approved, the new limits should not be put into effect until new equipment safety laws are passed. It also recommended passage of another law designed to assure the trucking industry would pay a larger share for road improvement and maintenance.

Neither of those provisions is a part of the two pending bills on which Congress is asked to act.

Key to the question of safety, say opponents, is the fact that wider trucks will operate not only on the Interstate System, where road widths can accommodate them, but also on hundreds of thousands of miles of secondary roads, much older and narrower, where regular small vehicle traffic must meet them.

Key to the question of economics is the fact that heavier trucks will pound away harder at the existing interstate system, meaning earlier replacement, and the more serious damage that can be expected on secondary roads and bridges, already deteriorating at present weight limits.

On both questions Schwengel, the bills' leading opponent, says facts already in hand should spell doom for the legislation in this session. The absence of other facts, he maintains, are reason enough in themselves to delay any passage of the proposals.

As to safety, Schwengel says not enough is known about how auto drivers will react when facing a wider vehicle on a secondary road.

"This legislation must, of necessity, reduce clearance between passing vehicles, decrease visibility, increase difficulty in passing, increase the hazards of negotiating narrow corners and generate additional suction or blast caused by ever larger trucks and busses . . ."

"These are problems upon which we now lack sufficient information to make a reasoned judgment," Schwengel adds.

As to costs, Schwengel says that increased weights would mean that roadway deterioration would occur between 35 and 45-per cent faster than the present rate of pavement and shoulder wear.

Schwengel says the interstate system was designed with current weight limitations as the criteria and that weight increase would begin calling for replacement of some sections of the interstates "before the total system has even been completed."

Just as bad, Schwengel says, is the probable effect that wider and heavier trucks would have on the nation's and states' secondary road systems.

Calling those systems "the backbone" of our road network, Schwengel states they are not adequate to safely carry bigger trucks without being severely damaged.

That network, Schwengel says, now has in its road miles 95,750 bridges. More than 70 per cent of those bridges, he contends, are designed to carry less weight than interstate bridges. Thirty per cent of them, he adds, call for even lighter limits.

Schwengel says studies show that the passage of a heavy truck over a section of roadway is equal to 6,000 individual passages over the same area by a passenger vehicle.

[From the Times-Democrat, Davenport-Bettendorf, Iowa, Nov. 1, 1969]

SCHWENGEL HITS FIRM'S TACTICS TO WIN "BIG TRUCKS"

(By Tom Kuncl)

WASHINGTON.—Rep. Fred Schwengel, R-Iowa, took the floor of the House Friday afternoon to accuse trucking firms of "high-handed and dictatorial methods" aimed at winning passage of pending "big truck" bills.

Schwengel termed "shocking" charges made earlier this week by a truck driver that his employers had attempted to force him to write a letter in favor of bills which would permit bigger trucks on highways.

Schwengel read into the Congressional Record a Times-Democrat news story which detailed a truck driver's complaint that his company had threatened to hold back his paycheck until he wrote a letter to Schwengel in favor of the bill.

"This is incredible and must not be tolerated," Schwengel said.

"It is further incredible that this could be happening in a free country like this," Schwengel added.

Schwengel asked his congressional colleagues to advise him if they have been receiving letters in support of the bill from truck drivers in their districts.

Schwengel said he hoped to learn if those letters "might indicate a similar pattern of action by other trucking companies."

The Davenport Republican told House members he has asked the Department of Transportation, the Department of Labor and the Interstate Commerce Commission to conduct an investigation and a hearing in Davenport into the driver's charges.

Schwengel said he was informed the Department of Labor has "alerted its legal department" as a result of preliminary evidence which he had turned over to it.

Schwengel said Friday night he has heard from other drivers since the Times-Democrat carried its story about the trucker who was allegedly threatened by his company.

Schwengel said he understood a letter was in the mail Friday to his office signed by eight truck drivers who charge they are required to drive unsafe vehicles.

Schwengel said he plans to take the floor of the House again Monday to continue reading Times-Democrat stories about the big truck bill into the Congressional Record.

Schwengel has also scheduled a news conference Tuesday at which he is expected to disclose additional charges made by drivers.

"TRUCKER FUDGING ON LOGS CAN KILL"

(By Tom Kuncl)

"We don't know how many sleepy truck drivers there are on the road each day," a lawyer for the Federal Highway Administration told the Times-Democrat Thursday.

But a U.S. Attorney in Des Moines said this much is known: "Sleepy truck drivers kill people."

Both federal attorneys are aware of the problem of truck drivers operating big rigs without enough sleep. They are involved in prosecution of drivers and companies violating federal regulations on the hours that any driver may spend behind the wheel in one day.

Both deal with violations and falsifications of "logs," which drivers are required to keep indicating the number of hours driven per day.

C. Kenneth Cranston, regional Federal Highway Administration legal counsel in Kansas City, Mo., says there is no way to know how widespread log falsification really is.

"We don't have enough investigators to do much more than check here and check there as we can," Cranston says.

But they do know of the kinds of situations that develop where the driver behind the wheel of a huge truck is exhausted.

"A driver will call in to his terminal and tell the dispatcher he has his hours in and shouldn't be driving.

"Sometimes the dispatcher will tell him to bring the truck on in anyway," Cranston said.

"Sometimes too, the driver wants the overtime and doesn't care about changing his log to make things look right.

"We know that tired drivers start taking 'Bennys' (pep pills) and drugs like that to help them stay awake," Cranston said.

Regulations state that a driver may be on duty no more than 14 hours out of a 24-hour day.

But to track down sleepy drivers and bring charges against companies that encourage or permit falsification of logs is no easy job, Cranston points out.

Cranston's Kansas City office is responsible for a seven-state area in which 22,000 trucking carriers operate. To enforce motor vehicle regulations, the Kansas City region has a staff of 13 investigators.

"You can see that we are in no position to make exhaustive checks," Cranston said.

"It's clear that there is a lot more of this going on than we are able to track down," he added.

The Kansas City region initiates about 75 proceedings per year against log violators in the seven-state area.

Cranston knows that does not really scratch the surface, but he says "we're doing the best job we can."

Cases which are initiated are generally handled by U.S. attorneys in the district where the violation occurred.

U.S. Atty. Allan L. Donnielson in Des Moines, said he has handled about six cases of log violations over the last nine-month period.

The prosecution is "vigorous" Donnielson says because the charge is viewed seriously by the government.

"The courts are stern about log violations," Donnielson said. "They know that sleepy drivers kill people."

Donnielson said tough prosecution of log violations is a deterrent.

"We haven't had a second violation from any of the companies that have been prosecuted since I've been here," he said.

Cranston hopes the Nixon administration will beef up staffing for the Federal Highway Administration.

"There are good signs that this administration is really concerned about highway safety," he said.

Until then, Cranston said, there will still be sleepy drivers on the road and the government will attempt to find them and prosecute "here and there when we can, the best way we know how."

ACTS ON TRUCKER REPORT

(By Tom Kuncl)

Rep. Fred Schwengel, R-Iowa, said he has arranged to take the floor of the House of Representatives this afternoon to read into the Congressional Record news accounts carried by the Times-Democrat concerning alleged company harassment of a truck driver.

A Times-Democrat story told Wednesday of a driver who said he has been "harassed" by his employers for refusing to write a letter to Schwengel in favor of pending "big truck" bills.

Schwengel said he would ask members of Congress to report to him if they have been receiving letters from drivers as part of a nation-wide campaign by trucking companies to influence passage of the legislation.

"We will attempt to find out if there is a pattern behind the sending of these letters," Schwengel said.

Schwengel said he will also tell other Congressmen that he has asked for an investigation by the Department of Labor and the Interstate Commerce Commission into the charges made by the driver stating that his company threatened to hold back his paycheck until he wrote the letter to Schwengel.

Schwengel said he will be asking for the floor of the House again on Monday and Tuesday to read into the Record other stories about the big truck bill which appeared in the Times-Democrat.

In addition, Schwengel said he has scheduled a press conference for Tuesday at which he is expected to bare other charges made by drivers.

Schwengel has not yet identified the driver from whom the initial allegation came or the company for whom he works.

THE OIL INDUSTRY AND OUR NATION'S SECURITY

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, during the period in which this body was considering the so-called tax reform bill, I had an opportunity to appear on a nationwide television program with three other Members to debate the proposal to cut the oil depletion allowance. One of the points which I tried to stress in order to clarify the widespread misunderstanding which exists on this subject, was the vital connection which exists between the oil industry and the very security of this Nation. You may recall, Mr. Speaker, that I have stressed this point over and over for months now in other statements here on the floor.

A recent editorial in the Shreveport, La., Journal, states the case even better than I have been able to do it. It is guest editorial written by Mr. J. F. Bookout, Jr., vice president of the Shell Oil Co. I commend this editorial to the attention to every Member in the hopes that it, too, will serve to straighten out the confusion and misunderstanding which has been promoted by some to convince the people and the Congress that the oil depletion allowance is some sort of tax favoritism that accrues to multimillionaire oil barons. Nothing could be further from the truth and this editorial states the facts in explicit fashion.

The editorial follows:

IS NATIONAL SECURITY IN JEOPARDY?

(By J. F. Bookout Jr., vice president, Shell Oil Co., New Orleans)

(NOTE.—Mr. Bookout, who is in charge of Shell's southeastern exploration and production region, is a native of Shreveport. He was graduated from Fair Park High School and he attended Centenary College prior to receiving his Bachelor of Science and Master of Arts degrees from the University of Texas in 1949 and 1950.)

National security embraces all elements which contribute to our nation's economic and military strength. Our high productivity, high living standard and industrial and military capabilities all require consumption of large quantities of energy supplied by a variety of sources with oil and gas being the principal contributors—about 75 per cent of total requirements. Transportation, for example, a particularly security sensitive sector of the U.S. economy, is especially dependent on oil for more than 99 per cent of its energy needs.

Today certain safeguards of our nation's economic and military security are subjects of unprecedented attack, generally under the banner of benefiting the consumer and taxpayer. There are those who contend that the oil industry receives preferential tax treatment at the expense of other taxpayers. In addition, there are some who advocate the elimination of the oil import control program as being too costly to the consumer. Of course, challenge and change are necessary ingredients of progress. However, if change is to be constructive, we all know it must be based on a sound analysis of facts and prudent judgment.

The existing tax laws and the oil import program were both designed to encourage and maintain a viable domestic exploration and production industry capable of providing a reasonable level of national energy self-sufficiency. This has been accomplished at a moderate cost to the nation and, contrary to critics' claims, the oil industry has not been the recipient of excessive profits. It is a matter of record that oil industry profit levels are about the same as those of all manufacturing industries.

The House of Representatives recently passed a bill which could materially reduce the percentage depletion allowance. The attack on the depletion allowance is principally based on the idea that the oil and gas industry pays less federal income tax than other industries. This is not the full story because for every dollar of federal income tax paid by the petroleum industry, more than three dollars of state and local taxes are paid. Considering federal, state and municipal taxes, the oil industry actually pays a slightly higher percentage of its revenue in taxes than the average of all other U.S. businesses and this doesn't even include the motor fuel excise and sales taxes.

Percentage depletion has proven to be an effective stimulant and a sound basis for the recovery of the high risk capital invested by industry in the search for new oil and gas reserves. Without it the additional industry cost would result either in increased gasoline prices or there would be a sharp decrease in the search for needed new domestic supplies of oil and gas.

Some critics of the present tax and import programs claim that the way to reduce energy costs and supplement any decline in reserves created by a lessening of domestic exploration and production activities is to have unlimited imports of foreign crude. The claim is often made that the existing import control policy lets industry realize excessive profits. The record refutes this argument as mentioned earlier. Moreover, prices for petroleum products over the past 10 years have increased only about one-third as much as the general consumer price index. The really important point that seems to be overlooked is that excessive reliance on foreign sources of petroleum would imperil the security of U.S. supplies. Foreign sources have a well-established history of intermittent availability and interruption of supply.

Some have advanced theories to provide for energy security with government-subsidized programs, such as "mothballing" existing oil fields, more wildcat drilling, storing imported oil, oil shale development, or substitute fuels. These programs are either unworkable or would be more costly than the existing program.

Make no mistake—the economic and military security of this nation is at stake. There is no evidence that foreign oil will be consistently available as needed to supply our ever-increasing demands. Suppose that through faulty judgment the domestic exploration and production segment of the oil industry is destroyed. How will the government at all levels recoup huge losses in revenue it now receives from lease sales, royalties and taxes? No critic has satisfactorily answered these question—but we do know the answer. The public would pay for this misadventure—in terms of higher prices, higher taxes and, above all, less security.

CONFERENCE REPORT ON S. 2546—MILITARY PROCUREMENT AUTHORIZATIONS

Mr. RIVERS submitted the following conference report and statement on the bill (S. 2546) to authorize appropriations during the fiscal year 1970 for military procurement, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 91-607)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the Selected Reserve of each reserve component of the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1970 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army $570,400,000; for the Navy and the Marine Corps, $2,391,200,000; for the Air Force, $3,965,700,000: *Provided*, That of the funds authorized to be appropriated for the procurement of aircraft for the Air Force during fiscal year 1970, not to exceed $28,000,000 shall be available to initiate the procurement of a fighter aircraft to meet the needs of Free World forces in Southeast Asia, and to accelerate the withdrawal of United States forces from South Vietnam and Thailand; the Air Force shall (1) prior to the obligation of any funds appropriated pursuant to this authorization, conduct a competition for the aircraft which shall be selected on the basis of the threat as evaluated and determined by the Secretary of Defense, and (2) be authorized to use a portion of such funds as may be required for research, development, test, and evaluation.

MISSILES

For missiles: for the Army, $880,460,000; for the Navy, $851,300,000; for the Marine Corps, $20,100,000; for the Air Force, $1,486,400,000.

NAVAL VESSELS

For naval vessels: for the Navy, $2,983,200,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $228,000,000; for the Marine Corps, $37,700,000: Provided, That none of the funds authorized herein shall be utilized for the procurement of Sheridan Assault vehicles (M-551) under any new or additional contract.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1970 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $1,646,055,000;

For the Navy (including the Marine Corps), $1,968,235,000;

For the Air Force, $3,156,552,000; and

For the Defense Agencies, $450,200,000.

SEC. 202. There is hereby authorized to be appropriated to the Department of Defense during fiscal year 1970 for use as an emergency fund for research, development, test, and evaluation or procurement or production related thereto, $75,000,000.

SEC. 203. None of the funds authorized to be appropriated by this Act may be used to carry out any research project or study unless such project or study has a direct and apparent relationship to a specific military function or operation.

SEC. 204. Construction of research, devel-

opment, and test facilities at the Kwajalein Missile Range is authorized in the amount of $12,700,000, and funds are hereby authorized to be appropriated for this purpose.

TITLE III—RESERVE FORCES

SEC. 301. For the fiscal year beginning July 1, 1969, and ending June 30, 1970, the Selected Reserve of each reserve component of the Armed Forces will be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 393,298.

(2) The Army Reserve, 255,591.

(3) The Naval Reserve, 129,000.

(4) The Marine Corps Reserve, 49,489.

(5) The Air National Guard of the United States, 86,624.

(6) The Air Force Reserve, 50,775.

(7) The Coast Guard Reserve, 17,500.

SEC. 302. The average strength prescribed by section 301 of this title for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever any such units or such individual members are released from active duty during any fiscal year, the average strength for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 303. Subsection (c) of section 264 of title 10, United States Code, is amended as follows:

In the last line of the last sentence of subsection (c) after the word "within", change the figures "60" to "90".

TITLE IV—GENERAL PROVISIONS

SEC. 401. Subsection (a) of section 401 of Public Law 89-367 approved March 15, 1966 (80 Stat. 37) as amended, is hereby amended to read as follows:

(a) Not to exceed $2,500,000,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (1) Vietnamese and other Free World Forces in Vietnam, (2) local forces in Laos and Thailand; and for related costs, during the fiscal year 1970 on such terms and conditions as the Secretary of Defense may determine."

SEC. 402. (a) Prior to April 30, 1970, the Committees on Armed Services of the House of Representatives and the Senate shall jointly conduct and complete a comprehensive study and investigation of the past and projected costs and effectiveness of attack aircraft carriers and their task forces and a thorough review of the considerations which went into the decision to maintain the present number of attack carriers. The result of this comprehensive study shall be considered prior to any authorization or appropriation for the production or procurement of the nuclear aircraft carrier designated as CVAN-70.

(b) In carrying out such study and investigation the Committees on Armed Services of the House of Representatives and the Senate are authorized to call on all Government agencies and such outside consultants as such committees may deem necessary.

SEC. 403. Funds authorized for appropriation under the provisions of this Act shall not be available for payment of independent research and development, bid and proposal, and other technical effort costs incurred under contracts entered into subsequent to the effective date of this Act for any amount in excess of 93 per centum of the total amount contemplated for use for such purposes out of funds authorized for procurement and for research, development, test, and evaluation. The foregoing limitation shall not apply in the case of (1) formally advertised contracts, (2) other firmly fixed contracts competitively awarded, or (3) contracts under $100,000.

SEC. 404. (a) Section 136 of title 10, United States Code, is amended—

(1) by striking out "seven" in subsection (a) and inserting in lieu thereof "eight"; and

(2) by inserting after the first sentence in subsection (b) the following new sentences: "One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Health Affairs. He shall have as his principal duty the overall supervision of health affairs of the Department of defense.".

(b) Section 5315 of title 5, United States Code, is amended by striking out item (13) and inserting in lieu thereof the following:

"(13) Assistant Secretaries of Defense (8)."

SEC. 405. Section 412(b) of Public Law 86-149, as amended, is amended to read as follows:

"(b) No funds may be appropriated after December 31, 1960, to or for the use of any armed force of the United States for the procurement of aircraft, missiles, or naval vessels, or after December 31, 1962, to or for the use of any armed force of the United States for the research, development, test, or evaluation of aircraft, missiles, or naval vessels, or after December 31, 1963, to or for the use of any armed force of the United States for any research, development, test, or evaluation, or after December 31, 1965, to or for the use of any armed force of the United States for the procurement of tracked combat vehicles, or after December 31, 1969, to or for the use of any armed force of the United States for the procurement of other weapons unless the appropriation of such funds has been authorized by legislation enacted after such dates."

SEC. 406. Section 2 of the Act of August 3, 1950 (64 Stat. 408), as amended, is further amended to read as follows:

"SEC. 2. After July 1, 1970, the active duty personnel strength of the Armed Forces, exclusive of personnel of the Coast Guard, personnel of the Reserve components on active duty for training purposes only, and personnel of the Armed Forces employed in the Selective Service System, shall not exceed a total of 3,285,000 persons at any time during the period of suspension prescribed in the first section of this Act except when the President of the United States determines that the application of this ceiling will seriously jeopardize the national security interests of the United States and informs the Congress of the basis for such determination."

SEC. 407. (a) After December 31, 1969, none of the funds authorized for appropriation by this or any other Act for the use of the Armed Forces shall be used for payments out of such funds under contracts or agreements with Federal contract research centers if the annual compensation of any officer or employee of such center paid out of any Federal funds exceeds $45,000 except with the approval of the Secretary of Defense under regulations prescribed by the President.

(b) The Secretary of Defense shall notify the President of the Senate and the Speaker of the House of Representatives promptly of any approvals authorized under subsection (a), together with a detailed statement of the reasons therefor.

SEC. 408. (a) The Comptroller General of the United States (hereinafter in this section referred to as the "Comptroller General") is authorized and directed, as soon as practicable after the date of enactment of this section, to conduct a study and review on a selective, representative basis of the profits made by contractors and subcontractors on contracts on which there is no formally advertised competitive bidding entered into by the Department of the Army, the Department of the Navy, the Department of the Air Force, the Coast Guard, and the National Aeronautics and Space Administration under the authority of chapter 137 of title 10, United States Code, and on contracts entered into by the Atomic Energy Commission to meet requirements of the Department of Defense. The results of such study and review shall be submitted to the Congress as soon as practicable, but in no event later than December 31, 1970.

(b) Any contractor or subcontractor referred to in subsection (a) of this section shall, upon the request of the Comptroller General, prepare and submit to the General Accounting Office such information maintained in the normal course of business by such contractor as the Comptroller General determines necessary or appropriate in conducting any study and review authorized by subsection (a) of this section. Information required under this subsection shall be submitted by a contractor or subcontractor in response to a written request made by the Comptroller General and shall be submitted in such form and detail as the Comptroller General may prescribe and shall be submitted within a reasonable period of time.

(c) In order to determine the costs, including all types of direct and indirect costs, of performing any contract or subcontract referred to in subsection (a) of this section, and to determine the profit, if any, realized under any such contract or subcontract, either on a percentage of the cost basis, percentage of sales basis, or a return on private capital employed basis, the Comptroller General and authorized representatives of the General Accounting Office are authorized to audit and inspect and to make copies of any books, accounts, or other records of any such contractor or subcontractor.

(d) Upon the request of the Comptroller General, or any officer or employee designated by him, the Committee on Armed Services of the House of Representatives or the Committee on Armed Services of the Senate may sign and issue subpenas requiring the production of such books, accounts, or other records as may be material to the study and review carried out by the Comptroller General under this section.

(e) Any disobedience to a subpena issued by the Committee on Armed Services of the House of Representatives or the Committee on Armed Services of the Senate to carry out the provisions of this section shall be punishable as provided in section 102 of the Revised Statutes.

(f) No book, account, or other record, or copy of any book, account, or record, of any contractor or subcontractor obtained by/or for the Comptroller General under authority of this section which is not necessary for determining the profitability on any contract, as defined in subsection (a) of this section, between such contractor or subcontractor and the Department of Defense shall be available for examination, without the consent of such contractor or subcontractor, by any individual other than a duly authorized officer or employee of the General Accounting Office; and no officer or employee of the General Accounting Office shall disclose, to any person not authorized by the Comptroller General to receive such information, any information obtained under authority of this section relating to cost, expense, or profitability on any nondefense business transaction of any contractor or subcontractor.

(g) The Comptroller General shall not disclose in any report made by him to the Congress or to either Committee on Armed Services under authority of this section any confidential information relating to the cost, expense, or profit of any contractor or subcontractor on any nondefense business transaction of such contractor or subcontractor.

SEC. 409. (a) The Secretary of Defense shall submit semiannual reports to the Congress on or before January 31 and on or before July 31 of each year setting forth the amounts spent during the preceding six-month period for research, development, test and evaluation and procurement of all lethal and nonlethal chemical and biological agents. The Secretary shall include in each report a full explanation of each expenditure, including the purpose and the necessity therefor.

(b) None of the funds authorized to be appropriated by this Act or any other Act may be used for the transportation of any lethal chemical or any biological warfare agent to or from any military installation in the United States, or the open air testing of any such agent within the United States until the following procedures have been implemented:

(1) the Secretary of Defense (hereafter referred to in this section as the "Secretary") has determined that the transportation or testing proposed to be made is necessary in the interests of national security;

(2) the Secretary has brought the particulars of the proposed transportation or testing to the attention of the Secretary of Health, Education, and Welfare, who in turn may direct the Surgeon General of the Public Health Service and other qualified persons to review such particulars with respect to any hazards to public health and safety which such transportation or testing may pose and to recommend what precautionary measures are necessary to protect the public health and safety;

(3) the Secretary has implemented any precautionary measures recommended in accordance with paragraph (2) above (including, where practicable, the detoxification of any such agent, if such agent is to be transported to or from a military installation for disposal): *Provided, however,* That in the event the Secretary finds the recommendation submitted by the Surgeon General would have the effect of preventing the proposed transportation or testing, the President may determine that overriding considerations of national security require such transportation or testing be conducted. Any transportation or testing conducted pursuant to such a Presidential determination shall be carried out in the safest practicable manner, and the President shall report his determination and an explanation thereof to the President of the Senate and the Speaker of the House of Representatives as far in advance as practicable; and

(4) the Secretary has provided notification that the transportation or testing will take place, except where a Presidential determination has been made: (A) to the President of the Senate and the Speaker of the House of Representatives at least 10 days before any such transportation will be commenced and at least 30 days before any such testing will be commenced; (B) to the Governor of any State through which such agents will be transported, such notification to be provided appropriately in advance of any such transportation.

(c) (1) None of the funds authorized to be appropriated by this Act or any other Act may be used for the future deployment, or storage, or both, at any place outside the United States of—

(A) any lethal chemical or any biological warfare agent, or

(B) any delivery system specifically designed to disseminate any such agent,

unless prior notice of such deployment or storage has been given to the country exercising jurisdiction over such place. In the case of any place outside the United States which is under the jurisdiction or control of the United States Government, no such action may be taken unless the Secretary gives prior notice of such action to the President of the Senate and the Speaker of the House of Representatives. As used in this paragraph, the term "United States" means the several States and the District of Columbia.

(2) None of the funds authorized by this Act or any other Act shall be used for the future testing, development, transportation, storage, or disposal of any lethal chemical or any biological warfare agent outside the United States if the Secretary of State, after appropriate notice by the Secretary whenever any such action is contemplated, determines that such testing, development, transportation, storage, or disposal will violate international law. The Secretary of State shall report all determinations made by him under this paragraph to the President of the Senate and the Speaker of the House of Representatives, and to all appropriate international organizations, or organs thereof, in the event such report is required by treaty or other international agreement.

(d) Unless otherwise indicated, as used in this section the term "United States" means the several States, the District of Columbia, and the territories and possessions of the United States.

(e) After the effective date of this Act, the operation of this section, or any portion thereof, may be suspended by the President during the period of any war declared by Congress and during the period of any national emergency declared by Congress or by the President.

(f) None of the funds authorized to be appropriated by this Act may be used for the procurement of any delivery system specifically designed to disseminate any lethal chemical or any biological warfare agent, or for the procurement of any part or component of any such delivery system, unless the President shall certify to the Congress that such procurement is essential to the safety and security of the United States.

SEC. 410. (a) As used in this section—

(1) The term "former military officer" means a former or retired commissioned officer of the Armed Forces of the United States who—

(A) served on active duty in the grade of major (or equivalent) or above, and

(B) served on active duty for a period of ten years or more.

(2) The term "former civilian employee" means any former civilian officer or employee of the Department of Defense, including consultants or part-time employees, whose salary rate at any time during the three-year period immediately preceding the termination of his last employment with the Department of Defense was equal to or greater than the minimum salary rate at such time for positions in grade GS–13.

(3) The term "defense contractor" means any individual, firm, corporation, partnership, association, or other legal entity, which provides services and materials to the Department of Defense under a contract directly with the Department of Defense.

(4) The term "services and materials" means either services or materials or services and materials and includes construction.

(5) The term "Department of Defense" means all elements of the Department of Defense and the military departments.

(6) The term "contracts awarded" means contracts awarded by negotiation and includes the net amount of modifications to, and the exercise of options under, such contracts. It excludes all transactions amounting to less than $10,000 each.

(7) The term "fiscal year" means a year beginning on 1 July and ending on 30 June of the next succeeding year.

(b) Under regulations to be prescribed by the Secretary of Defense:

(1) Any former military officer or former civilian employee who during any fiscal year,

(A) was employed by or served as a consultant or otherwise to a defense contractor for any period of time,

(B) represented any defense contractor at any hearing, trial, appeal, or other action in which the United States was a party and which involved services and materials provided or to be provided to the Department of Defense by such contractor, or

(C) represented any such contractor in any transaction with the Department of Defense involving services or materials provided or to be provided by such contractor to the Department of Defense,

shall file with the Secretary of Defense, in such form and manner as the Secretary may prescribe, not later than November 15 of the next succeeding fiscal year, a report containing the following information:

(1) His name and address.

(2) The name and address of the defense contractor by whom he was employed or whom he served as a consultant or otherwise.

(3) The title of the position held by him with the defense contractor.

(4) A brief description of his duties and the work performed by him for the defense contractor.

(5) His military grade while on active duty or his gross salary rate while employed by the Department of Defense, as the case may be.

(6) A brief description of his duties and the work performed by him while on active duty or while employed by the Department of Defense during the three-year period immediately preceding his release from active duty or the termination of his civilian employment, as the case may be.

(7) The date on which he was released from active duty or the termination of his civilian employment with the Department of Defense, as the case may be, and the date on which his employment, as an employee, consultant, or otherwise with the defense contractor began and, if no longer employed by such defense contractor, the date on which such employment with such defense contractor terminated.

(8) Such other pertinent information as the Secretary of Defense may require.

(2) Any employee of the Department of Defense, including consultants or part-time employees, who was previously employed by or served as a consultant or otherwise to a defense contractor in any fiscal year, and whose salary rate in the Department of Defense is equal to or greater than the minimum salary rate for positions in grade GS–13, shall file with the Secretary of Defense, in such form and manner and at such times as the Secretary may prescribe, a report containing the following information:

(1) His name and address.

(2) The title of his position with the Department of Defense.

(3) A brief description of his duties with the Department of Defense.

(4) The name and address of the defense contractor by whom he was employed or whom he served as a consultant or otherwise.

(5) The title of his position with such defense contractor.

(6) A brief description of his duties and the work performed by him for the defense contractor.

(7) The date on which his employment as a consultant or otherwise with such contractor terminated and the date on which his

employment as a consultant or otherwise with the Department of Defense began thereafter.

(8) Such other pertinent information as the Secretary of Defense may require.

(c) (1) No former military officer or former civilian employee shall be required to file a report under this section for any fiscal year in which he was employed by or served as a consultant or otherwise to a defense contractor if the total amount of contracts awarded by the Department of Defense to such contractor during such year was less than $10,000,000; and no employee of the Department of Defense shall be required to file a report under this section for any fiscal year in which he was employed by or served as a consultant or otherwise to a defense contractor if the total amount of contracts awarded to such contractor by the Department of Defense during such year was less than $10,000,000.

(2) No former military officer or former civilian employee shall be required to file a report under this section for any fiscal year on account of active duty performed or employment with or services performed for the Department of Defense if such active duty or employment was terminated three years or more prior to the beginning of such fiscal year; and no employee of the Department of Defense shall be required to file a report under this section for any fiscal year on account of employment with or services performed for a defense contractor if such employment was terminated or such services were performed three years or more prior to the effective date of his employment with the Department of Defense.

(3) No former military officer or former civilian employee shall be required to file a report under this section for any fiscal year during which he was employed by or served as a consultant or otherwise to a defense contractor at a salary rate of less than $15,000 per year; and no employee of the Department of Defense, including consultants or part-time employees, shall be required to file a report under this section for any fiscal year during which he was employed by or served as a consultant or otherwise to a defense contractor at a salary rate of less than $15,000 per year.

(d) The Secretary of Defense shall, not later than December 31 of each year, file with the President of the Senate and the Speaker of the House of Representatives a report containing a list of the names of persons who have filed reports with him for the preceding fiscal year pursuant to subsections (b) (1) and (b) (2) of this section. The Secretary shall include after each name so much information as he deems appropriate and shall list the names of such persons under the defense contractor for whom they worked or for whom they performed services.

(e) Any former military officer or former civilian employee whose employment with or services for a defense contractor terminated during any fiscal year shall be required to file a report pursuant to subsection (b) (1) of this section for such year if he would otherwise be required to file under such subsection; and any person whose employment with or services for the Department of Defense terminated during any fiscal year shall be required to file a report pursuant to subsection (b) (2) of this section for such year if he would otherwise be required to file under such subsection.

(f) The Secretary shall maintain a file containing the information filed with him pursuant to subsections (b) (1) and (b) (2) of this section and such file shall be open for public inspection at all times during the regular workday.

(g) Any person who fails to comply with the filing requirements of this section shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by not more than six months in prison or a fine of not more than $1,000, or both.

(h) No person shall be required to file a report pursuant to this section for any fiscal year prior to the fiscal year 1971.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

L. MENDEL RIVERS,
PHILIP J. PHILBIN,
F. E. HÉBERT,
MELVIN PRICE,
O. C. FISHER,
CHARLES E. BENNETT,
SAM STRATTON,
L. C. ARENDS,
ALVIN E. O'KONSKI,
WILLIAM G. BRAY,
BOB WILSON,
CHARLES S. GUBSER,
Managers on the Part of the House.

JOHN C. STENNIS,
RICHARD B. RUSSELL,
STUART SYMINGTON,
HENRY JACKSON,
HOWARD W. CANNON,
THOMAS J. McINTYRE,
MARGARET C. SMITH,
STROM THURMOND,
JOHN TOWER,
PETER H. DOMINICK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the Selected Reserve of each reserve component of the Armed Forces, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

TITLE I—PROCUREMENT

AIRCRAFT

Army

The Department of Defense requested $941,500,000 for Army aircraft. In May of this year the Department of Defense announced the cancellation of the CHEYENNE helicopter program thus reducing the Department of the Army request by $429,000,000. Shortly thereafter a further request was made for 195 AH–1G COBRAS at a cost of $106.1 million. The Senate failed to act on this request during its normal consideration of the bill and recommended authorization of $484,400,000. The House recommended authorization of $570,400,000, including $86 million for 170 COBRAS to fill the gap caused by the cancellation of the CHEYENNE and to replace other helicopter gunships lost due to enemy actions in Southeast Asia. The conferees agreed to the amount contained in the House bill.

The Senate recedes.

Navy and Marine Corps

For the Navy and the Marine Corps the Senate authorized $2,287,200,000. The House authorized $2,391,200,000. The increase in the House figure over the Senate figure reflects the restoration of $104 million for the procurement of A–7E aircraft for the Navy.

The Senate recedes.

Air Force

For the Air Force the Senate authorized $3,965,700,000 with the proviso that $400,400,000 would be authorized to be appropriated only for the procurement of the F–4 aircraft, and with the further proviso that none of the funds authorized could be used for the procurement of A–7 aircraft.

The House amendment authorized $4,002,200,000.

The conferees' actions on the differences between the House and Senate versions are as follows:

The Senate receded on its language on the procurement of F–4 aircraft and its language prohibiting the procurement of A–7 aircraft. The net effect is to restore $374.7 million for the procurement of A–7D aircraft for the Air Force.

The House version provided $23 million more than the Senate bill for the procurement of A–37B aircraft and spares.

The House recedes.

The House authorized $21.5 million for the procurement of T–X trainer which was not included in the Senate bill. The conferees agreed that other aircraft in the current inventory should be considered for this mission.

The House recedes.

The House authorized $40 million for B–52/SRAM modifications which had been deleted by the Senate. The conferees agreed that in view of delays experienced in the SRAM program, these modifications could be delayed. At the appropriate time, the program can be accomplished under the line item "Aircraft Modifications."

The House recedes.

The House deleted $52 million for C–5A long-lead time items which had been provided by the Senate, on the basis of information supplied by the Department of Defense that this amount of money would not be expended if made available to the Department of Defense. Since it now appears that no final decision has been reached with respect to long leadtime items for the C–5A program, the House receded from its deletion of this authorization for the C–5A.

The House amendment authorized $4 million for long leadtime items and $48 million for research, development, test and evaluation for a free world fighter aircraft. The Senate bill did not contain similar language.

The conferees agreed that of the total amount authorized for aircraft procurement for the Air Force, an amount not to exceed $28 million shall be available to initiate "the procurement of a fighter aircraft to meet the needs of the free world forces in Southeast Asia and to accelerate the withdrawal of United States forces from South Vietnam and Thailand."

The conference report further requires that the Air Force, prior to the obligation of any funds for this program shall "conduct a competition for the aircraft which shall be selected on the basis of the threat as evaluated and determined by the Secretary of Defense." In addition, such funds may also be used as may be required for research, development, test and evaluation.

The conference report conforms with the recommendation of the Deputy Secretary of Defense who asked the Committee on Armed Services of the House to "make the necessary adjustments in its action on the military procurement authorization bill in order to permit the Department of Defense to proceed expeditiously with the development of a new free world fighter aircraft by the Air Force."

Thereafter, the Secretary of Defense advised the conferees that, "For some time the Department of Defense has been studying the issues incident to the development of an improved International Fighter Aircraft. Such an aircraft should (a) have adequate capabilities to handle the existing threat, (b) be as inexpensive as feasible, and (c) be simple to maintain and operate. When the military budget was presented to Congress earlier this year, the Department of Defense consideration of the issues involved

had not proceeded sufficiently to justify making a request for resources to meet the objectives cited.

"Our continuing review over the past few months, however, has validated the objectives, and a draft concept for an International Fighter Aircraft has been completed. The concept highlights, inter alia, the utility our allies, particularly in the Asian theater, might find for a new fighter aircraft and alternative programs which might be undertaken to make such an aircraft available.

"In particular, we now believe it is desirable to consider an appropriate aircraft the South Vietnamese might use, as part of the Vietnamization process, in defending against the potential North Vietnamese MIG threat."

It is significant to note that this will constitute the first effort on the part of the United States to Vietnamize the air defense of South Vietnam with a jet fighter which the South Vietnamese can operate and maintain with their own personnel. It is clear from the studies that have been conducted on this program that our present day fighter aircraft, in Air Force and Navy inventories, are much too sophisticated to be maintained and operated by the South Vietnamese. Thus, a much less sophisticated air weapons system must be made available at the earliest practicable date if we are to safely withdraw United States forces now operating and maintaining fighter aircraft in that area. The authorization would permit modification and/or improvement of existing aircraft now in United States inventories or in inventories of aircraft furnished under the military assistance program.

MISSILES

Army

The Senate bill included an authorization of $922,500,000 for missiles for the Department of the Army. The House version recommended $780,460,000, a difference of approximately $142,000,000. This difference resulted from the House deleting $142,000,000 in the TOW anti-tank missile program. The House action would have terminated the TOW program. The Senate bill had reduced the same program by $14,000,000. The conferees agreed to restore $100,000,000 to continue TOW procurement. The House recedes on $100,000,000 with an agreement that both the TOW and the SHILLELAGH will be re-evaluated for use as an anti-tank weapon in both the air and ground modes. Funds for this purpose are provided in Title II of the bill.

The House conferees receded from their position on the elimination of the TOW missile with the greatest reluctance and wish to make it abundantly clear that the Committee on Armed Services will continue to review the development of this missile with the utmost scrutiny.

Air Force

The Senate reduced the amount requested for the Short-Range Attack Missile (SRAM) by $20.4 million. The House restored this amount.

The Senate recedes.

It should be noted that the conferees insist that prior to the commitment of any production funds with respect to SRAM, the Air Force should make certain that the development problems on this missile have been satisfactorily resolved.

NAVAL VESSELS

The Senate provided for a shipbuilding program of $2,568,200,000.

The House provided for a shipbuilding program of $3,591,500,000.

In recognition of the Navy's dire need to obtain new naval vessels with modern equipment as quickly as possible, the conferees agreed upon a shipbuilding program of $2,973,300,000. This final figure is $608,300,000 less than the amount in the House bill and $415,000,000 more than the Senate bill.

The shipbuilding program of the Senate was accepted as a base to which was added $415,000,000 for the program containing the Navy's nine highest priority items in the House bill, except for the long leadtime items for the CVAN–70.

These 8 approved high priority items are as follows:

$20 million for advance procurement for nuclear attack submarines (SSN).

$41 million for conversion of two frigates (DLG).

$31 million for advance procurement for conversion of two frigates (DLG).

$157.3 million for three DD–963 class destroyers.

$32.1 million for advance procurement for one nuclear frigate (DLGN).

$45.3 million for two ocean salvage tugs (ATS).

$7 million for advance procurement for conversion of 10 ocean mine sweepers (MSO).

$81.9 million for a destroyer tender (AD).

The House bill also contained a provision requiring the construction of the new type destroyers of the Class DD–963 to be built in at least three shipyards. Because of the advanced state of the contracting procedures for this class of destroyers, the conferees agreed to remove this requirement on this class of destroyer at this time. However, the conferees strongly point out the necessity of developing and maintaining the shipbuilding capability for all kinds of combatant and support ships on the East Coast, the West Coast and the Gulf Coast.

TRACKED COMBAT VEHICLES

For tracked combat vehicles for the Army the House version provided $195,200,000, $81,700,000 below the Senate figure of $276,900,000. The conferees agreed on an authorization of $228,000,000.

The final figure represents the following compromise: The House reduced the General Sheridan vehicle (M–551) by $52.55 million below the Senate figure. The conferees agreed to restore $9 million of the amount cut by the House to allow the Army to exercise an option to procure an additional quantity of approximately 100 vehicles during FY 1970.

The House bill reduced the funds for the M–60A1E2 by $3.8 million.

The House recedes.

The House reduced the procurement authorization for the Main Battle Tank (MBT) by $25.4 million. The conferees agreed on including $20 million in the bill to enable the Army to proceed if the current evaluation and reconsideration of this weapon system is determined by the Secretary of Defense to justify proceeding into production. This determination is scheduled to be made in December of this year.

The House bill contained an amendment barring any new or additional contract for General Sheridan vehicles. No such language was contained in the Senate bill.

The Senate recedes.

TITLE II—RESEARCH AND DEVELOPMENT

GENERAL

Both the Senate and the House modified the research and development program of the Department of Defense. The conferees agreed upon the following:

The conferees agreed on a total of $7,296,042,000. This amount, which is $926,358,000 less than the amount requested by the Department of Defense, is $125,358,000 less than the amount contained in the House version and $187,156,000 more than the amount contained in the Senate bill.

Army

For the Army, the conferees agreed upon a total of $1,646,055,000. This reflects an 11 percent reduction from the amount requested by the Administration.

In its version the House provided that certain funds could be used only for RDT&E in connection with specific weapons systems, as follows: the heavy-lift helicopter, $10 million; and the SAM–D, $75 million. The House receded from this language with the understanding that $2 million is authorized for the heavy lift helicopter and $60 million is authorized for the SAM–D.

The House version also contained a proviso barring expenditure of funds on the CHEYENNE helicopter system. The conferees were of the opinion that the House proviso on the CHEYENNE helicopter could prohibit the Army's use of funds available from prior year appropriations to complete the Government's obligation under its presently existing contract. Therefore, the conferees agreed to delete this restriction to enable the government and the contractor to comply with these contract provisions.

None of the funds authorized and appropriated in FY 1970 can be used in further development or testing of the CHEYENNE helicopter without the prior approval of the Committees on Armed Services and the Committees on Appropriations.

The Senate bill reduced authorization for research and development on the main battle tank (MBT–70) by $14.9 million.

The House recedes.

In its report on this bill, the House expressed its concern over the performance and cost of the TOW missile and stated that the selection of the TOW missile for the helicopter launched applications should be reconsidered and recommended the authorization of $14 million for a competition of the TOW and the Shillelagh as an anti-tank missile for helicopter application. This included $6,000,000,000 for continued development of the passive infrared night vision equipment (PINE).

The conferees agreed that $10 million should be allocated from the Army's R&D assets to develop, test, and evaluate the TOW in the helicopter mode.

The conferees also agreed that $20 million should be allocated to the development, test, and evaluation of the Shillelagh missile for both the infantry ground mode, including application to the M113 and light wheeled vehicles, and the helicopter mode.

Priority should be given to the development of the Shillelagh for its use in an infantry mode with an open breech launcher in a manned portable configuration.

The Senate reduced the budget activity "Military Sciences" by $24,393,000. The House version contained no such specific provision. The Senate restriction was directed primarily toward Federal Contract Research Centers, Foreign Research, Social and Behavioral Sciences, and University Research.

The House recedes and accepts the Senate language for military sciences, which reduction is included in the 11 percent overall reductions.

The Senate also made certain reductions in the area of chemical and biological warfare.

It is the intent of the conferees that the Department of Defense take steps to reduce the RDT&E effort on biological agents and new chemical agents, and on delivery systems for disseminating lethal chemical and all biological agents. The total funds authorized for Department of Defense RDT&E in the conference report represent a reduction from the President's budget of approximately 11 percent. It is the intent of the conferees that $10.5 million of this reduction shall be taken in the area of RDT&E on chemical and biological warfare to accomplish the purpose set forth above and that this reduction be divided among the military services as follows: Army, $6.1 million; Navy, $1.55 million; Air Force, $2.85 million.

The House recedes.

Navy

For the Navy and Marine Corps, the conferees agreed on $1,968,235,000. This reflects an 11% cut in the Administration's request. The amount agreed upon by the conferees compares to $1,911,343,000 provided in the Senate bill and $1,990,500,000 provided in the House version. The House bill included language earmarking funds for specific programs as follows:

$66,091,000 for the E–2C aircraft; $165,400,000 for the S–3A aircraft; $20,000,000 for the Undersea Long Range Missile System (ULMS); $67,900,000 for the Advanced Surface Missile System (ASMS).

The House recedes from its language with the understanding that the following amounts are authorized:

$66,091,000 for the E–2C; $140.4 million for the S–3A; $10 million for the ULMS; and $35 million for the ASMS.

The House bill provided that of the funds authorized for the Navy R&D $517,300,000 was authorized only for R&D on ASW systems.

The conferees agreed that the amount requested by the Administration for ASW, $472 million, is adequate for this coming fiscal year.

The House recedes.

The Senate reduced the Navy military science budget activity by $25,157,000 to be applied against Federal Contract Research Centers, Foreign Research, Social and Behavioral Sciences, and University Research. These reductions are included in the 11 percent overall reductions agreed to by the conferees.

The House recedes.

Air Force

For the Air Force, the conferees agreed on $3,156,552,000. This reflects an 11% reduction from the funds requested by the Administration. This final total compares to an authorization of $3,041,211,000 in the Senate bill and $3,241,200,000 in the House version.

The House bill contained language providing that funds were authorized only for specific purposes as follows:

For the RF–111, $15 million; for the Light Intratheater Transport (LIT) aircraft, $1 million; for the CONUS air defense interceptor, $18.5 million; for the SRAM missile, $84.7 million; and for the airborne Warning and Control System (AWACS), $40 million.

The House recedes on its restrictive language with the understanding that the following amounts are authorized for these programs:

RF–111, $2 million; SRAM, $75 million; CONUS air defense interceptor, $2.5 million; AWACS, $40 million.

The conferees agreed that the funds requested for the LIT should be deleted.

The House bill provided that none of the funds authorized in the bill should be expended for RDT&E on the A–X aircraft. The conferees agreed to support this program at a level of $8 million.

The House recedes.

The Senate reduced military science budget activity by $25,980,000, which was to be applied against Federal Contract Research Centers, Foreign Research, Social and Behavioral Sciences, and University Research. This amount is included in the reduction of $404,648,000 in the Air Force R&D budget.

The House recedes.

DEFENSE AGENCIES

For Defense Agencies the Administration requested $500,200,000. The Senate authorized $454,625,000. The House authorized $450,200,000. The conferees agreed that of the amount reduced, $5,000,000 shall be taken from Project AGILE, and $14.6 million from Military Sciences.

The Senate recedes.

Sec. 204.

This section authorizes $12,700,000 for the construction of research, development, test, and evaluation facilities at Kwajalein Missile Range in support of the Safeguard Anti-Ballistic Missile program. These funds were provided in the Senate bill but not in the House bill. However, the funds were previously authorized by the House in the military construction authorization bill, H.R. 13018.

Therefore, the House recedes.

TITLE III—RESERVE FORCES

For the Fiscal Year beginning July 1, 1969, the House provided that the Selected Reserve of each reserve component of the Armed Forces would be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 393,298.
(2) The Army Reserve, 255,591.
(3) The Naval Reserve, 129,000.
(4) The Marine Corps Reserve, 49,489.
(5) The Air National Guard of the United States, 86,624.
(6) The Air Force Reserve, 50,775.
(7) The Coast Guard Reserve, 17,500.

The Senate bill differs from the House version only in that it provided 395,291 for the Army National Guard of the United States and 256,264 for the Army Reserve.

The Senate recedes.

SECTION 303

Section 303 of the House amendment made the Secretaries of the military departments specifically responsible for providing personnel equipment, facilities and supplies to reserve components, and provided that funds authorized for personnel, equipment, facilities and supplies for a reserve component might not be transferred or expended for any other purpose. The conferees agreed that this language was not necessary.

The House recedes.

SECTION 304

Section 304 of the House bill increased from sixty to ninety days after the end of the Fiscal Year the time allowed for year end status reports. No comparable section was contained in the Senate bill.

The Senate recedes.

TITLE IV—GENERAL PROVISIONS

SECTION 401. SUPPORT OF SOUTHEAST ASIA FORCES

Section 401 of the House version provided that funds authorized in the legislation are authorized to be made available to support Vietnamese and other Free World Forces in Vietnam and local forces in Laos and Thailand and for related costs on such terms and conditions as the Secretary of Defense may determine.

The Senate version imposed a ceiling of $2,500,000,000 on such funds and specified that funds to support forces in Laos and Thailand shall be limited, except where protection of U.S. personnel are concerned, to providing supplies, material, equipment, facilities and training.

The House receded and accepted the ceiling of $2,500,000,000 and the Senate receded on the further restrictive language.

SECTION 402. NUCLEAR CARRIER STUDY

A provision in the Senate version required a study by the Congress to be completed prior to April 30, 1970, on the cost and effectiveness of attack aircraft carriers. The results of this study were to be considered before any authorization or appropriation was to be made for the CVAN–70.

The House had no similar provision. Indeed, in the shipbuilding portion of the amendment, the House directly provided for long leadtime items for the CVAN–70.

The House recedes with an amendment which provides that the study is to be jointly made by the Senate and the House Committees on Armed Services.

SECTION 403. INDEPENDENT RESEARCH AND DEVELOPMENT

The Senate version contained a provision requiring that funds authorized by the Act shall not be available for the payment of independent research and development, bid and proposal, and other technical effort costs in the total amount in excess of $468,000,000. The provisions did not apply in the case of formally advertised contracts or to other firmly fixed price contracts competitively awarded.

This language was intended to provide a reduction of approximately 20% in the funds which would otherwise be expended for this purpose during Fiscal 1970. The House version contained no comparable language.

The conferees agreed on a compromise, which provides that contracts awarded subsequent to the effective date of this Act, costs incurred for independent research and development, bid and proposal and other technical effort shall not be in excess of 93% of the amount contemplated for such purposes in the 1970 Defense procurement and RDT&E program. This limitation shall not apply in the case of formally advertised contracts, other firmly fixed contracts competitively awarded, or contracts under $100,000. This limitation shall not apply to present contracts awarded prior to the effective date of this Act and shall not disturb independent research and development and other technical efforts already agreed upon.

It should be understood that the language of Section 403 applies to the Fiscal Year 1970 program only and is not to be considered a precedent for any future legislation. The Committee on Armed Services intends to study the matter of independent research and development and other technical effort and bid and proposal financing in detail during its review of defense authorization requests in the next session of Congress. The Senate conferees agreed with the House conferees that this matter is inadequately understood and that much greater knowledge must be gained in this area before determination is made as to any further legislative requirements.

SECTION 404. ASSISTANT SECRETARY FOR HEALTH AFFAIRS

The House version provided that one of the Assistant Secretaries of Defense shall be Assistant Secretary for Health Affairs and shall have a Deputy Assistant Secretary for Dental Affairs.

The Senate version contained no such provision.

The conferees agreed to establish an additional Secretary of Defense to be designated as Assistant Secretary of Defense for Health Affairs.

The House receded on its language requiring by statute a Deputy Assistant Secretary of Defense for Dental Affairs.

CHIEF, NATIONAL GUARD BUREAU

Section 403 of the House version provided for three-star billets for the Chief of the National Guard Bureau and Chiefs of the Air Force Reserve and Army Reserve.

The Senate version contained no such language.

The Senate conferees were adamant in their opposition to this provision and therefore the House recedes.

SECTION 405. EXPANSION OF AUTHORIZATION AUTHORITY

Section 405 of the House version would have extended the requirement for authorization legislation prior to appropriations to, in addition to those weapons systems now requiring authorization, all other vehicles, all other weapons, and all ammunition. The section is designed to give the Committee on Armed Services broader oversight and more effective control of the use of procurements funds by the armed forces. The Senate version contained no such language.

The Senate conferees had serious reservations about assuming this additional workload at this time in view of the time required for the completion of action on the present bill. The House receded, therefore, with an amendment limiting the expansion

of authorization authority to "other weapons." As used here, the term "other weapons" is limited to heavy, medium, and light artillery, anti-aircraft artillery, rifles, machine guns, mortars, small arms weapons, and any crew-fired piece using fixed ammunition.

SECTION 406. TROOP STRENGTH CEILING

The House version would have provided a ceiling of 3,285,000 on the active duty personnel strength of the armed forces after July 1, 1970, except when the President determines that this ceiling will jeopardize the national security. The corresponding section of the Senate version contained language providing the total active duty personnel strength of the armed forces shall not exceed 3,461,000 on June 30, 1970, and that whenever the total of personnel serving on active duty in Vietnam is reduced on or after July 1, 1969, the limitation of 3,461,000 shall be reduced by a like number.

The Senate recedes.

Dependent educational travel

Section 406 of the House version contained a provision to provide travel of one round trip each year to and from a school in the United States for dependents of members of the armed services serving overseas when the dependent is attending college in the United States to obtain an undergraduate education. Whenever possible, the transportation would have been provided by the Military Airlift Command on a space required basis. The Senate conferees were adamant in their opposition to this provision.

The House reluctantly recedes.

SECTION 407. SALARY LIMITATION ON EMPLOYEES OF FEDERAL CONTRACT RESEARCH CENTERS

The Senate version contained a provision (Section 204) providing that the annual compensation of employees of the Federal Contract Research Center shall not exceed $45,000 except with the approval of the President. The comparable section of the House version provided an identical dollar limitation but specified that the exceptions require the approval of the Secretary of Defense under regulations prescribed by the President and applied the limitation to salaries paid with DoD funds rather than any funds.

The conferees agreed on a compromise applying the limitation to salaries paid from any Federal funds and specifying that the exceptions required the approval of the Secretary of Defense.

SECTION 408. STUDY OF DEFENSE CONTRACTOR PROFITS

The Senate bill contained language authorizing and directing the Comptroller General of the United States to conduct a study and review of profits made by contractors and subcontractors on certain Government contracts awarded on other than formally advertised competitive bid basis. The Senate language could have been interpreted to require contractors and subcontractors to maintain their accounting records on a basis other than that normally followed in their business practice. In addition, the Senate bill would have granted subpoena power to the Comptroller General. The House amendment contained no similar provision.

The House receded from its position with an amendment which requires the Comptroller General to conduct a study and review on a selective, representative basis of the profits made by contractors and subcontractors.

The conferees also agreed that since the General Accounting Office is an arm of the Legislative Branch of the Government which has subpoena power, it is not necessary to grant additional subpoena power to a subordinate Agency of the Legislative Branch. However, the conference report provides that upon the request of the Comptroller General or any officer or employee designated by him, the Armed Services Committee of either House may sign and issue subpoenas requiring the production of records which may be necessary for the study to be carried out by the Comptroller General contemplated by the conference language.

The conference report further provides that none of the information obtained by the Comptroller General under the authority provided shall be disclosed to any person not authorized by the Comptroller General to receive such information, without the consent of the contractor or subcontractor concerned.

RETIRED PAY ADJUSTMENT FOR GENERAL LYMAN LEMNITZER

The House version contained a section authorizing an adjustment in the retired pay of General Lyman Lemnitzer, former Commander of forces in Europe and former Chairman of the Joint Chiefs of Staff, so that General Lemnitzer's retired pay would be computed in the same manner as any other four star general who is placed on the retired list after July 1, 1969. This would have resulted in a net increase in General Lemnitzer's monthly retired pay of $180.87. The Senate conferees were adamant in their opposition to this section.

In view of the unyielding opposition of the Senate conferees, the House recedes.

SECTION 409. CHEMICAL AND BIOLOGICAL WARFARE

Both the House and Senate versions of the bill contained restrictions on certain aspects of the chemical and biological warfare program. The Conferees agreed on a compromise provision which is set out in the Conference Report.

Subsection (a) requires semiannual reports by the Secretary of Defense covering research, development, test and evaluation and procurement of all lethal and nonlethal chemical and biological agents. The intent of both Houses is to obtain information on the current and planned chemical and biological program, which will disclose amounts obligated and expended and explain their purpose and necessity.

Throughout the remainder of this section, the Conferees agreed to uniform use of the term "any lethal chemical or any biological agent." While adopting this term, the Conferees wish to make it clear that the restrictions imposed by subsections (b) through (f) are not intended to apply to the use of chemical or biological materials which are themselves harmless to man, or to chemical or biological materials used for public health disease control, or for medical research, development, test, evaluation or diagnosis.

With regard to transportation and open air testing, the Conference Report sets forth the following procedure. The Secretary of Defense must determine that the proposed transportation or open air testing is necessary to national security, and he must notify the Secretary of Health, Education and Welfare of the proposed action. The Secretary of Health, Education and Welfare may then direct the Surgeon General and other qualified persons to review the proposed action and to recommend what precautionary measures are necessary to protect the public health and safety. The Secretary of Defense is required to implement any precautionary measures recommended, including, where practicable, detoxification where the agent is to be transported to or from a military installation for disposal. The Secretary of Defense must notify the President of the Senate and the Speaker of the House of Representatives ten days prior to any transportation and thirty days prior to any open air test. In addition, the Secretary must notify the Governor of any State through which such agents will be transported, appropriately in advance of such transportation.

The compromise language covering transportation and open air testing is designed to establish a procedure whereby the Secretary of Defense will call upon the medical health expertise of the Surgeon General and any other qualified persons whom the Secretary of Health, Education and Welfare may wish to appoint. It is not the intention of the Conferees to vest the Department of Health, Education and Welfare with any power to make national security decisions. Clearly, the roles of the Department of Defense and the Department of Health, Education and Welfare should remain separate and distinct. This subsection does not require the Secretary of Health, Education and Welfare to make a review, nor does it require that he submit precautionary measures. While the proposed transportation or open air testing cannot be impeded by inaction on the part of the Department of Health, Education and Welfare, the Secretary of Defense is required to implement recommended precautionary measures. Should these measures prove so burdensome as to prevent the proposed action, or should the Surgeon General recommend against the proposed action, it may still occur if the President determines it is necessary to national security and reports this determination to the President of the Senate and the Speaker of the House of Representatives.

The transportation regulations established in subsection (b) of the present section are not intended to affect the authority of the Department of Transportation with respect to the shipment of hazardous materials, as established by 18 USC 831–835 and 46 USC 170. The protections afforded by subsection (b) are intended to supplement these provisions.

With regard to future overseas deployment or storage of agents and delivery systems, the Conferees agreed that prior notice must be given to the host country. Where the deployment or storage will be on territory under the jurisdiction of the United States, prior notice must be given to the President of the Senate and the Speaker of the House of Representatives.

With regard to future overseas handling of agents, the Senate receded and accepted the House approach that no such action may occur if the Secretary of State determines that international law will be violated. He must report these determinations to the President of the Senate, and the Speaker of the House of Representatives, as well as to appropriate international organizations in the event such report is required by treaty or other international agreement.

The House amendment defined the "United States" to include the several States, the District of Columbia, and the territories and possessions, except to overseas deployment and storage in subsection (c)(1). The Senate recedes and accepts this definition.

The House amendment provided for suspension of this section's provisions during any war or national emergency. The Senate recedes and accepts this provision with a modification clarifying the fact that the power of suspension is vested in the President.

The Senate bill prohibited the procurement of delivery systems specifically designed to disseminate lethal agents and the procurement of any part or component thereof. The House recedes and accepts this prohibition with a modification limiting it to this act. The House Conferees were gravely concerned over the possible affect that this prohibition may have on our deterrent capability and receded only after assurances that, by limiting the prohibition to this act, there would be no adverse affect on our capability. Since it is dangerous to presume that our needs as presently contemplated will not change, a further modification was made which allows such procurement whenever the President certifies to Congress that it is essential to national safety and security.

Except as authorized in the Senate bill, subsection (g) of the Senate bill prohibited authorization for research, development, test and evaluation or procurement of any chemical or biological weapon including those for incapacitating, defoliation or other military

operations. No similar provision was contained in the House amendment. The Senate recedes and accepts the House position.

SECTION 410. DISCLOSURE PROVISION BY FORMER MILITARY AND CIVILIAN OFFICIALS

The Senate bill contained a provision requiring certain reporting procedures by all former military officers employed by industry holding defense contracts. It also required similar reporting by civilians from defense industry working for the Department of Defense.

The conferees agreed to accept the Senate provision with an amendment requiring certain reporting procedures from those persons employed in defense industry who were former commissioned officers in the grade of Major and above or former civilian employees of the Department of Defense in the grade of GS–13 or above.

RESEARCH AND DEVELOPMENT CONTRACTS OR GRANTS

Section 402 of the House bill contained a provision requiring detailed reports from the Department of Defense on research and development contracts or grants provided colleges or universities or individuals. Included among the information requested was a statement summarizing the record of the school, college, or university with regard to its cooperation on military matters, including ROTC and military recruiting on the campus.

The Senate bill contained no similar provision.

The House conferees reluctantly receded from their position with respect to Section 402. However, the agreement to recede from the House position and delete this section of the bill was arrived at only after the Senate conferees concurred with the House position that information on this subject is an essential preliminary before Congress can in future years intelligently assess the value of programs of this kind and their contribution to the national defense effort.

The House conferees strongly believe that the American people should be fully informed as to the manner in which defense dollars are being spent on research and development contracts in various universities and institutions of higher learning, and the identification of personnel entrusted with vital classified security information. The American people are also entitled to know why some research and development contracts and grants are being given to schools and universities for defense purposes when at the same time there appears to be an effort on the part of administrators of some of these schools to deny to the Department of Defense and individual Service Departments reasonable cooperation in related defense programs.

The House conferees fully appreciate the significant research opportunities that are provided these various institutions through the Federal defense monies involved in these contracts. However, the House conferees do not believe that a relatively few schools and educational institutions in the United States should be given a virtual monopoly on this research opportunity. There are hundreds of universities and colleges throughout the United States which have a demonstrated research capability that has heretofore not been utilized by the Department of Defense and the individual Service Departments. It is the conviction of the Managers on the part of the House that new emphasis must be placed on the distribution of these research and development contracts among the various educational institutions of our nation so as to provide other, equally competent, educational institutions with the same opportunity to avail themselves of the research funds utilized in these defense projects. Obviously, the continued award of these defense research and development contracts to educational institutions which appear to be making a determined effort to either ignore or deter our national defense effort will be given very careful scrutiny by the House Committee on Armed Services during the coming years.

The Department of Defense and the individual Service Departments are hereby being given notice that detailed information on this entire subject matter, including the identity of persons receiving classified information, will be required by the House Committee on Armed Services. This information shall be provided the Committee in such detail as may be necessary to enable it to objectively assess the policy governing the award of research and development contracts of this kind in the future.

QUARTERLY GOVERNMENT ACCOUNTING OFFICE REPORTS

Title V of the Senate bill provided for a reporting system for major contracts which would have required quarterly reports to the Congress from the Defense Department and audits by the General Accounting Office. The House version contained no comparable provision.

After considerable discussion the conferees agreed that this Title is not required at this time.

Therefore, the Senate recedes.

SUMMARY

The bill as presented to the Congress by the President totaled $21,963,660,000. The bill as it passed the House totaled $21,347,860,000. The bill as it passed the Senate totaled $20,001,586,000, including $12.7 million for military construction of research and development facilities at Kwajalein which was not in the House version, but was included in the military construction authorization bill previously approved by the House.

The bill as agreed to in conference totals $20,723,202,000.

The figure arrived at by the conferees is $624,658,000 less than the bill as it passed the House, $721,616,000 more than the bill as it passed the Senate, and is $1,240,458,000 less than the bill as it was presented to the Congress by the President.

The House recedes from its disagreement to the amendment of the Senate to the title of the bill and agrees to the same.

L. MENDEL RIVERS,
PHILIP J. PHILBIN,
F. E. HÉBERT,
MELVIN PRICE,
O. C. FISHER,
CHARLES E. BENNETT,
SAM STRATTON,
L.C. ARENDS,
ALVIN E. O'KONSKI,
WILLIAM G. BRAY,
BOB WILSON,
CHARLES S. GUBSER,
Managers on the Part of the House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. BOGGS), for today, on account of official business.

Mr. WOLFF (at the request of Mr. ALBERT), for today, on account of official business.

Mr. CORMAN, for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WAGGONNER, for 15 minutes, today; to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mrs. HECKLER of Massachusetts); to revise and extend their remarks and include extraneous matter:)

Mr. HOGAN, for 15 minutes, today.

Mr. SCHWENGEL, for 15 minutes, today.

Mr. GONZALEZ (at the request of Mr. MCFALL), for 10 minutes, today; to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks was granted to:

Mr. HALL immediately following 1-minute speech of Mr. ARENDS today.

Mr. MAHON in four instances and to include extraneous matter.

Mr. DANIEL of Virginia.

Mr. ICHORD.

Mr. ASPINALL and to include extraneous matter.

Mr. ST GERMAIN to insert his remarks following Mr. MOORHEAD in Committee today.

(The following Members (at the request of Mrs. HECKLER of Massachusetts) and to include extraneous matter:)

Mr. MCKNEALLY.

Mr. FINDLEY in three instances.

Mr. ZION.

Mr. BROCK.

Mr. LLOYD.

Mr. PETTIS.

Mr. BRAY in three instances.

Mrs. HECKLER of Massachusetts.

Mr. SCHERLE.

Mr. MESKILL.

Mr. PELLY.

Mr. WINN in two instances.

Mr. WOLD.

Mr. BURKE of Florida.

Mr. LANDGREBE.

Mr. MCDADE.

Mr. ASHBROOK.

Mr. WYMAN in two instances.

Mr. ZWACH.

Mr. COLLIER in five instances.

Mr. GOLDWATER.

Mr. ERLENBORN.

Mr. CLEVELAND.

Mr. HALPERN in two instances.

Mr. SCHADEBERG.

Mr. HOGAN in four instances.

Mr. DERWINSKI.

Mr. SCHWENGEL.

Mr. WYLIE.

Mrs. REID of Illinois.

Mr. BUCHANAN.

Mr. BROYHILL of Virginia in two instances.

Mr. BUSH.

Mr. GROSS.

Mr. STEIGER of Wisconsin.

Mr. ESCH.

(The following Members (at the request of Mr. MCFALL) and to include extraneous matter:)

Mr. BOLLING.

Mr. MATSUNAGA.

Mr. CULVER.

Mr. STEED.

Mrs. HANSEN of Washington in three instances.

Mr. RODINO.

Mr. GIAIMO.

Mr. MARSH.

Mr. ROONEY of Pennsylvania in two instances.
Mr. OTTINGER.
Mr. HUNGATE in three instances.
Mr. RARICK in three instances.
Mr. SHIPLEY.
Mr. GONZALEZ.
Mr. STEPHENS.
Mr. PICKLE in two instances.
Mr. HATHAWAY in two instances.
Mr. ASPINALL in two instances.
Mr. VAN DEERLIN in two instances.
Mr. TUNNEY.
Mr. BOGGS.
Mr. BURTON of California.
Mr. RIVERS.

ADJOURNMENT

Mr. MCFALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Wednesday, November 5, 1969 at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1307. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a list of Department of Defense contracts negotiated under the authority of sections 2304(a)(11) and 2304(a)(16) of title 10, United States Code, for the period January through June, 1969; to the Committee on Armed Services.

1308. A letter from the Acting Secretary of the Interior, transmitting the Annual Report of the Division of Coal Mine Inspection, Bureau of Mines, for the calendar year 1968, pursuant to the provisions of section 106(a) and 212(c) of the Federal Coal Mine Safety Act, as amended; to the Committee on Education and Labor.

1309. A letter from the Comptroller General of the United States, transmitting a report of an examination into the effectiveness of the construction grant program for abating, controlling, and preventing water pollution, Federal Water Pollution Control Administration, Department of the Interior; to the Committee on Government Operations.

1310. A letter from the Chairman, Federal Power Commission, transmitting a copy of the map, "Major Natural Gas Pipelines, as of June 30, 1969"; to the Committee on Interstate and Foreign Commerce.

1311. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to the provisions of section 244(a)(1) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1312. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to the provisions of section 244(a)(2) of the Immigration and Naticnality Act, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELANEY: Committee on Rules. House Resolution 610. A resolution providing for the consideration of H.R. 14465 to provide for the expansion and improvement of the Nation's airport and airway system, for the imposition of airport and airway user charges, and for other purposes (Rept. No. 91–605). Referred to the House Calendar.

Mr. YOUNG: Committee on Rules. House Resolution 611. A resolution providing for the consideration of H.R. 2777 to enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer (Rept. No. 91–606). Referred to the House Calendar.

Mr. RIVERS: Committee of conference. Conference report on S. 2546 (Rept. No. 91–607). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:
H.R. 14643. A bill to amend title 10 of the United States Code to require that accurate medical records be kept with respect to each member of the Armed Forces; to the Committee on Armed Services.

By Mr. BROWN of California:
H.R. 14644. A bill to amend section 5 of the Outer Continental Shelf Lands Act to require public hearings before leasing, and to require a moratorium on further leasing under such act; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:
H.R. 14645. A bill to amend title 18 of the United States Code to prohibit certain uses of likenesses of the great seal of the United States, and of the seals of the President and Vice President; to the Committee on the Judiciary.

By Mr. CELLER (for himself, Mr. BINGHAM, Mr. BUTTON, Mr. CAREY, Mr. DADDARIO, Mr. GIAIMO, Mr. GILBERT, Mr. HASTINGS, Mr. HORTON, Mr. KING, Mr. KOCH, Mr. MCKNEALLY, Mr. MESKILL, Mr. MONAGAN, Mr. MURPHY of New York, Mr. OTTINGER, Mr. REID of New York, Mr. ROBISON, Mr. SMITH of New York, Mr. ST. ONGE, and Mr. WEICKER):
H.R. 14646. A bill granting the consent of Congress to the Connecticut-New York railroad passenger transportation compact; to the Committee on the Judiciary.

By Mr. DENNEY:
H.R. 14647. A bill to amend title 18 and title 28 of the United States Code with respect to the trial and review of criminal actions involving obscenity, and for other purposes; to the Committee on the Judiciary.

By Mr. DORN:
H.R. 14648. A bill to revise the quota-control system on the importation of certain meat and meat products; to the Committee on Ways and Means.

H.R. 14649. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. ERLENBORN:
H.R. 14650. A bill to amend titles X and XVI of the Social Security Act to increase the amount of earned income which must be disregarded by State agencies in determining the need of blind recipients of public assistance; to the Committee on Ways and Means.

By Mr. FISH:
H.R. 14651. A bill to amend section 3731 of title 18, United States Code, relating to appeals by the United States in criminal cases; to the Committee on the Judiciary.

By Mr. FULTON of Tennessee:
H.R. 14652. A bill to amend title 38 of the United States Code to liberalize the specially adapted housing assistance available under chapter 21 of such title for the remodeling of dwellings; to the Committee on Veterans' Affairs.

By Mr. GRAY:
H.R. 14653. A bill to apply prevailing wage protection in accordance with the Davis-Bacon Act to the construction, modification, alteration, repair, painting, decoration, or other improvement of buildings leased, or to be leased, by the Post Office Department; to the Committee on Public Works.

By Mr. GUBSER:
H.R. 14654. A bill to amend the Internal Revenue Code of 1954 to facilitate the discharge of tax liens in certain cases; to the Committee on Ways and Means.

By Mr. HOGAN:
H.R. 14655. A bill to provide for a program of grants to State and local governments for the construction or modernization of certain correctional institutions; to the Committee on the Judiciary.

H.R. 14656. A bill to amend the Federal Water Pollution Control Act, as amended, to provide adequate financial assistance and to increase the allotment to certain States of construction grant funds; to the Committee on Public Works.

By Mr. JOHNSON of California:
H.R. 14657. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. MILLS:
H.R. 14658. A bill to amend section 204 of the Agricultural Act of 1956 to apply its provisions with respect to bilateral agreements limiting imports; to the Committee on Agriculture.

By Mr. MOSS:
H.R. 14659. A bill to amend section 104 of the Truth in Lending Act; to the Committee on Banking and Currency.

By Mr. PERKINS (for himself, Mr. THOMPSON of New Jersey, Mr. PUCINSKI, Mr. BRADEMAS, Mr. CAREY, Mr. HAWKINS, Mr. HATHAWAY, Mr. SCHEUER, Mr. BURTON of California, Mr. STOKES, and Mr. CLAY):
H.R. 14660. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to strengthen and improve the food service programs provided for children under such acts; to the Committee on Education and Labor.

By Mr. PREYER of North Carolina:
H.R. 14661. A bill to amend section 13a of the Interstate Commerce Act so as to provide for reimbursement to the carrier of the cost of operating uneconomic interstate railroad passenger train service performed under order of the Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. QUIE:
H.R. 14662. A bill to protect interstate and foreign commerce by prohibiting the movement in such commerce of horses which are "sored," and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:
H.R. 14663. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. REUSS:
H.R. 14664. A bill to authorize Federal payments to owner-occupants of residential property; to the Committee on Banking and Currency.

By Mr. RODINO:
H.R. 14665. A bill to protect interstate and foreign commerce by prohibiting the movement in such commerce of horses which are "sored," and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:
H.R. 14666. A bill to establish marine sanctuaries; to the Committee on Interior and Insular Affairs.

By Mr. WATSON:
H.R. 14667. A bill to amend the Commu-

nications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 14668. A bill to increase to 5 years the maximum term for which broadcasting station licenses may be granted; to the Committee on Interstate and Foreign Commerce.

By Mr. KING:

H. Con. Res. 435. Concurrent resolution expressing the sense of Congress with respect to North Vietnam and the National Liberation Front of South Vietnam complying with the requirements of the Geneva Convention; to the Committee on Foreign Affairs.

By Mr. WRIGHT (for himself, Mr. EDMONDSON, Mr. ABBITT, Mr. BENNETT, Mr. BROOKS, Mr. BURLESON of Texas, Mr. CASEY, Mr. DANIEL of Virginia, Mr. DOWNING, Mr. FALLON, Mr. GRAY, Mr. HOLIFIELD, Mr. KEE, Mr. KLUCZYNSKI, Mr. MARSH, Mr. MILLER of California, Mr. MILLS, Mr. PICKLE, Mr. POAGE, Mr. PURCELL, Mr. ROBERTS, Mr. SATTERFIELD, Mr. SISK, Mr. SLACK, and Mr. TEAGUE of Texas):

H. Res. 612. A resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. HAYS (for himself, Mr. MORGAN, Mr. ZABLOCKI, Mr. FOUNTAIN, Mr. ANDERSON of Tennessee, Mr. ANNUNZIO, Mr. ASPINALL, Mr. DANIELS of New Jersey, Mr. DULSKI, Mr. FREIDEL, Mr. FUQUA, Mr. GARMATZ, Mr. HULL, Mr. ICHORD, Mr. JOHNSON of California, Mr. MCFALL, Mr. MADDEN, Mr. MINISH, Mr. MOSS, Mr. PREYER of North Carolina, Mr. PRICE of Illinois, Mr. RODINO, Mr. ROSTENKOWSKI, Mr. STEED, and Mr. TAYLOR):

H. Res. 613. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. ADAIR (for himself, Mr. GERALD R. FORD, Mr. ARENDS, Mr. ANDERSON of Illinois, Mr. MAILLIARD, Mr. AYRES, Mr. BELCHER, Mr. BERRY, Mr. BETTS, Mr. BOW, Mr. BRAY, Mr. BUCHANAN, Mr. BUSH, Mr. BYRNES of Wisconsin, Mr. CEDERBERG, Mr. CHAMBERLAIN, Mr. CLEVELAND, Mr. COLLIER, Mr. CORBETT, Mr. CRAMER, Mr. DAVIS of Wisconsin, Mr. FINDLEY, Mr. GUBSER, Mr. HARVEY, and Mr. HUTCHINSON):

H. Res. 614. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. BROOMFIELD (for himself, Mr. LANGEN, Mr. LIPSCOMB, Mr. LLOYD, Mr. MCCULLOCH, Mr. MCKNEALLY, Mr. MACGREGOR, Mr. MICHEL, Mr. MIZE, Mr. MORTON, Mr. O'KONSKI, Mr. PELLY, Mr. QUIE, Mr. RHODES, Mr. ROTH, Mr. ROUDEBUSH, Mr. SAYLOR, Mr. SCHNEEBELI, Mr. Mr. SHRIVER, Mr. SMITH of California, Mr. TALCOTT, Mr. TEAGUE of California, Mr. THOMSON of Wisconsin, Mr. WIDNALL, and Mr. WYDLER):

H. Res. 615. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. STRATTON (for himself, Mr. DEL CLAWSON, Mr. BROYHILL of North Carolina, Mr. PETTIS, Mr. MAYNE, Mr. JOHNSON of Pennsylvania, Mr. CAMP, Mr. KLEPPE, Mr. PUCINSKI, Mr. LONG of Louisiana, Mr. WHITE, Mr. UTT, Mr. WILLIAMS, Mr. MINSHALL, Mr. FLOWERS, Mr. RIVERS, Mr. SIKES, Mr. MONTGOMERY, Mr. DAVIS of GEORGIA, and Mr. WAGGONNER):

H. Res. 616. Resolution toward peace with honor in Vietnam; to the Committee on Foreign Affairs.

By Mr. ABERNETHY:

H. Res. 617. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. BELL of California:

H. Res. 618. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. BURKE of Florida:

H. Res. 619. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. CUNNINGHAM:

H. Res. 620. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. DENNEY:

H. Res. 621. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. DEVINE:

H. Res. 622. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. DORN:

H. Res. 623. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. DUNCAN:

H. Res. 624. Resolution to affirm the support of the House of Representatives for the President in his efforts to negotiate a just peace in Vietnam; to the Committee on Foreign Affairs.

By Mr. ERLENBORN:

H. Res. 625. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. FISH:

H. Res. 626. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. HANLEY:

H. Res. 627. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. HANSEN of Idaho:

H. Res. 628. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. KING:

H. Res. 629. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. KUYKENDALL:

H. Res. 630. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. KYL:

H. Res. 631. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. LATTA:

H. Res. 632. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mrs. MAY:

H. Res. 633. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. MAYNE:

H. Res. 634. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. RAILSBACK:

H. Res. 635. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. ROGERS of Florida (for himself, Mr. HENDERSON, Mr. DOWDY, Mr. BARING, Mr. NICHOLS, Mr. HUNT, Mr. BROTZMAN, Mr. MIZELL, and Mr. MYERS):

H. Res. 636. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. SCHWENGEL:

H. Res. 637. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. SCOTT:

H. Res. 638. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. VANDER JAGT:

H. Res. 639. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. WOLD:

H. Res. 640. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. WYMAN:

H. Res. 641. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. ZWACH:

H. Res. 642. Resolution toward peace with justice in Vietnam; to the Committee on Foreign Affairs.

By Mr. DORN:

H. Res. 643. Resolution to express the sense of the House of Representatives that the United States maintain its sovereignty and jurisdiction over the Panama Canal Zone; to the Committee on Foreign Affairs.

By Mr. HAYS:

H. Res. 644. Resolution providing for the adjustment of salaries of certain employees of the House press gallery; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FISHER:

H.R. 14669. A bill for the relief of Gordon W. Heritage, Sr.; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 14670. A bill for the relief of Digna Lithgow; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 14671. A bill for the relief of James Tien-Hsiung Tso; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

315. By the SPEAKER. Petition of the Alaska Federation of Natives, Anchorage, Alaska, relative to appropriations for the construction of a hospital at Saint Mary's, Alaska; to the Committee on Appropriations.

316. Also, petition of the Virginia Young Americans for Freedom, Lexington, Va., relative to support of the President's policy in Vietnam; to the Committee on Foreign Affairs.

317. Also, petition of the Palau Legislature, Koror, Palau, Western Caroline Islands, Trust Territory of the Pacific Islands, relative to appointment of a High Commissioner of the trust territory; to the Committee on Interior and Insular Affairs.

318. Also, petition of the County Supervisors Association of California, relative to north coast water development; to the Committee on Interior and Insular Affairs.

319. Also, petition of the County Supervisors Association of California, relative to limitation on public ownership of land; to the Committee on Interior and Insular Affairs.

320. Also, petition of the County Council, King County, Wash., relative to repeal of title II of the Internal Security Act of 1950; to the Committee on Internal Security.

321. Also, petition of Marion W. Root, Joshua Tree, Calif., relative to pensions for veterans of World War I; to the Committee on Veterans' Affairs.

322. Also, petition of the Board of Commissioners, Lake County, Ohio, relative to the appropriate observance of Veterans Day; to the Committee on Veterans' Affairs.

323. Also, petition of the County Supervisors Association of California, relative to welfare reform; to the Committee on Ways and Means.