

EXTENSIONS OF REMARKS

THE RACE TO THE MOON

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. MILLER of California. Mr. Speaker, just before the epoch-making flight of Saturn V around the moon, the Oakland Tribune published an editorial entitled, "The Race to the Moon: Will It End There?" which I insert as a part of these remarks.

The publisher of the Oakland Tribune is the Honorable William F. Knowland, former Republican leader in the Senate. Perhaps this has given him a more intimate picture of the space effort than many of his colleagues in the newspaper field.

The editorial follows:

THE RACE TO THE MOON: WILL IT END THERE?

This coming Saturday—if all goes well—three American astronauts will leave our planet, therein fulfilling one of mankind's oldest and heretofore most impossible dreams.

The approaching manned flight of the Apollo 8 spacecraft 230,000 miles to the moon—followed by 10 orbits just 70 miles above the moon's surface—represents man's most distant and dangerous venture into space.

And, it also represents a spectacular comeback from that day in October, 1957, when the Soviet Union opened the space age with the launching of Sputnik I.

Circling the earth every 96.2 minutes, the 184-pound Soviet satellite reminded Americans for three months that the Communist world had scored the first major technological triumph in the new frontier of space—and one the United States could not then match.

Now, although precise comparisons of the relative positions of the two nations to the space race are impossible because of Soviet secrecy, there is ample evidence the United States may have taken the lead, at least in the race to reach the moon.

If the Apollo 8's crew—Col. Frank Borman, Major William Anders and Capt. James Lovell—prevail over the perils and uncertainties of the moon flight, the United States will remain well within reach of achieving the 1970 target date set by President Kennedy in 1961 for a manned landing on the moon. It could come as early as next spring or summer.

Paradoxically, as the climax of America's greatest space feat approaches, the nation is divided over the future of the space program.

The National Aeronautics and Space Administration's budget for the current fiscal year is slightly under \$4 billion, the smallest since 1963. The space budget essentially has been a victim of higher priorities given the war in Vietnam and problems in the cities.

While the moon program has been generally unaffected by budget cutbacks, other future projects have already suffered drastically. Budget cutbacks have reduced employment among space contractors from about 420,000 in 1965, the peak year, to an expected 200,000 by July 1969. Some plants and test centers have curtailed operations. Future orders of Saturn V and Saturn 1-B rockets have been discontinued, and work has been cut back on the nuclear rocket engine by which engineers hope to conquer deep space. Plans for a manned flight to Mars were shelved in favor of an instrumented flight in 1973.

Space experts say that unless we are willing to maintain a stable, continuing space program in the coming decade we stand in danger of squandering the \$32 billion already invested in the U.S. space program.

Werner von Braun, director of the Marshall Space Flight Center, recently predicted the U.S. budget reductions will permit the Russians "to fly rings around us in space in a period of five years." He contended it would take steady spending of \$5 billion to \$6 billion a year for the U.S. to pull even; programs costing only up to \$4 billion "simply guarantee our falling back."

Our space program has already contributed enormously in such specific areas as improved world communications, weather forecasting and reconnaissance. It has also produced vast but perhaps more nebulous contributions to the advancement of scientific knowledge in general and to maintaining a higher standard of living.

And, perhaps most importantly in view of the Soviet Union's strong military space program, our own efforts have maintained our national security on one hand while increasing chances of world peace on the other.

Because of the awesome capabilities for good or evil offered by the control of outer space, the former momentum of our space program should be restored by the incoming administration in Washington. If the upcoming Apollo 8 flight does no more than dramatize that fact, it will be a success.

WORKING TOGETHER — ADDRESS BY WILLIAM P. McCaHILL, EXECUTIVE SECRETARY, PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

HON. HAROLD E. HUGHES

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, February 17, 1969

Mr. HUGHES. Mr. President, Mr. William P. McCaHill, Executive Secretary of the President's Committee on the Employment of the Handicapped, spoke recently at the awards banquet of the Governor's Committee on the Employment of the Handicapped, held in Des Moines. His remarks indicate the intense interest of the people of my State in the employment of the handicapped, and the need for continued progress in this area throughout the country. I commend his thoughts to the attention of Senators and ask unanimous consent that the speech be printed in the RECORD.

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

WORKING TOGETHER

A bit late, but nonetheless sincerely, I greet you with "Gung Ho Sun Hay," which is Chinese for "Happy New Year." I use the Chinese language not because I understand any other words than the ones just used, but because this New Year in Chinese communities and in Viet Nam has ushered in the "Year of the Monkey." And, as you might now suspect, I want to tell a story about a monkey—a story with a moral for our times.

A Zoo Keeper is a lonely man with time on his hands and so our Zoo Keeper trained his smartest monkey to read and to jabber in English. One day the monkey got out of his cage and was found in the zoo library jump-

ing from one table to another, looking at a large book on each of two tables and shaking his head. The Keeper looked and saw that his smart monkey was reading Darwin's "Origin of the Species" on one table and the "Holy Bible" on the other. The Keeper then asked the monkey why he kept shaking his head. The monkey replied: I'm trying to find out if I am my brother's keeper or my keeper's brother."

The moral for the evening is that back here in the State of my birth, Iowa's Governor's Committee knows that it is both its brother's keeper and its keeper's brother. Iowa also knows that where the employment of the handicapped is concerned, it is no monkey business, but serious business indeed. Naturally, I am pleased to be with you and am even more appreciative in view of the switch from December to January when my schedule got rather complicated.

In preparation for my visit, I asked Larry Volin what he thought I should talk about since Iowa is one of the States assigned to him for staff liaison. Well, I am seldom at a loss for words, but I must admit to having been overwhelmed by Larry's response. In fact, he gave me a two and one-half page memo which ranged from the superlative almost to the supernatural in praise of Iowa. Let me share with you the first four paragraphs of Larry's prose eulogy of Iowa. Here goes:

"Prepare yourself for a wonderful experience. There is no Governor's Committee that compares with the one in Iowa. Iowa has a terrific program. Iowa mixes hustle, initiative, drive and desire in equal parts to achieve some interesting results.

"For instance, last year the Iowa State Employment Service placed 6,738 handicapped people. Last year the Division of Vocational Rehabilitation prepared 3,139 persons for employment. This is a good record for this State since it is almost 50% rural. One of the keys to the success is the inter-agency cooperation. You will notice an absence of criticism of the Employment Service by the DVR and vice versa. They work very well together.

"In fact, cooperation from employers, organized labor, the medical profession, civic groups, employer organizations and other groups is another key to the success.

"As for the Governor's Committee, it is employer-oriented and Chaired by an employer, Richard Hopkins, a barrel manufacturer from Davenport, Iowa. He has a number of ideas and gives tremendous leadership to the program. But his leadership position does not stop Hopkins from being a worker for the handicapped. He practices what he preaches, he hires the handicapped in his business."

Unfortunately, I don't get reports like that often enough, so it is a joy to be with you, to chat with you about some of the problems and promises of tomorrow and to pay you a very sincere tribute for what you have done to date. In doing so, I believe it only fair that I again quote Larry Volin; this time a sentence from his wrap-up summary guidance paper to me. He said, "we cannot forget the work of Evelyn Willins, that human dynamo, who has staffed the Committee and who has helped spark it so that it has accomplished so much in so short a time."

As an Executive Secretary myself, I am well aware that we are supposed to work with and through people so that what is accomplished is the result of cooperative and volunteer efforts.

However, executive secretaries, whether from Washington, D.C., or from Des Moines, Iowa, are human and we do appreciate someone taking the time to notice we are around and that perhaps we might have had something to do with what happened. That's only

fair, because I can assure you that we suddenly become noticed when nothing happens or when something happens wrong. So, a salute to our gal, Evelynne, whose son once misnamed her proudly as "a professional cripple." She's certainly a pro, but I have yet to notice that disability slows her down much. The only time I can recall was when we had a sudden eight-inch snowfall in Washington a year ago last November and I suddenly became a chauffeur for Evelynne and Anne White of Hawaii. Evelynne is quite accustomed to snow, but Anne and Washington weren't, so Harold Russell and I drove the girls to and from a Statler luncheon while the rest of the Chairmen and Secretaries rode a chartered bus.

I'd like to tell you about our recent Executive Committee meeting, about the final report of the Evaluation Committee on State Relations and about our plans for a Youth Committee. But first, let me say a few words about our plans for a Rural Areas Committee since it is engaged in three pilot projects and one of the States selected is your own tall corn State of Iowa.

The President's Committee, as you may know, has given the Rural Areas Program a very high priority for the coming year. Iowa will help provide guidelines for other States to follow.

As the Iowa Rural Areas Task Force studying needs of the handicapped points out, the problems of the rural handicapped are many and of long standing. They are isolated in most cases and have neither the proper services or opportunities for rehabilitation at their disposal. Transportation is a big problem and job opportunities are few and far between and constantly dwindling. They are the "people left behind."

The plight of all rural America is one of national concern and efforts are underway to correct the imbalance between the Urban and Rural populations. Business and industry are being encouraged to look toward the rural areas for relocation thereby opening up new and more employment opportunities.

Iowa's Task Force has identified the problems of the rural handicapped and offered many excellent suggestions on how to overcome these problems. It won't be easy, but it can be done if people with vision combine their talents and work together in an attempt to bring a little more happiness to a few more homes.

As our Rural Areas Committee pointed out, the very heart of the program is at the county level where all the action will take place. This is where the handicapped are and this is where the people are who can best act upon the problems.

Almost every rural county is served by the Federal Extension Service, Farmers Home Administration, National Extension Homemakers Council, Soil Conservation Service, The Grange, Farm Bureau and other agricultural oriented organizations.

These are the people who could determine if it would be feasible for the handicapped to become self-employed on their own farms or to get set up in an agriculture related business such as chicken raising or egg production, cattle raising or crop farming, or if they should be given assistance in home-making or raising their own fruits and vegetables.

The Vocational Rehabilitation and State Employment Services would also be vital to the success of the rural program and usually are within reach of almost any county. Doctors, nurses, teachers, and retirees could contribute invaluable services. As a matter of fact, any county resident could be of great assistance in making this program a success, for it reaches out in many varied areas.

For instance, educational and training facilities probably would be needed, transportation problems would have to be solved, the jobs that could be made available for the

handicapped in business, industry and on farms should be surveyed, and business and industry outside the area should be made aware of the advantages of locating in your community.

At this point in time, it appears that Iowa will be taking the lead and setting the way for others to follow since it is the first to name a Rural Areas Subcommittee headed by Mr. Keith Dunton. I wish you success and pledge the President's Committee complete support and assistance in every way possible as you work with Mr. Arden H. Newell who is State Director of the Federal Housing Administration here and Chairman of Iowa's Technical Action Panel.

To begin with, our Executive Committee meeting last month reviewed the current transportation situation as it affects the handicapped. The San Francisco Bay Area Transport has agreed on a system that will be designed and built for occupying the needs of the handicapped. The Department of Transportation has a one-year study underway to determine the transportation needs of the handicapped. Preliminary results indicate that 20% of the non-working handicapped interviewed indicated that transport was a factor in their unemployment and half of this group said they would go back to work if the problem could be solved. About 60% need some kind of mechanical aid in moving distances longer than one block. The Department of Transportation has found, not surprisingly, that institutional resistance to change "is as significant a barrier as public ignorance or concern with the cost of adapting the existing systems."

We also were reminded that the Federal Aviation Administration has prepared an advisory circular with seven pages of recommendations on how to make terminals more accessible to the handicapped and is sending the circular to all airports. During this discussion it was suggested that, like the Architectural Barriers problem, transportation might best be licked by making it a primary responsibility of Governors' Committees and private agencies like Easter Seals. There was no resolution of this question at the meeting, but you here in Iowa might want to take a crack at public transportation and see what you can come up with in the way of solutions to the present problem of severely disabled.

We heard a report that the Women's Committee was working with the General Federation of Women's Clubs on a new contest, "Fashion Designs for the Handicapped," which will call upon GFWC members to design garments for severely handicapped women and children. As you can see, there is something for everyone at our Executive Committee meetings. Seriously, if a person doesn't look right in normal clothes, how can you expect that person to feel right at a work place?

The last of our six evaluation committees made its report—on State Relations. Shortly, Governors' Committees will be receiving a copy since they made the report possible by cooperating in the completion of questionnaires. The report included four suggestions for utilizing the valuable information contained in the rather comprehensive State Committee reports. These suggestions included:

1. Staff study of strengths and weaknesses so that summaries can be used in staff field consultation work.
2. Staff field consultation time should be increased and improvements made in manner in which visitations are conducted.
3. Consideration be given to developing objective criteria for self-evaluation by a State or local committee.
4. Consideration be given to developing job descriptions for the executive secretary and the voluntary chairman of State and local committees.

During the discussion which followed presentation of the report, we agreed that the staff would carefully study the reports for the States assigned to them and that we would try to increase our travel program to respond to requests. The idea of rating State Committees did not particularly appeal to me or to others, but we are willing to have them rate themselves against an objective standard prepared from a study of the best State and local programs we could find. In the discussion of job descriptions, one State Chairman strongly recommended a suggested term for the Chairman to provide for the principle of rotation among volunteers.

We had a long discussion about whether or not we should emphasize the physically handicapped only during National Employ the Physically Handicapped Week. The Committee rejected the suggestion, but emphasized no decrease in service to the physically handicapped while also serving the retarded and restored. We also had a suggestion that we consider naming a blue-ribbon committee of former Handicapped Americans of the Year to consult with us and advise us on the problems of the handicapped as they saw them from their very successful professional viewpoints.

As a part of our semi-annual Executive Committee meetings, I am now required to give a report of significant developments that have occurred since the last meeting and to point ahead to what might be expected in the immediate future. I have directed that copies of this report be shared with State Chairmen and Secretaries on an information only basis and have supplied your Iowa leaders with a copy.

You might be interested in a few highlights.

Service to State and local committees is still Chairman Russell's first priority charge to the staff.

We are working on short, medium and long range objectives not only for the President's Committee, but for its major standing committees and will share them with Governors' Committees.

We invited a dozen top Federal transportation specialists to meet with us to review what is being done with the handicapped in mind and what more can be done, together. That meeting was held last week and was quite successful.

We invited representatives of the major national youth groups to form a Youth Committee and kicked off the initial meeting with Senator Muskie as keynoter on January 9. You'll be hearing much more from these young people.

The Advertising Council campaign aimed at motivating the handicapped to take advantage of rehabilitation facilities is underway in magazines, newspapers, radio and television.

In summary to some of the above, it would appear that we are in for a belt tightening operation at the very moment the Advertising Council program goes into full swing. It appears that the Vocational Education Amendments of 1968 will receive priority at HEW for available funds and that National Institutes of Health, Office of Education and Social and Rehabilitation Service will come after Vocational Education in the coming months. Similarly, in Labor, any preferential treatment is going to the Manpower Administration and its many outreach programs. Every effort is being made by this Office to insist upon inclusion of the handicapped in the various projects or special programs which come to our attention and we are constantly being given assurance that they will be included in training opportunities at the community level.

Housing and Urban Development and Department of Transportation are bound to play a greater role than ever before in the

environmental lives of the handicapped and as the environment improves, it is reasonable to expect that employment possibilities will move on a parallel course. The Model Cities Act will have an increasing priority on available Federal funds and insofar as plans are made that aid and assist the handicapped, so much the better. The Urban Affairs Committee of the Interstate Conference is another straw in the wind which indicates the very close tie-up of jobs with the Model Cities program. The AFL-CIO has also established a Department of Urban Affairs for the express purpose of working with the Human Resources Development Institute financed by a one and one-half million dollar Labor Department grant which will involve 50 major cities by next Spring.

The results of the deliberations of the Citizen's Advisory Committee on Vocational Rehabilitation chart a blueprint for the next decade. Employment was included in its numerous recommendations, including one recommendation that: (1) employers be encouraged through government subsidy if necessary, to set up on-the-job training programs within industry so that disabled individuals can demonstrate to industrial personnel at all levels their ability to meet job requirements; (2) that Federal funds be made available to match State funds for the important public information work carried on by the President's Committee on Employment of the Handicapped and its State and local counterparts. There were 14 recommendations in all in the area of employment.

That's a fast overview of how we look at things today from Washington. As we prepare to work with and for a new Administration, this is the situation of the handicapped as we see it in toto:

The number of handicapped persons rehabilitated and placed into employment rises to new heights year after year (more than 200,000 rehabilitations and 300,000 placements in fiscal year 1968 alone). Yet thousands are not at work because of rejection and stigma.

The mentally retarded are finding jobs in record numbers (in some scattered areas there are more jobs than there are trained retardates). Yet there is need for more and better training and preparation, so that greater numbers can be made ready for jobs awaiting them.

The mentally restored are at work in large numbers, thanks to modern drugs and therapies that hasten their rehabilitation. Yet the high rate of joblessness of ex-mental patients "is a matter of special concern," as the Manpower Report of the President has stated.

The physically handicapped are at work today—but not all of them. Many, with more serious disabilities, still face rejection—epileptics, those with multiple sclerosis, cerebral palsied, blind, deaf, paraplegics, others.

In sum, the voluntary method of promoting acceptance of the handicapped has worked remarkably well over the years.

It will work equally well in the future, to meet the job needs of those who still have not shared in the affluence of America.

You know best how things look in Iowa. Mindful of Larry Volin's compliments on the job you are doing, I almost hesitate to suggest anything else. I have already indicated that you might like to take a crack at transportation and am aware that you are underway on the rural areas study. Perhaps we'd best leave it at that.

Naturally, you have our best wishes for success and our firm promise to be of help wherever we can be and whenever we can be. As an indication of the sincerity of this promise, I might tell you that I have three seals displayed in my office. One is the Marine Corps Seal, another is the President's Committee and the third is the blue and white square seal of the Iowa Governor's Committee.

I guess this proves that you can take the boy, me, out of the country, Iowa, but you can't take the country out of the boy. It's been good to be back from whence I came. Thank you and God bless you.

LITHUANIAN INDEPENDENCE

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. MADDEN. Mr. Speaker, on yesterday, February 16, the folks of Lithuanian ancestry throughout our Nation held special services commemorating the 51st anniversary of Lithuanian independence.

Over the years I have personally attended and participated in these observances both in my district and in other localities, reminding the American public of the great accomplishments of the Lithuanian people during their periods back over the centuries when they enjoyed freedom and independent self-government. The Lithuanian Republic was established February 16, 1918.

This valiant nation of freedom-loving Lithuanians has existed for over eight centuries. It has enjoyed self-government for long periods of time during its existence as a nation but unfortunately it has been on too many occasions the victim of tyranny and power-hungry tyrants ruling in neighboring nations of Europe.

In the 14th century Lithuania enjoyed one of its greatest periods of power and independence after its great victory at Tannenberg. In the 16th century, Lithuania was compelled to fight a defensive war to maintain its defenses and freedom. Again in the 18th century, Lithuania was exposed to outside attack and brought under Russian domination. During the 120 years of Russian domination, the liberty-loving people of Lithuania revolted against the tyrants on five different occasions. Regardless of the brutalities and treatments inflicted on the Lithuanian people during these revolts of the 18th century, Lithuania continued its drive for freedom and national independence.

During World War I, the German Armies overran the Lithuanians and remained there until the end of 1918. The Nazis failed to make Lithuania a German province. Lithuania's official proclamation of independence was issued on February 16, 1918, which was unanimously adopted by the Lithuanian Council and established Vilna as its Capital. After the evacuation of the Germans, Soviet troops arrived at the borders of Lithuania. The Red army occupied Vilna in 1919. Again the Lithuanian patriots organized and instituted the Lithuanian Army in a battle against the Reds and regained its freedom late in 1919. By a peace treaty, the Soviet Government recognized the sovereign rights of Lithuania over its people and territory.

Lithuania was admitted to the League of Nations on September 22, 1921, and became a full-fledged nation of international status. Lithuanian people institu-

ted land reform, reestablished industry, set up transportation facilities, enacted social legislation, and expanded its educational institutions. No country made greater progress as a free and independent nation in so short a time as Lithuania did up to World War II.

I will not repeat the sordid history of the Soviet duplicity, infiltration, and aggression which again brought slavery and loss of independence. The fight for freedom in Lithuania continues and will continue as long as the Soviet despots inflict their despotism on Lithuania. As long as Lithuania and the peoples of other Soviet captive countries continue their fight for freedom, self-government will surely be reestablished within their borders.

The American Lithuanian Council of Lake County, Ind., on last evening held its annual banquet under the chairmanship of Albert G. Vinick, of East Chicago, and it was attended by Lithuanians and leaders of other nationalities throughout the Calumet region. Throughout the United States and other parts of the world the Lithuanian fight for independence goes on and the Lithuanians have taken advantage of this anniversary commemorating Lithuanian independence to remind lovers of liberty that tyranny and slavery still dominates many smaller nations in central Europe who are enslaved by the international Communist conspiracy. The United States must continue to lead the fight to restore freedom to these liberty-loving nations.

RESOLUTIONS OF GRAGG-SHERILL POST NO. 248, THE AMERICAN LEGION, CORPUS CHRISTI, TEX.

HON. JOHN G. TOWER

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, February 17, 1969

Mr. TOWER. Mr. President, I have received from the Gragg-Sherrill Post of the American Legion a resolution concerning the establishment of a national cemetery in the gulf coast area of Texas. The proposal certainly deserves careful consideration.

I ask unanimous consent that the resolution be printed at this point in the Extensions of Remarks.

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

A RESOLUTION TO ESTABLISH A NATIONAL CEMETERY FOR THE GULF COAST AREA OF TEXAS

Whereas there is an ever increasing demand for burial plots for the veterans of all recent United States wars, and for the honored dead among our Armed Forces constantly being returned to this area for interment; and

Whereas there is no national cemetery closer than the one located at Fort Sam Houston, Texas, from 100 to 250 miles distant; and

Whereas the aforementioned veterans of our Armed Forces are by law entitled to burial in a national cemetery; and

Whereas in many cases it is not possible for the survivors of these honored dead to attend burial services at Fort Sam Houston nor to find consolation by visits to those in-

tered at the national cemetery there because of the travel involved; and

Whereas to establish a national cemetery within a ten mile radius of Corpus Christi, Texas would serve adequately an area extending from Laredo and Brownsville to Victoria and reaching inland from the Texas Gulf Coast 100 miles, of approximately 20,000 square miles with nineteen counties, a population approaching 900,000 and an estimated 125,000 veterans of all United States recent or current wars; and

Whereas there are vast uncultivated lands available for such a national cemetery of at least one square mile in area in the vicinity of Corpus Christi: Now, therefore, be it

Resolved by Gragg-Sherrill Post No. 248, The American Legion, in regular meeting assembled this 14th day of January, 1969, in Corpus Christi, Texas, That the Congress of the United States is petitioned to enact a public law providing for the establishment of a national cemetery of a minimum 640 acres within a ten mile radius of Corpus Christi, Texas; and be it further

Resolved, That copies of this resolution be sent the United States Senators and Congressmen from Texas and to the higher echelons of The American Legion, Department of Texas.

PAUL R. ZIMMERMAN,
Post Commander.
NELS L. SODERHOLM,
Post Judge Advocate.

Attest:

LESTER W. WOLFORD,
Post Adjutant.

Mr. TOWER. Mr. President, this post has also passed a resolution calling for a change in the method of computing military retirement pay. The resolution advocates a retirement program in accord with the terms of proposed legislation which I have recently introduced, S. 364. I ask unanimous consent that this resolution, likewise, be printed in the Extensions of Remarks.

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

A RESOLUTION: DISPARATE MILITARY RETIREMENT PAY

Whereas the disparity in the retirement pay of members of the Armed Forces retired prior to the periodical pay increases authorized for active duty members—on which retirement pay is calculated for those retiring subsequently to the adoption of such active duty pay increase—is cumulative and not compensated for to any appreciable degree by the so-called "cost-of-living" increases given retired military personnel; and

Whereas this inequitable method of retirement pay computation—based on the pay scale for active duty personnel in effect on the date of retirement—violates a principle recognized for more than 100 years of computing the retirement pay of all retirees from the Armed Forces on the current pay scale ineffective for active duty personnel regardless of the date of retirement; and

Whereas the buying power of the dollar shrinks, the economic status and the living standards of retired military personnel decline rapidly because of the unjust and inequitable method now in force for the computation of retirement pay, which admittedly widens the living standard gap between groups of retirees with equal years of active service and of equal rank; and

Whereas to continue the current method of computing retirement pay inevitably results in the loss of the services of our finest military personnel at an early age because they can take up civilian employment in which retirement rates of compensation are vastly greater and are non-discriminatory: Now therefore, be it

Resolved by Gragg-Sherrill Post No. 248,

The American Legion, Department of Texas, in regular meeting assembled at Corpus Christi, Texas, this 14th day of January, 1969, That the Congress of the United States of America is hereby petitioned to enact legislation during the current 1969 session which will provide that retirement pay for the Armed Forces of the United States be equalized and computed on the traditional, logical and fair basis of the current pay scale for military personnel on active duty, of like grade and length of service; and, further, that such equalized retirement pay for all retirees regardless of the date of retirement, include all military personnel now or in the future retired.

PAUL R. ZIMMERMAN,
Post Commander.
NELS L. SODERHOLM,
Post Judge Advocate.

Attest:

LESTER W. WOLFORD,
Post Adjutant.

STATEMENT OF ATLANTIC COUNTY BOARD OF RABBIS ON NEAR EAST CRISIS

HON. CHARLES W. SANDMAN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. SANDMAN. Mr. Speaker, the Board of Rabbis of Atlantic County has unanimously endorsed the following statement on the Near East crisis issued by the Board of Rabbis of Greater Philadelphia.

I believe these worthwhile opinions will be of interest to my distinguished colleagues.

Text of statement follows:

STATEMENT ISSUED BY THE BOARD OF RABBIS OF GREATER PHILADELPHIA

We are shocked by the hypocrisy shown by the nations of the world. Governments in their nations' capitals and in the United Nations, rushed, almost gleefully, to pronounce in pious platitudes their condemnation of tiny Israel for its so-called "aggression". "Too far," they cry. "This time Israel has gone too far. They have overreacted." We are almost convinced that the world would have understood it if Israel had killed but one man, any man, wounded 45 people, and destroyed but one plane. This would have been fair-play. Instead, Israel had the audacity to spill no blood (at extreme danger to its own men); but destroyed 13 planes. How can you equate this great economic loss with but one little life?

The Board of Rabbis points out to our government and to the world that a spiritual sickness infects us; it is the total inversion of values; it is a return to the days of the Tower of Babel when people cried bitterly when they dropped a brick from the scaffold but were indifferent when a human being fell to earth and was destroyed.

True to Judaism's exaltation of life as the highest and holiest of all values,

We deplore the acts of omission of the United Nations which, to a great extent, caused the six-day war of 1967.

We deplore the silence of the United Nations when countless atrocities were perpetrated by Fedayeen, trained and equipped by Arab nations, who, when caught, shouted boastfully that they acted for their Arab countries in killing innocent people, going about their daily work.

We deplore the indifference of the United Nations which sat by when thousands of men, women and children were senselessly slaughtered in Biafra—this same United Na-

tions that has been so aroused over the economic loss of 13 planes.

We deplore the inaction of the governments of the world which said not one word when Egyptians slaughtered the Sudanese and poison-gassed the Yemenese, these same governments that rush to condemn Israel for defending its right to unmolested air-flight.

We deplore the hurried action of the United States carrying the banner to condemn monetary losses when our government chooses to remain neutral when Israeli lives are lost.

We deplore the actions of our government which can sit by when four delegations battle over seats at a peace table, which can tolerate the loss of only 150 or so lives per week in Vietnam, but which can be incensed at the effrontery of Israel's act of monetary retaliation, in defense of its life-line to the world.

We deplore the "holier than thou" attitude shown by the Russian government which so recently showed total disregard of the charter of the United Nations by invading Czechoslovakia continuing to thumb its nose at basic human values.

We deplore the silence of Mr. U Thant who has not found even the time to express his sorrow or at least regrets at the loss of one marine-engineer who traveled and worked for the cause of the United Nations.

Furthermore, we deplore the effect of all this hypocrisy upon the youth of the world, already so disillusioned by the distorted values displayed by their elders. Do we not justify their revolt by our present reactions?

The Board of Rabbis cries to the conscience of the world's peoples to awake and to view the world from the perspective of justice. The world must realize that although it may continue to speak of the beautiful, spiritual clothing worn by the United Nations, a child can see its nakedness and that its spiritual coffers are bare.

We pray to the God of all nations that the world will seek peace in the Middle East, but a peace that is just; a peace that will end the acts of cowardice that parades in the guise of patriotic terrorism; a peace in which the sanctity of human life will be hallowed above all things; a peace that will bring blessing to all the people that inhabit that part of the world, Moslem, Christian and Jew.

THE 51ST ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. VANCE HARTKE

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, February 17, 1969

Mr. HARTKE. Mr. President, yesterday, February 16, 1969, marked the 51st anniversary of the independence of a small but gallant nation, Lithuania. Long the subject of Russian domination, the proud and fiercely independent Lithuanian people courageously established an independent nation on February 16, 1918, and dedicated their nation in a noble commitment to democratic principles and ideals tragically torn asunder by first Russian, then German, and again Russian tyranny during and after World War II.

Declared, under Russian coercion, a constituent Communist republic of the U.S.S.R. on August 3, 1940, Lithuania gallantly resisted and fought the overwhelming numbers of Russian and Nazi invaders. During the first Soviet occupation, at the outbreak of the war, Lith-

uania suffered the loss of about 45,000 of its people in its fierce resistance to its Russian captors. Some 30,000 members of the Lithuanian intelligentsia were deported to Siberia on the night of June 14, 1941, and 5,000 Lithuanian political prisoners were executed when the Soviet forces hastily retreated under German attack. Repeating the history of the First World War, German occupation then replaced that of the Soviets, as a few days after the German attack on the Soviet Union on June 22, 1941, Nazi forces overran Lithuania.

During the tyranny of the German occupation many loyal Lithuanians were brutally killed and executed, including virtually all Lithuanians of Jewish extraction. When the tide of war turned against Germany, the beleaguered Lithuanian people returned tragically not to independence but once again to Soviet tyranny and domination. But again the Lithuanian people resisted and fought the hated Russian aggressors. It is a tribute to their tenacity and indomitable spirit that Communist victory came neither easily nor readily.

Now, at a time when Communist oppression still hangs over a proud nation and a gallant people, it is fitting that all Americans join the many Americans of Lithuanian background and origin in this country in commemorating an anniversary of a nation and a people who in the agony of oppression truly know the value and meaning of freedom. And today, as just a year ago when it was my privilege to commemorate the then 50th anniversary of Lithuanian independence in an address before the Lithuanian Council of Chicago, I join the fervent prayers of free people everywhere in the hope that, on this anniversary of her independence, Lithuania might soon once again be truly free.

FAITH IN OUR YOUTH: AN ATTITUDE TAKEN BY THE NATIONAL ASSOCIATION OF MILITARY SCHOOLS

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. HÉBERT. Mr. Speaker, at a time when violence and unrest are sweeping our college campuses and ROTC programs are under attack, there is one direction we can look with pride.

I speak of the institutions who are members of the National Association of Military Schools, an organization which represents more than 100 NDCC, Junior ROTC, and independent military schools.

There is no doubt about it. At these schools, the administration is still in control, every student has the opportunity to attend class without interference, and the youth are working toward an education which will allow them to make a valuable contribution to their country.

The National Association of Military Schools is doing a fine job in leading its member schools and in inspiring them to attain the highest level of education, leadership, and patriotism in its students.

It is refreshing to note the attitude the

NAMS has taken toward the youth of today. We must not condemn all youth for the irresponsible and confused attitudes of a few, which brings me to the point at hand.

I would like to include at this point in the Record a paper entitled, "Faith in Our Youth: An Attitude Taken by the National Association of Military Schools."

I know that you will find it enlightening and encouraging, and providing us with hope for the future.

The material follows:

FAITH IN OUR YOUTH: AN ATTITUDE TAKEN BY THE NATIONAL ASSOCIATION OF MILITARY SCHOOLS

A STATEMENT

Realizing that patriotism, as it was once known, stands on a threshold of complete deterioration or a reformation, the executive committee of the National Association of Military Schools appointed a committee to review the situation existing in our nation today as related to the decline in patriotism, and to formulate some program, if possible, which would permit the Association's taking part in restoring patriotism, in its true sense, to the status it once held.

FAITH IN OUR YOUTH

Upon convening, the committee immediately declared its faith in our youth of today, placing the blame of any deterioration of patriotism where it rightfully belongs; namely, upon the shoulders of all those adults who are in any way responsible for the training of our youth. Among those responsible would be parents, teachers (from the first grade through college), ministers of all faiths and heads of youth organizations.

THE BEGINNING OF DETERIORATION

When Sputnik was fired, our nation within its schools (public, independent and colleges) immediately placed all emphasis upon "academics," neglecting to greater degrees the responsibilities previously accepted as related to the more important factors of love of Country and God.

THE FLAMES FANNED

One mother stood alone in the wilderness and screamed loudly that her son should not hear prayer or the Bible read in the public schools. The supreme court heard her screams and yielded to them, while all other mothers of the nation stood idly by. This decision of the supreme court served to fan the flames of deterioration. Not only was prayer and the reading of the Bible forbidden, but along with it went the relief of any responsibility of the public school teacher to talk with his, or her, students about a deep love for God and Country.

GUIDED DISCIPLINE FOR YOUNG PEOPLE

Young people like and expect a guided discipline. Without it (and little is given these days!), young people become lost in the whirlwind of maturing. A guided discipline should originate within the home and extend through college; after all, young people in college still need guidance—one does not actually mature until long after college.

BELTS MUST BE TIGHTENED

Americans, young and old, must take a serious look at themselves for they constituted the nation. Our forefathers gave us a nation of which to be proud. They expected us to cherish our heritage, protect it and pass it on to posterity. This is our challenge today more than ever before; we must accept it!

OUR YOUTH IS READY—WHAT WILL WE DO ABOUT THAT WHICH CONFRONTS US?

The member schools of The National Association of Military Schools rededicate themselves to making this nation the nation it once was by—

(a) talking God and Country to their students more than ever before;

(b) initiating a program among all schools which will direct sound thinking on the values of true patriotism;

(c) initiating a program which will convince all government officials that our "internal" concern are our most important matters;

(d) endeavoring to obtain a reversal on the decision of the supreme court—therein rests the crux of the entire matter as far as educating youth is concerned. If God is left out of the picture, there is no foundation upon which to build any nation.

A MAN WITHOUT A COUNTRY OF WHICH HE IS PROUD HAS NOTHING

Those words should be thought-provoking to all serious-minded Americans. Our challenge is to bring America back to where it once was; to let all know that patriotism is a word to be revered and respected. And we must not be ashamed to demonstrate it!

DEATH OF EDWARD MARSHALL BOEHM

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Monday, February 17, 1969

Mr. WILLIAMS of New Jersey. Mr. President, the death of Edward Marshall Boehm in New Jersey recently has saddened his friends and admirers. Mr. Boehm has become world famous for his lifelike porcelain birds.

Mr. Boehm, born in 1912, did not attempt to do any ceramic work until after World War II. Prior to this time he had spent a number of years training in animal husbandry which played a vital role in his handling of the various difficult subject matters which he mastered so skillfully.

Mr. Boehm opened his first studio in 1950, in Trenton, N.J. It was in the basement of a small building where he experimented and finally developed the method of ceramic sculpturing unknown in America.

Porcelain figures in the 20th century generally tended to be simple in detail. This tendency toward uncomplicated subjects started in Copenhagen but rapidly spread to the United States. Mr. Boehm was one of the first to shy away from this popular pattern. He returned to the painstaking craftsmanship aspiring to a high degree of detail. This would even include an insect in the minutest of detail on a leaf as well as insect holes in the leaf.

Mr. Boehm found abundant inspiration in the world of nature. Birds, flowers, and animals have been closely studied and faithfully rendered. Many of Mr. Boehm's works reflected his articulate interest in ornithology and exhibited how beautifully and artistically a bird can be represented in this ceramic-named bisque. One is delighted by the realism exhibited in his replica of the mother Common Tern—seagull. Near her are her three eggs, one of which has hatched and her baby is half out of the shell. Realistic looking ceramic seashells and sand surround them. Perhaps my two favorites are the roadrunner chasing a horned toad and the killdeer father bird extending his wings to pro-

tect the mother and babies. On the soil is a fragile flower with threadlike stems where the mother killdeer is directing her young in the art of acquiring food from the earth.

Edward Boehm's porcelains are represented in collections at the Metropolitan Museum of Art, the Academy of Natural Science in Philadelphia and art museums in Memphis, Houston, and Los Angeles. His porcelain sculptures have received world recognition through showings at Buckingham Palace, the Elysee Palace, the Royal Ontario Palace, and the Vatican.

Several Presidents, including Presidents Eisenhower, Kennedy, Johnson, and Nixon have purchased Boehm's porcelains. In December 1967, a collection of 90 Boehm pieces, valued then at \$104,000 was presented to the John F. Kennedy Center for the Performing Arts.

A matter of Mr. Boehm's sensitivity and sense of humor came to me when on Mrs. Humphrey's birthday, Mr. Boehm presented her with a replica of the State bird of Minnesota, thought to be the loon. He presented an unmatched porcelain lifelike bird, the yellow finch, to Mrs. Humphrey at the State Society of Minnesota gathering. A ripple of concern ran through the crowd when the bird was displayed—it was not the loon at all. Researchers rushed to their work to check it out and found that Mr. Boehm was right—the yellow finch was, indeed, the State bird.

I share with his bereaved family and friends throughout the world, the sadness which his passing leaves. Mr. Boehm has left a legacy which will not soon be forgotten.

A HOUSE RESOLUTION TO MEMORIALIZE THE CONGRESS OF THE UNITED STATES TO TAKE NECESSARY ACTION TO PREVENT THE FEDERAL COMMUNICATIONS COMMISSION OR OTHER ADMINISTRATIVE AGENCY FROM BANNING ADVERTISEMENT OF TOBACCO PRODUCTS ON TELEVISION AND RADIO

HON. JOHN L. McMILLAN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. McMILLAN. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD a resolution adopted by the South Carolina State House of Representatives in opposition to the proposed FCC order outlawing cigarette advertising.

I think a number of other Congressmen from the tobacco-growing States have protested this proposed regulation by the Federal Communications Commission with all the power and influence that we have here in the Congress. We know that if the Federal Government interferes with this agriculture product hundreds of thousands of people will lose their jobs and the Federal Government will suffer a tax loss of between \$3 and \$4 billion annually, in addition to the millions of dollars collected by the individual States and city governments. I

think the Congress bent over backward in an effort to please the people who are interested in destroying the tobacco industry when they enacted a bill several years ago compelling the tobacco companies to place on each package of cigarettes the following words: "Caution: Cigarette smoking may be hazardous to your health."

A HOUSE RESOLUTION TO MEMORIALIZE THE CONGRESS OF THE UNITED STATES TO TAKE NECESSARY ACTION TO PREVENT THE FEDERAL COMMUNICATIONS COMMISSION OR OTHER ADMINISTRATIVE AGENCIES FROM BANNING ADVERTISEMENT OF TOBACCO PRODUCTS ON TELEVISION AND RADIO

Whereas, the Federal Communications Commission has threatened action to prohibit the advertisement of tobacco products on television and radio; and

Whereas, the publicly-owned airways should be protected from such arbitrary and unnecessary restrictions; and

Whereas, the tobacco industry so vital to the economy of South Carolina would be seriously damaged by this proposed prohibition. Now, therefore,

Be it resolved by the House of Representatives of the State of South Carolina:

That the Congress of the United States be and hereby is memorialized to take such action as may be necessary to prevent the Federal Communications Commission or any other administrative agency from prohibiting the use of the public airways to advertise tobacco products on radio and television.

Be it further resolved that a copy of this Resolution be forwarded to the President of the United States Senate, the Speaker of the House of Representatives of the United States and each member of the South Carolina Congressional Delegation.

State of South Carolina, in the House of Representatives, Columbia, S.C., February 6, 1969.

I hereby certify that the foregoing is a true and correct copy of a Resolution passed in the S.C. House of Representatives.

INEZ WATSON,
Clerk of the House.

LETTERS FROM A DEAD GI

HON. GEORGE MCGOVERN

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, February 17, 1969

Mr. MCGOVERN. Mr. President, often lost in the reams of statistics and casualty figures from Vietnam is the dreadful poignancy of the individual loss; the crushing grief of a bereaved family; the profound moral agony of the battlefield victim.

The January issue of Washingtonian magazine contains a collection of letters written by Mike Ransom, a 23-year-old Army lieutenant from Bronxville, N.Y., who was killed in Vietnam last May. In correspondence with his family and friends, Mike conveys the constant tension between his feelings of responsibility and involvement in the war as a soldier and his moral convictions that the war was wrong. His personal anguish reflects the confusion and torment we have all known in some measure—and the sacrifice of his life is painful testimony to the terrible failure of American policy.

I urge every American to read the letters of this dead GI. The loss of this young man so filled with the idealism

and the hopes and eagerness of youth at its best underscores the unreasonable human cost contained in the statistics—30,000 dead Americans.

I ask unanimous consent that the letters be printed in the Extensions of Remarks.

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

MARCH 9, 1968.

DEAREST FAMILY: Greetings from Cam Ranh Bay. My big news is that I have been diverted from the 1st Cav. I am now headed for Chu Lai, H.Q. of the Americal Division about eighty miles south of the DMZ. I have no real emotion yet regarding the change, mainly because I know almost nothing about the Americal except that its patch is not as good-looking as the Cav's. I do know that it is sort of a hybrid division made up of random, unassigned brigades. My only disappointment at my change is that from my group at Jungle School which traveled here intact I am the only one sent to the Americal. We were all originally scheduled for the 1st Cav., but all the rest were sent to the 25th Inf. in and around Saigon. I do not know why I was singled out because I have neither special qualifications nor restrictions nor am I numerically or alphabetically worthy of individual selection. So, who knows? I am particularly sad to be separated from Vince Santurbane who, you know, was one of my Tacoma roommates. I'm really sorry that we're separating.

While still quite separate and secure, due to processing, from all the fighting here one still knows that there's a war going on. From our billets we could hear machine gun and mortar fire from the perimeter two or three miles away. We could also see illuminating flares in the sky to light up the battlefield. Yes, I am scared. But I think it's more of the unknown than of bullets. I expect to learn a lot during the next year; I'm not sure what it'll be, but I'll learn a lot.

I am now in flight to Chu Lai, which is about an hour by air from Cam Ranh. I am in a C-130 transport plane sitting on my duffel bag with about thirty others. All are low enlisted men except for a Signal Corps Major, a chaplain Lt. Col., and me. I hope we don't crash somewhere out in the boonies because only two men here have weapons and, being Infantry, I'll probably have to take charge and engineer the exfiltration. Not the best crew for one's first command. Daydreaming!

So long for now.

All love to all,

MIKE.

MARCH 16.

DEAR MOM AND DAD: A big hello from sunny Chu Lai and the Americal Division. I am now undergoing a week of final in-country training prior to being assigned to my unit.

Chu Lai is situated on the South China Sea about 200 miles south of DMZ with our camp being right on the beach. I am told that the monsoon season is in its final stages and that we'll be moving into the hot dry season. This is good because the rice paddies dry up and we won't have to hump through endless swamps. But the temp reportedly rises as high as 130 degrees at its peak.

With regard to finances, I sent \$400 to my checking account and I set up an allotment of \$250 per month which will become effective at the end of April. In addition, you will be receiving a \$25 savings bond each month. I would appreciate it if you would open a savings account at FNCB in Mom's and my name and deposit \$150 a month in it out of the \$250 that will be coming in to the checking account. I have been advised not to make deposits in the 10 percent savings program for GI's here, because it's virtually impossible to get it out on short notice, such as R&R, etc.

I am, in the same mail, sending a letter to Robert Komer, the Hamiltons' friend in charge of the pacification efforts here, in the hopes of getting a job on his staff. I am really getting quite scared about being a platoon leader and so this is a last-ditch effort to avoid it.

I will say so long for now. I can't wait 'til I have a permanent address so I can start receiving mail. I miss you all very much and can't wait 'til I'm settled enough to hear from you.

All love,

MIKE.

DEAR BOOB: The difference between here in Qui Nhon (pronounced Quynon) and Chu Lai is incredible. In Chu Lai, I slept on a bare cot in a field tent in the sand dunes; here I'm in an old French villa in a bed with sheets. In Chu Lai, the latrines are just outhouses and you can get a cold water shower only every three days. Here there are private bathrooms with hot showers. In Chu Lai, the officers' club is a grass shack that serves warm beer. In Qui Nhon, I have a choice of three permanent clubs, can get anything I want to eat or drink, can see floor shows every night, etc. It's a veritable paradise here, compared to Chu Lai. But don't get me wrong, I'd still rather be in Seattle or New York or Boston—it's not that great! I also think I may be really spoiling myself for what is ahead in the next few months, but what the hell!

I can't tell you how great those last three days in Seattle were for me. As I've said before, the Skubis have become a second family for me and I feel both honored and extremely grateful to be so accepted. I've unfortunately developed some nostalgic feelings for Laurelhurst, the U. District, and most of all Whidby Island with Fort Casey and Sunlight Beach, so much so that I yearn to return there as much as home. Having another place that I yearn for just adds a little more to the pain of leaving and being away. Besides, I miss you the higher the much.

All love,

MIKE.

P.S. I still really crave your mother, so give her a big HI!

P.P.S. I got all my hair cut off the day I arrived in VN so I'll send you some pictures. I'm sure you can't wait to run off showing the great pix of your boyfriend in the Army.

MARCH 27.

DEAR MOM AND DAD: Would you believe I am now officially assigned to a unit? It's taken so long that it's quite a relief.

After I left Qui Nhon last Friday, I went back up to Chu Lai to finish up my training, which ended Sunday. On Monday, I flew down to Duc Pho or LZ (landing zone) Bronco, the base camp of the 11th Brigade. From there I was assigned down to the 4th of the 3rd, "The Old Guard." This battalion has its headquarters here at Duc Pho, but its AO (area of operations) is back about five miles south of Chu Lai. Therefore all logistics are handled out of Chu Lai.

I am told that our AO is quite a good one. There is almost no contact with Charlie and what little there is rarely turns into much of a fight because he runs away. The principal danger here is from mines and booby traps, which account for about 75 percent of all casualties. The enemy here is mostly VC guerrillas, with a few hardcore VC. To my knowledge, there has been no contact at all with the North Vietnamese.

From the people I've talked to over here I've come up with some new ideas on the war here. For the most part, nobody is particularly wild with patriotic feeling for the war. There are of course those who just get a real charge out of killing people. One Lieutenant I talked to said what a kick it had been to roll a gook one hundred yards down the

beach with his machine gun. But most people generate their enthusiasm for two reasons: One is self-preservation—if I don't shoot him, he'll eventually shoot me—and the other is revenge. It's apparently quite something to see a good friend blown apart by a VC booby trap and you want to retaliate in kind.

While I am able to read *Stars and Stripes* and listen to AFVN radio newscasts, I still feel very cut off from the world outside of VN. I would love it dearly if you would subscribe to *Newsweek* for me. Also, what do you think of Bobby for President? What about Westmoreland's new job? What does everything mean?

I now have one last editorial comment about the war and then I'll sign off. I am extremely impressed by almost every report I've heard about the enemy I am about to go and fight. He is a master of guerrilla warfare and is holding his own rather nicely with what should be the strongest military power in the world. But it is mostly his perseverance that amazes me. He works so hard and has been doing so for so long. You've heard of his tunneling capability? A captured VC said that in coming from North Vietnam down to Saigon, he walked over 200 miles completely underground. Anyone who would dig a 200-mile tunnel and who would still do it after being at war for some thirty years must be right!

All love,

MIKE.

APRIL 3.

DEAR MOM AND DAD: Well, your eldest is now a combat leader. So far I haven't even fired a shot, nor have I been under any sort of fire. Our company is currently involved in an operation to prevent the local rice harvest from falling into VC hands. Our tactic is to remain in a company base during the day, since it is too hot for any long, arduous movement. At night each platoon sends out two or three squad-size ambush patrols.

Two days ago we went on a heliborne combat assault. Our mission was to cordon a village that was suspected of having a platoon of VC hidden in it. It was an extremely well-executed mission. We were air-lifted out of our defensive position and then were dropped in around the village about fifteen miles south. Once we were in position a group of Vietnamese Popular Forces moved in through our lines searching the village. It was an all-day operation that netted one VC killed, six captured, and three weapons captured. It is in operations like this that we hurt the VC most. As you know, the local VC are terribly under-equipped. So when we capture two or three weapons we put ten or fifteen enemy out of commission, at least for a while. At the end of the day we were again helilifted back to our company base. It was basically a simple school problem, but for me, since it was really the first operation I had been on it was quite exciting.

Our primary danger here though is not Charlie himself, but the mines and booby traps he sets. The first night I spent in the field an ambush patrol from the first platoon had three men wounded when they set off a booby-trap grenade. This morning, the second platoon took fourteen casualties, including one killed, when they set off two mines while on a road-clearing mission. So far, my platoon, the 3rd, hasn't had any trouble, but these booby traps are so well hidden that no matter how good you are, they'll get you.

I heard Johnson's speech on AFVN Radio last night and think it to be the best one of his career. I am heartened by this bombing reduction and pray as does everyone else here that Hanoi will respond. What do you make of it? Also, how about his not running for President? I was beginning to think that the only way for this war to end was to have Johnson reelected in November. This I feel would cause Hanoi to back down

to a show of American popular support for the war. Please comment.

Things aren't all bad—I've got a really good company commander and a good platoon sergeant. In my job these are the most important people in the world to me. Also on the brighter side, I'm getting the best sun-tan I've ever had.

New pen.

All love,

MIKE.

DEAR MOM AND DAD: I just got my first letter from you plus the clippings on Johnson and my pictures. I can't tell you how great it is to be back in touch with you again.

In Vietnam nearly every GI has a portable radio which he carries to pick up AFVN Radio. It's really a terrible station, being designed to offend no one and please the majority. It plays the same pap all day long in its effort to appeal to the same Midwestern anti-Communists you mention in your letter. But they do present reasonably uncensored news every hour. This plus *Stars and Stripes*, which we get twice a week, keep me pretty well posted, at least as far as headlines go.

I did hear Johnson's speech of deescalation and noncadacy and thought it the best of his career, not just the way he said it. It created in me a great sense of hope that this foolishness over here will end fairly shortly. There is not a man over here that wants to see this war go on any longer. This is not to say that anybody shrinks from doing a job. But everyone is as confused as I am to exactly what, if anything, we're accomplishing and wants the war over ASAP.

I lost my first man last week. He was killed by accident by another man in the platoon. I had sent a squad out on night ambush. They had been set up in position for a few hours when the flank man crawled away to take a look or something and as he was crawling back to position another man mistook him for a dink and shot him. He died on the chopper that dusted him off. Of course it really tears me up to lose a man, especially like that, but I must not show any emotion over it. I've got to press on, keep doing my job. Even among my men this is universal. They are saddened by the death of a buddy, but he is gone. The concern among the team (for that is what we are) is how it will affect the man who shot him. Will he fall to pieces over this and be unable to perform his function? This is what we're worried about first and foremost. War is Hell!

You know that joke about how hard it is to tell the good guys from the bad guys over here? Well, it's funny in Bronville or Dorset, but it isn't over here. The enemy in our area of operations is a farmer by day and VC by night. Every male is required to register at his provincial capital. He is further required to carry an ID showing his picture, fingerprints, age, etc. But anyone with a VC background is supposedly denied an ID. Simple, you say? All we have to do is come to a village and police up everyone without an ID, right? Well, about three months ago we captured a VC printing plant that manufactured ID cards. Every man we pick up says "Me Vietnamese, Numbah 1, VC, Numbah 10," so we have to let him go. But more than once we have captured or killed people with weapons whom we recognized as one of those smiling faces we had picked up and released earlier. It's maddening because we know damn well that they're dinks, but we can't do anything to them until we catch them with a weapon or actually shooting at us.

By the way, Number 1 means real good and Number 10 means real bad in pidgin Vietnamese-English. Other handy phrases, just in case you're planning a vacation in this tropical paradise are: *teetee*—very little; *boo coo* (a bastardization of *beaucoup*)—

very much; boom boom—where; *deede now*—get out of here. What more do you need to know?

Would you also like to know an interesting facet of Vietnamese economy? GI's at the large installations can buy cokes or beer for two or three dollars a case. They can sell it on the black market for ten or fifteen dollars. The black market distributes it around the country for lord knows what price. The village peasants sell it back to GI's in the field who never see a PX from one month to the next at a dollar per can or twenty-four dollars a case. To the GI in the field a coke or a beer is such a delicacy that he is all too willing to pay the exorbitant price. Oh, well!

More soon.

Love,

MIKE.

DEAR MOM AND DAD: Well, I've had my baptism by fire and it's changed me, I think. Two days ago my platoon was on a mission to clear three suspected minefields. We were working with a mechanized platoon with four tracks, and our tactic was to put the tracks on line and just roar through the minefields, hoping to blow them. Since the majority of the VC mines are anti-personnel, the tracks could absorb the explosions with no damage done to them or the people inside. My platoon rode along just as security in case we were attacked. We spent the whole day clearing the three fields and came up with a big zero.

The tracks were then returning us to where we would stay overnight. When we reached our spot we jumped off the tracks and one of my men jumped right on a mine. Both his feet were blown off, both legs were torn to shreds; his entire groin area was completely blown away. It was the most horrible sight I've ever seen. Fortunately he never knew what hit him. I tried to revive him with mouth-to-mouth resuscitation but it was hopeless to begin with.

In addition, the explosion wounded seven other people (four seriously) who were dusted off by Medevac, and three others lightly, who were not dusted off. Of the four seriously wounded, one received a piece of shrapnel in the heart and may not survive; the other three were almost completely riddled with shrapnel and while they will be completely all right, it will be a slow and painful recovery.

I was one of the slightly wounded. I got three pieces in my left arm, one in my right knee, and about twenty in both legs. I am completely all right, in fact I thought I had only gotten one in the arm and one in the knee. It was not until last night when I took off my clothes to take a shower that I noticed the other spots where I had been hit.

I came back to Chu Lai yesterday because my knee is now quite stiff and swollen and will probably be here a couple of days, what with X-rays and what not. Believe it or not, I am extremely anxious to get back to platoon. Having been through this, I am now a bona fide member of the platoon. They have always followed my orders but I was an outsider. Now I'm a member of the team and it feels good.

I want to assure you that I am perfectly all right. You will probably get some sort of notification that I was lightly wounded and I just don't want you to worry about it at all. I will receive a Purple Heart for it. People over here talk about the million dollar wound. It is one which is serious enough to warrant evacuation to the States but which will heal entirely. Therefore you might call mine a half-million dollar wound. My RTO who was on my track, sitting right next to me, caught a piece of shrapnel in his tail, and since he had caught a piece in his arm about two months ago, he'll get out of the field with wounds about as serious as a couple of mosquito bites.

I said earlier that the incident changed me. I am now filled with both respect and hate

for the VC and the Vietnamese. Respect because the enemy knows that he can't stand up to us in a *fire fight*, due to our superior training, equipment, and our vast arsenal of weapons. Yet he is able. Via his mines and booby traps, he can whittle our ranks down piecemeal, until we cannot muster an effective fighting force.

In the month that I have been with the company, we have lost four killed and about thirty wounded. We have not seen a single verified dink the whole time, nor have we even shot a single round at anything. I've developed hate for the Vietnamese because they come around selling cokes and beer to us and then run back and tell the VC how many we are, where our positions are, and where the leaders position themselves. In the place where we got hit, we discovered four other mines, all of them placed in the spots where I, my platoon sergeant, and two squad leaders had been sitting. I talked to the mech platoon leader who is with us and he said that as he left the area to return to his fire base, the people in the village he went through were laughing at him because they knew we had been hit. I felt like turning my machine guns on the village to kill every man, woman, and child in it.

Sorry this has been an unpleasant letter, but I'm in a rather unpleasant mood.

All love,

MIKE.

P.S. Could you check on my bank account and tell me its status?

APRIL 29.

DEAR BOOB: In case you hadn't noticed, there are at strategic locations throughout this letter, a number of funny little pictures of alligators. Why alligators, you ask, and rightly so. Well, to show you that I'm going absolutely crazy over here I must tell you about my new fixation on alligators. The alligators are "rub-ons," the nifty surprise that comes in every package of jiffy-pop. So I thought I'd rub a few on.

I'm enclosing here a couple of pictures. One, needless to say, is a picture of everyone's favorite war hero. The other is one which I probably shouldn't send, but I thought it would interest you as a part of your education. It was just a part of mine as I had never seen a truly pornographic picture before, and I still do not know who makes them or how to get them. They just turned up in my bunker the other day. I had heard about pictures like this before so I'm not shocked, merely revolted to actually see them. I hope that I don't get arrested for mailing obscene material in the mail. I also hope that Marge doesn't get all excited about seeing a letter from me in the mailbox and decide to open it before you get home from school. Most important I hope it doesn't offend you.

I got a letter from MPS yesterday and what a thrill. It was a real pleasure to read a letter from a Skubi who is sane. I'm puzzled by the Mrs. Robinson with which she signed it. Am I then Benjamin Braddock? Are you Elaine? Is Bill Evans (Seattle's answer to Duffy) Car? Oh well, please reaffirm my love for her anyway.

MIKE.

MAY 2.

DEAR MOM AND DAD: I am now sitting in a little hooch in a village in which we're operating. Company A is still situated on LZ Sue, securing the artillery battery which supports our battalion. The way things are working is that two platoons secure the hill, while the third goes off into the villages on patrol. Each platoon stays down for three days and then moves back up to get relieved by another. On Sue it's relatively safe, with large strong bunkers, several layers of barbed wire around the outside.

We still have to man the perimeter at night, which means not much sleep and we're always subject to mortar attacks, but Charlie would need a fully equipped battalion-sized

force to take it, so I don't think he'll try. Basically, being on Sue means a rest and security, so it's good to be there. Right now, though, we are on our three days down in the field and I have to tell you that ever since we hit that minefield I am nervous all the time. My platoon is way under strength right now and I feel that we are too small a force to be operating as independently as we do. My authorized strength is forty-three. I had thirty-six when I first joined the platoon and am now operating with twenty. That minefield cost me several people, plus I am hit with a rash of people on profile and people on R&R at this time.

Last night I split my element into two ambushes. I took one and my platoon sergeant took the other. Sergeant Western's patrol was in position about an hour and a half when some dink sneaked up and threw a grenade into their perimeter. Sgt. Western saw it come in and managed to grab it and threw it back out where it exploded harmlessly. It was, needless to say, an awfully close call. I put him in for a Silver Star today for his courageous action.

Sergeant Western is a really good guy and I wish we didn't have to maintain a professional relationship because I'd love for him and me to be friends. He is twenty years old and comes from Larchmont and we are very similar in both background and temperament. He has been very lucky in achieving rank as fast as he has, but he also has the competency to merit his rank. He and I have jokingly suggested that you and his mother should get together and talk about your sons in faraway Vietnam.

I am awfully sorry to hear about the academic difficulties being suffered by No. 2 and 3 sons. I'm sure though that Larry, as usual, will barely pull something out of the bag and squeak through, colors flying. As for Mark, I don't know what to think. I would certainly hate to see him stifled in some second-rate school, but his only alternative, I'm afraid, is the Army, which would kill him. Maybe NYU or BU might be an answer. You can tell him that he can get into OCS in the Army, if that's the course he chooses or gets stuck in. As for Larry, since I assume he has no alternative, I would recommend the Army because it's a much shorter tour, but only if he can get a decent branch guarantee. Otherwise, I'd say Navy or Air Force.

Despite losing people and being scared all the time, I find being an infantry platoon leader an exhilarating, exciting, and, yes, rewarding job. I have ambitions to go higher, even in my short two years in the Army, but I don't really want to because platoon level is the last at which I still can have close working contact with my men. I think I've developed a pretty good relationship with my people, one in which they depend on me for leadership, but they know that I must be able to depend on them too. It's very healthy and as I say, rewarding. I am doing all the politicking I can to get a staff job, but if I do get one, I will hate to leave my men (not enough to turn it down, though!).

I got the big Easter-gathering letter and really enjoyed hearing from everyone. It must have been quite a party. I have gotten a few letters from Sally Fairfax, thousands from Ronda, one from JoAnne, and none from Susie.

I have a couple of requests which I wonder if you would mind filling. (1) Have you been able to change the address on the *Newsweek* subscription you said you ordered? I live in quite a vacuum for news over here and *Newsweek* seems about the best and easiest way to pull myself out. (2) Could you check the status of my bank account and send me a report? (3) Could you send me half a dozen black mechanical grease pencils. I use these to mark my maps which are covered with acetate. (4) Could you keep me supplied with felt tip pencils (blue) like this one. About two a month should do me fine. As you can probably tell, it's a cold day in hell

(or Vietnam, for that matter) when I get a chance to get to a PX.

This is all for now (both requests and deathless prose). More soon.

Love to all,

MIKE.

P.S. You might tell any friends you have in Washington to get off their fat asses, quit quibbling, and start talking about ways to end this foolishness over here. Aside from being opposed to the damn war, it really gives me a case that LBJ, who claims to want peace and who says he'll go anywhere, anytime, to talk peace, has taken over a month without being able to find an acceptable site. Anywhere, according to his promise, ought to be "acceptable."

DEAR SUSAN: I realize that I'm a little late, but I want to wish you a Happy Easter.

As you'll probably know by the time you get this, I picked up a Purple Heart the other day when I got hit with about twenty pieces of shrapnel from a mine explosion. The mine killed one man and wounded ten, including four quite seriously. I was lucky, I suppose, to get off quite lightly.

You know what—this mine incident has changed me. I'm still as opposed to the war on moral and political grounds as ever. But since I am here, and when I see the gory mess that mine made of my people, I want revenge. I want to kill every little slant-eyed bastard I see. I just wish to hell the VC would come out and fight. We never see them, just their damn mines and booby traps. Do you know that in the month I've been with this company we've had over thirty people killed or wounded and we haven't seen a dink or fired a single shot.

It is now two days after I started this and I'm back in the field again. I'm in the middle of reading an interesting piece in the March *Harper's* called "From the Steps of the Pentagon," by Norman Mailer. It's about the events which happened before, during, and after the March for Peace you went on last fall and at which I gather Mailer made quite an ass of himself. What else is new? Regardless, it's quite well written and I don't know if his views correspond to yours, but I recommend it to your reading pleasure.

Needless to say, the life I lead is fairly miserable. But there are a lot of compensations in the "thank heavens for small pleasures" department. For instance, you can't believe how great it is to get coke with our resupply each night. The coke is hot and it's been so shaken up by being thrown on and off of the choppers that you invariably lose half of it when you open it, but it tastes just fabulous. Another thing is ice cream, which we get about once a week for chow; again it is usually melted and warm, but it's ice cream and it's yummy. Probably the greatest morale builder of all is mail. A word from home which can sail you millions of miles away from Vietnam. Of course, though, Vietnam is actually quite a beautiful place. If we weren't at war, this would probably be quite a nice assignment. I imagine that when this idiosyncrasy is finished the truce will allow for several U.S. bases here. Most of our bases now are right on the South China Sea which is, like most oceans, beautiful. I think therefore that you'll see lots of people requesting tours in Vietnam.

I had a funny experience last night. I'm sure you're familiar with Orientals and the importance of face. My platoon was holed up for the day in a village with three or four people in a hooch. I babysans. In the late afternoon we got resupplied with hot chow, and I was sitting down on the front porch with my hamburger, beans, potatoes, and ice cream, which doesn't sound that great, but after eating C rations for the previous two meals this was to have been quite a treat. No sooner had I sat down than Papasan comes out of the house and motions for me to come inside, which I did. The family was just

sitting down to their own dinner and it seems they had set a place for me. Before I knew it, Mamasan had grabbed my plate with my own food and took it away while Papasan urged me over to take my place on the dirt floor around a tray of food. I didn't really want to give up my food to eat theirs, but I felt obliged; so I crossed my legs and sat down and was served a bowl of rice, a grungy pair of chopsticks, and was urged to help myself to the variety of dishes on the tray. I don't know what any of it was, but one looked like fish, another spinach, tomatoes, and noodles. I sampled them all and still don't know, but each bite tasted the same, super-salty, and each bite made me feel like vomiting. I ate as little as I thought polite, managing to avoid throwing up. As soon as I finished, I got up, bowed to the family, thanking them profusely for the delicious meal. I left them and as soon as I got around the corner of the house, I blew lunch all over the place.

MIKE.

MAY 11.

DEAR MR. AND MRS. RANSOM: It is with great difficulty that I write this letter expressing my deepest sympathy over the loss of your son Robert—known as Mike to us. I have never written a letter like this before, but then, in my six years of nursing I have never met as courageous an individual as your son.

I was able to care for Mike daily and I want you to know that his sense of humor and will to live made my work much easier. Things he could no longer do for himself—like brushing his teeth—things that surely brought him discomfort—like turning him—brought only thank-yous, humorous remarks, a gleaming smile, or a twinkle from his eyes.

Mike fought hard, terribly hard, to overcome his body's wounded condition. But, strong as he was, his body could only endure so much. Mike was never afraid and although I'm sure he realized what was happening, he never, never lost his smile or his courage.

I guess I really wanted you to know that Mike did not die alone, with no one caring. I care, we all cared—we all share your sorrow. Be ever so proud of Mike!

Most sincerely,

CONNIE SCHLASSER,
Captain, ANC, 2nd Surgical Hospital MA.

FOR FREE LITHUANIA

HON. JOHN C. KLUCZYNSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. KLUCZYNSKI, Mr. Speaker, under unanimous consent to revise and extend my remarks in the RECORD and include extraneous matter, I submit the following:

FOR FREE LITHUANIA

February 16 is the 51st anniversary of the declaration of the restoration of independence of Lithuania. Free Lithuanians throughout the world observe this event annually with commemorative affairs and with mixed emotions of pride and sadness.

Lithuanian pride is based on the progress made and prosperity enjoyed during the short-lived period of freedom of Lithuania; the sadness for the deprivation of that freedom and Lithuania's present tragic plight.

Lithuania was declared an independent state Feb. 16, 1918. Soviet Russia recognized it as such by the treaty of peace signed July 12, 1920. However, in June, 1940, Russia forcibly seized Lithuania and shortly thereafter incorporated it into the Soviet empire, in violation of international law and against the will of the Lithuanian nation.

No free nation has recognized the so-called incorporation. Legally, Lithuania still is an existing sovereign state, although occupied by foreign armed forces. It has its duly recognized citizens and functioning diplomatic and consular representatives in the United States, as well as in Europe and South America.

Bearing in mind the United Nations Charter, various treaties and the Soviet demands for withdrawal of Israeli and United States troops from foreign territories, it is legal and logical to demand withdrawal of Soviet troops from Lithuania and from all the other Soviet-occupied and exploited countries.

Lithuanians demand a Soviet withdrawal and appeal to the free world for assistance. Their cause for freedom and independence, of which they are forcibly deprived by the Soviet Union, is just.

PETRAS P. DAUZYVARDIS,
Consul General of Lithuania.

LABOR ECONOMIST SPEAKS OUT AGAINST HIGH INTEREST RATES

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. PATMAN. Mr. Speaker, many of the apologists for the Federal Reserve System and the banks cling to the theory that high interest rates are a guard against inflation.

This is one of the biggest fallacies that is spread about our monetary system. High interest rates contribute to inflation; they do not diminish it.

This point was recently brought out by a leading economist, Nat Goldfinger, in a nationwide broadcast. Mr. Goldfinger, who is director of the department of research for the AFL-CIO and a highly respected economist, put the issue squarely:

We've had interest rate increases for almost the past 12 months now. Those interest rates get built into the price structure and are an inflationary factor. Many economists believe that the surtax adopted last year, which siphons about \$11 billion in additional taxes from consumers and businesses, would gradually slow down the economy a bit, and slow down the rate of price increases.

If the monetary managers of the Federal Reserve System wanted to act in the monetary area, they could increase the reserve requirements on banks without directly increasing interest rates the way they have been in the past several months. The increase of interest rates not only has a discouraging effect on economic expansion, it gets built in.

Mr. Speaker, these comments were made on Mutual Broadcasting System's program, "Labor News Conference". I place in the RECORD a copy of the transcript of this broadcast.

[From Labor News Conference, Mutual Broadcasting System, Jan. 14, 1968]

Subject: Current Economic Trade.

Guest: Nathaniel Goldfinger, director of the Department of Research, AFL-CIO.

Reporters: William Eaton, Washington correspondent for the Chicago Daily News, and Frank Swoboda, labor correspondent for United Press International.

Moderator: Frank Harden.

HARDEN. Labor News Conference. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL-CIO. Labor News Conference brings together leading AFL-CIO representatives and ranking members of the press. Today's

guest is Nathaniel Goldfinger, director of the AFL-CIO's Department of Research.

The vigor and direction of the nation's economy is a vital concern to Americans in all walks of life. Here to question Mr. Goldfinger about the performance of the nation's economy at this time are Frank Swoboda, labor correspondent for United Press International, and William Eaton, Washington correspondent for the Chicago Daily News. Your moderator, Frank Harden.

And now, Mr. Eaton, I believe you have the first question?

EATON. Mr. Goldfinger, this is the traditional time for sizing up the economy, and this year we have a new Republican President. What is the outlook for prices, interest rates and unemployment?

GOLDFINGER. Well, Mr. Eaton, at the moment, the central factor, in the economy is uncertainty about where it's going.

Some observers talk of a continuing rapid growth of sales, production and employment, with prices continuing to rise rather rapidly.

Others see a slowing down of economic expansion—at least, in the first half of the year—with a slowing down of the pace of price increases.

Still others see a recession in the months ahead.

As I look at it, I'm still in the middle group, expecting a slowing down of the rise of sales, production and employment in the first half of 1969, and some easing of price increase pressures during the course of the year.

But the record-high interest rates of the first half of January—at the very beginning of this year—and the expectation of a squeeze of bank credit, spell, it seems to me, a danger of recession. I'm still not convinced of that, but I think that there is the danger of that kind of development.

For example, the New York Journal of Commerce of January 8, states that the rise of the prime interest rate—the rate charged by banks to their richest and best credit risks—up to an unprecedented seven percent, would tend to accelerate a coming business recession.

As I said, I am still in the middle group, expecting a slowing down of the rise of sales, production and employment, and an easing of price pressures during the course of the year—hopefully, without the onset of a recession.

EATON. With interest rates—prime rates—going to seven percent, what is ahead for the average consumer seeking a bank loan on a car or house, and, how long do you believe this "credit crunch," as it is called, will last?

GOLDFINGER. Oh, I'm afraid, Mr. Eaton, that the way things are going now, the "credit crunch" could last two or three months, or longer.

For the average consumer buying a car, or television set, or anything on installment credit, interest rates are going higher than they have been—and they have been in the area of 12 to 18 percent, and more.

They are going up—interest rates are going up on everything.

The sad part of this story is, these high interest rates get built into the price structure, so they increase the price of everything you buy. The businessman is paying higher interest rates; the warehouse fellow is paying higher interest rates, and he passes this on. With the trucking company, the transportation company, the retailer—all along the line this higher interest rate gets passed along to the consumer in the price structure.

And then the consumer gets smacked in addition, Mr. Eaton, with a higher interest rate on installment credit.

SWOBODA. Mr. Goldfinger, you say that you are in the middle group—that you think there will be a slowdown early in 1969, or during the first part of 1969. Do you think this is dependent upon continuation of the tax surcharge Or, do you think there could

be modification or elimination of the surcharge?

GOLDFINGER. Well, there hasn't been a decision as yet, as to the continuation of the surtax, which amounts to about \$11 billion additional taxes on both individuals and companies. The surtax is due to go off in the middle of the year. The final decision will be made by President Richard M. Nixon, after he takes office, by the House Ways and Means Committee, and by the Congress itself. That issue is still up in the air. Social Security payroll taxes have gone up \$1½ billion per year on employees and a similar amount on companies.

But, in any case, Mr. Swoboda, regardless of what the Administration and the Congress do, the surtax—which is now collecting at an annual rate of about \$11 billion, as I said, from people and companies—is in effect for the first half of the year—it is on the books and going. In addition, the Congress passed a law last year that puts a very strong lid on the increase of government expenditures. So, all of these things dampen-down the expansion of sales, production and employment. And, on top of all that, we have this new factor of very high interest rates—unprecedented interest rates—and a squeeze on bank credit.

SWOBODA. I think that when people talk of prime interest rates and commercial banks, there is some confusion. What exactly does it mean to the consumer?

GOLDFINGER. Well, the prime interest rate is the rate of that the commercial banks charge their richest and biggest customers—the richest and biggest corporations. For instance, General Motors and General Electric would pay that seven percent prime rate.

However, a seven percent prime rate for them is an understatement, because on big loans, the banks also require that 20 percent of the loan remain in the banks as an interest-free deposit. So in truth, the effective prime rate now, is not seven percent, but seven percent plus that 20 percent deposit. That makes the effective actual prime interest rate now, 8.4 percent.

Well, if the biggest and richest corporations in the country are paying, in actuality, an 8.4 percent interest rate, I don't think it takes much imagination to see what kind of interest rates medium-sized businesses and small businesses, and farmers, home buyers and consumers will pay.

Let's just take mortgage rates. Mortgage rates have moved very high. At the end of 1968, mortgage rates were already up to about 7¼ to 7½ percent, for the country as a whole—somewhat lower in some places and higher in other places.

With this new seven percent prime rate, the interest rate on mortgages will now go up toward eight percent and more, for the country as a whole.

All of these already high interest rates move up even higher. Loans, for example, for medium and small businesses, which in recent months have been about eight to ten percent or so, will move even higher.

Interest rates on installment loans to consumers, which have been running around 12 and 18 percent, will move a lot higher. And, these increasing high interest rates discourage the expansion of sales, production and employment, particularly home building, which gets hit hardest and most immediately.

High interest rates also hit the plans of state and city governments to build hospitals, schools, roads, bridges and other kinds of public works.

EATON. Mr. Goldfinger, as you know, prices in 1968 went up about 4.7 percent—the fastest one-year rise since the Korean War—and many businessmen and economists say that some severe action is needed to break the back of inflationary psychology. Would the increase in the prime rate be an action that would help to check the rise in prices?

GOLDFINGER. Well, Mr. Eaton, I don't believe that this is the way to slow down the rise

of prices. In 1968, consumer prices increased about 4.7 percent and, as you say, this was a faster rise than in the past 15 years or so.

There are other ways of getting at the problem of price increases, particularly when a good share of the price increases are in areas such as medical care, hospital care, auto and property insurance rates. There are different and better ways of doing it, than slapping on unprecedented peak interest rates, one after the other.

We've had interest rate increases for almost the past 12 months now. Those interest rates, get built into the price structure and are an inflationary factor. Many economists believe that the surtax adopted last year, which siphons about \$11 billion in additional taxes from consumers and businesses, would gradually slow down the economy a bit, and slow down the rate of price increases.

If the monetary managers of the Federal Reserve System wanted to act in the monetary area, they could increase the reserve requirements on banks without directly increasing interest rates the way they have been in the past several months. The increase of interest rates not only has a discouraging effect on economic expansion, it gets built in.

Let's take a practical example.

If you go out to buy a house now, Mr. Eaton, and get a 20-year mortgage at the very high rate of 7½ percent, you are going to be paying that 7½ percent interest rate month after month after month—for twenty years—unless you are fortunate enough, at some later point when interest rates are lower, to refinance the house.

The point I'm getting at, is that once interest rates go up the way they are, they get built into the price structure and into the structure of the amount of money that people spent month after month on rent, on mortgage payments, on installment payments on cars, installment payments on television sets and the other things they buy.

EATON. What federal government action might be taken to try to lower interest rates? Would balancing the federal budget be one way of taking the pressure off?

GOLDFINGER. Well, Mr. Eaton, the government has moved in that direction. That was the purpose of the adoption of the surtax—the additional taxes—the temporary tax increase on consumers and companies. The government's budget actually is moving rapidly toward balance—perhaps, even toward surplus at this point.

Because of that factor, many economists believe that gradually, economic expansion would begin to slow down, on an orderly basis, over a period of time, and that the price pressures would ease.

In addition to all of those factors, the very rapid increases of military expenditures the past three years now appear to be over, and military expenditures have leveled off.

So, there are all kinds of reasons for expecting some slowing down of economic expansion, and some easing of price pressures, on an orderly basis, without this exceptionally unprecedented kind of increase of interest rates.

SWOBODA. Well, Mr. Goldfinger, President Lyndon B. Johnson recently said—predicted or estimated—that there would be a small surplus in fiscal '69. He wouldn't say how much. This is opposed to a summer estimate of a five billion dollar deficit. Part of it he seemed to attribute to the fact that inflation was going at such a rate that it was increasing incomes and so on so much, that revenues were coming in much faster. Is this a cure, or are we just going in a circle?

GOLDFINGER. No, I don't think that we are going in a circle. I think that the wise course is the orderly course. It may be a little slower, but if you are going 80 miles an hour, it is awfully dangerous to slap on the brakes. It is much wiser, if at all possible, to slow down to 60, to 40, to 30, instead of slapping on the brakes, because you can go through

the windshield. I think that the story of the national economy is somewhat parallel.

The national economy has moved forward very rapidly over the past three years, and there have been some pressures in many markets, as a result of that rapid movement. Slapping on the brakes all of a sudden is very dangerous, because there is the possibility of going through the economic windshield.

SWOBODA. Well, doesn't it appear that the Federal Reserve Board, with its changes in the discount rate, is trying to do just that—slap on the brakes hard?

GOLDFINGER. Well, they are trying to slap on the brakes, although I'm sure that they would say that they are not slapping on the brakes too hard.

On top of that, the commercial banks are moving up their interest rates, and as they did January 7, jacked up their prime rate to seven percent.

So, it is partly private actions, partly the action of the commercial banks, partly the action of the Federal Reserve System.

SWOBODA. But, wasn't it anticipated by the Federal Reserve Board that this would happen, once they increased the discount rate? Didn't they almost count on that?

GOLDFINGER. Well, commercial banks increased the prime rate to their richest and biggest customers to six and three-quarters percent only a few weeks back. This is the second increase within a few weeks.

I think these unprecedented actions could have some bad effects.

EATON. Mr. Goldfinger, aren't the banks saying that inflationary psychology is so strong that they have to pay higher interest rates in order to obtain money from depositors for lending, and that therefore, they must charge borrowers the additional increase, because people have no faith that their money will be worth as much if they get less interest on it?

GOLDFINGER. Well, that is one of the reasons they give. I'm not sure how valid that is, Mr. Eaton. The increase in consumer loans has begun to slow down, you know—the number of loans. And I think there are fairly clear reasons for that. Look at what's been happening to the real purchasing power of worker's wages. There is a slowing down on the consumer side.

There still is a boom psychology in parts of the business community. This is dependent—unfortunately dependent—on very high profits and high cash-flow. Many companies are just loaded with cash, building up inventories and continuing to increase their investments in new plants and equipment, and in modernization. Now, these are factors in the whole scene.

EATON. Well, Mr. Goldfinger, do you feel that the Federal Government can take any action other than it has by way of Federal Reserve actions—to try to lower interest rates? For instance by raising the amount of money banks must have in reserve? Or, would your position be that the surtax should be continued, to make some moderate slowdowns?

GOLDFINGER. Well, the surtax is in the works, at least until the middle of the year. Whether or not it should come off depends on economic trends between now and then.

If the economy goes in to some kind of tailspin or into a very sharp slowdown or recession, obviously, the surtax should go off. But this would have to be examined later—in the Spring, for example—to see how the trends are going.

The Federal Reserve system could increase reserve requirements on commercial banks, in order to make it tougher to lend money. You see, the way the banks are going at this point, they are lending money, and they seem—at least to the present time—they seem to have rather ample funds.

But when they lend that money at a higher and higher interest rate, that means higher

er and higher profits to the banks, and higher and higher costs to their customers. This builds up these pressures—long-term pressures, in many cases on consumers, such as home buyers paying mortgages.

EATON. If consumers had a choice, should they wait two or three months in hopes of getting lower interest rates?

GOLDFINGER. I would hope you are right, Mr. Eaton.

I don't think that the current money squeeze and very high level of interest rates can continue much longer than another couple or three months, because the present seven percent prime rate is utterly unprecedented.

It's the highest prime rate on record. And those records go back about 40 years.

EATON. Do you believe that if it continues, it would lead to a recession?

GOLDFINGER. As I said at the outset, Mr. Eaton, I think that there is that danger—a danger of a recession.

I don't think that we are heading into a recession at the moment, but there is much uncertainty, because on top of the surtax adopted the middle of last year the tight lid that Congress placed on government expenditures, we now have this money squeeze and rising interest rates.

HARDEN. Thank you, gentlemen. Today's guest on Labor News Conference was Nathaniel Goldfinger, director of the AFL-CIO's Department of Research. Representing the press were William Eaton, Washington correspondent for the Chicago Daily News, and Frank Swoboda, labor correspondent for United Press International. This is your moderator, Frank Harden, inviting you to listen again next week. Labor News Conference is a public affairs production of the AFL-CIO, produced in cooperation with the Mutual Radio Network.

WILLIAM SWIFT: A GREAT SAN LEANDRAN

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. MILLER of California. Mr. Speaker, on February 5, 1969, the city of San Leandro, Calif., which comprises part of my congressional district, lost one of its most respected citizens by the death of Councilman William Swift.

"Bill," as he was known to a host of friends, held one of the longest and most outstanding records of public service in the history of the city of San Leandro and of the county of Alameda. He was for 21 years a member of the city council, serving as mayor during one of his terms. He also served on numerous other official, semiofficial, and community boards and commissions, always giving freely of his time and talent to the welfare of the city he loved.

I am privileged to have known him as a friend for about 30 years. I found him to be a humane and compassionate man, always conscious of his public trust and responsive to the needs of the people he served.

To his wife, Elizabeth, his children, others of his family, as well as his many friends, I wish to extend my sincere sympathy.

At this point in the RECORD, I submit an article which appeared in the San Leandro Morning News, which recites some of the accomplishments of "Bill Swift: A Great San Leandran":

WILLIAM SWIFT: MAY 22, 1895-FEBRUARY 5, 1969

(By Bill Romwall)

SAN LEANDRO.—William Swift, 73, Councilman and a former mayor of San Leandro, died of an apparent heart attack in a San Leandro hospital Wednesday night.

Swift came to San Leandro from Alabama in 1923, entering the service station business which he conducted until his death.

He was appointed to the San Leandro City Council Nov. 11, 1947, to succeed James F. Groves who resigned because of advanced age and ill health. Groves urged the appointment of Swift according to published reports of the time, because of Swift's devotion to the city and his demonstrated unselfishness in unofficial public service.

Councilman Helen Lawrence nominated Swift for the appointment, also emphasizing her own knowledge of Swift's ability and deep concern for "what is best for the City of San Leandro."

Swift was defeated for the council in the Seeley-Bellini-Dunnigan sweep of April 1948, which retired the incumbents of the day. His vote was within 50 tallies of Halsey Dunnigan who just nosed him out with 2,205 votes to Swift's 2,155.

Swift returned to the political fray in the hectic campaign of 1950—this time leading all candidates in the heavy vote tally. Swift had been supported by all segments of the community—although he scorned being on a slate offered by the Seeley-Bellini-Dunnigan forces, including homeowner groups of the time. Swift went about with a paint brush, obliterating his name from the posters and sign boards of the homeowner slate.

However—the group supported him anyway. His big plurality brought him the mayorship in April of 1950—a post he held until his resignation as mayor on May 7, 1951.

Swift said his own modest abilities as the city's chief political officer were secondary to those of other council members, including those of his close friend Thomas O. Knick.

In subsequent campaigns Swift continued getting wide support of homeowners as well as industrial and commercial interests—always gaining voter endorsement of his policies by wide margins.

He was named vice-mayor on April 21, 1964, and served in this post until April of 1966.

Swift was last re-elected April 12, 1966, to a four year term on the City Council.

In his 21 year stretch of service Swift saw many political reforms affect his city—most of them supported by him. Included were the council district plan and the direct election of the mayor, along with adequate compensation for the office.

Swift was a close friend and the political mentor of the present San Leandro Mayor Jack D. Maltester.

It was soon after Swift's own appointment to the City council that Maltester was appointed (January of 1948) to the Council to succeed the resigned Helen Lawrence—and the move was made by Swift.

Maltester said yesterday he had known Swift since he (Maltester) was a lad of ten years of age—and considered him "almost as a father, especially in recent years." The Mayor said he was "deeply shocked" at Swift's death, and expressed what seems the universal thought among Swift's friends—the great sense of obligation Swift felt toward his City of San Leandro and its citizens.

Gus Gustafson, the City's Community Relations Director, and a long time area newspaperman prior to his city service, said he has known Swift since 1938. "He was one of the sweetest guys I ever knew. He had complete integrity."

Perhaps Swift himself declared his public service credo best at the time of his original appointment in 1947:

"I came to San Leandro in 1923 without a

nickel. Everything I have I owe to the people of San Leandro, who have been very kind to me and to my family. Now I want to serve them and the City as best I can to try to repay them."

Swift was a quiet, unassuming man—one whose voice and manner grew lowest and softest when his dander was highest.

And he could get that dander up on occasion—especially when he felt "special interest boys and girls" were trying to "high pressure this Council" toward moves against the broad public weal.

Swift is survived by his wife Elizabeth and children Mrs. Elizabeth Kruger and Philip L. Swift of Fremont; C. Shuford Swift of San Diego; William Swift Jr., of St. Bernard, Louisiana and David H. Swift of Sharon, Mass. He was grandfather of 12 and the great grandfather of two and is survived by three brothers and two sisters in Alabama.

He was a member of the Lion's Club of San Leandro; Eden Lodge No. 113 of Masons; the Royal Arch Masons, Chapter 66; San Leandro Post No. 117, American Legion and the Broadmoor Men's Club.

He was a native of Heflin, Alabama.

Services will be held Saturday, Feb. 8 at 1:30 p.m. from the Rose Garden Chapel of the Guerrero & Seramur Mortuary, 407 Estudillo Ave., San Leandro.

TRIBUTE TO RED SKELTON

HON. ELIGIO de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. DE LA GARZA. Mr. Speaker, these remarks are dedicated to Red Skelton, a great comedian, a great mimic, the king of pantomime, a great actor, a great American, a great man. We know him as a clown; he makes us laugh and cry, and cheer and laugh again and cry again, all in the space of 1 hour. His many faces have become a part of the American scene, for he is truly America's own, and we love him and respect him because he respects us and our families, but also because he is a great American. On the Red Skelton Hour of January 14, 1969, the following took place, and we proudly quote:

[From the Red Skelton Hour, Jan. 14, 1969]

THE PLEDGE OF ALLEGIANCE

I remember this one teacher. To me, he was the greatest teacher, a real sage of my time. He had such wisdom. We were all reciting the Pledge of Allegiance, and he walked over. Mr. Lasswell was his name. . . He said:

"I've been listening to you boys and girls recite the Pledge of Allegiance all semester and it seems as though it is becoming monotonous to you. If I may, may I recite it and try to explain to you the meaning of each word:

"I—me, an individual, a committee of one.
"Pledge—dedicate all of my worldly goods to give without self-pity.

"Allegiance—my love and my devotion.

"To the Flag—our standard, Old Glory, a symbol of freedom. Wherever she waves, there is respect because your loyalty has given her a dignity that shouts freedom is everybody's job.

"Of the United—the means that we have all come together.

"States—individual communities that have united into 48 great states. 48 individual communities with pride and dignity and purpose, all divided with imaginary boundaries, yet united to a common purpose, and that's love for country.

"Of America.

"And to the Republic—a state in which sovereign power is invested in representatives chosen by the people to govern. And government is the people and it's from the people to the leaders, not from the leaders to the people.

"For which it stands.

"One nation—meaning, so blessed by God.

"Indivisible—incapable of being divided.

"With liberty—which is freedom and the right of power to live one's own life without threats or fear or some sort of retaliation.

"And justice—The principle or quality of dealing fairly with others.

"For all—which means it's as much your country as it is mine."

Since I was a small boy, two states have been added to our country and two words have been added to the Pledge of Allegiance—"under God."

Wouldn't it be a pity if someone said, "That's a prayer" and that would be eliminated from schools, too?

MR. NIXON HAS MADE AN EXCELLENT START

HON. WILLIAM H. AYRES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. AYRES. Mr. Speaker, Mr. John S. Knight, of the Knight newspapers, has written a very thoughtful editorial notebook on our new President, Mr. Nixon.

The editorial follows:

[From the Akron Beacon Journal, Feb. 9, 1969]

MR. NIXON HAS MADE AN EXCELLENT START
(By John S. Knight)

From my office windows overlooking Biscayne Bay, there are many wondrous sights to behold.

On a single day, one may see porpoises playing in the blue waters or an occasional sea cow, wise old pelicans diving for unsuspecting mullet and sea gulls following the yachts and fishing boats in search of a piscatorial snack.

There, too, are weather helicopters and the takeoffs and landings of amphibian planes near the MacArthur causeway, the Goodyear blimp and, at circus time, a parade of elephants ambling across the Venetian causeway to Miami Beach.

In late afternoon the passenger ships steam through the channel and Government Cut to the Bahamas, cargo vessels are in moorage at Miami's new seaport, the sightseeing boats accommodate an endless supply of curious tourists.

Yet since the election of 1968, it is not these diverse attractions alone which divert our attention from the labors of producing the South's largest daily newspaper. For the naked eye can look to the Southeast and see beautiful Key Biscayne where Richard Milhous Nixon has through the years bathed his political wounds and then rejoiced in the ultimate triumph for which, perhaps, he was always destined.

Key Biscayne is to President Nixon what Johnson City was to LBJ, a place to relax and work, to gather together one's thoughts on the great issues, to consult with the architects of vital policies in the making.

Few men would care to be under the staggering responsibilities and heavy work load which the voters have placed upon the new President.

But not Dick Nixon, to whom victory last November was the culmination of all his hopes and ambitions. Though his administration is young and the severe tests

have yet to come, the President shows evidence of buoyancy and orderliness of mind.

Agree or not, there is already testimony at hand that President Nixon is amply prepared for the White House tasks which lie ahead. Service in both the House and the Senate, eight years as Vice President under Eisenhower and extensive world travels have given Nixon a wide range of experience.

His ability to rise again after two presumably disastrous political defeats shows that he has resiliency and toughness of spirit. Though President Nixon's judgments have been and will be challenged, his ability and willingness to make them cannot be questioned.

How then, does his performance to date look from here as we peer intently at Key Biscayne where the President is currently in residence?

In a word, excellent.

As the Detroit Free Press has said, "Richard Nixon has quite deliberately set out to slow down the frenetic pace of life in the White House, with an eye toward calming the country down a bit by his example. But even with the dominant themes of calm and caution, he has also indicated that he considers the way open to some bold new initiatives in foreign policy."

We have liked, for instance, the decision to re-examine the questionable "thin" antiballistic missile system favored by Defense Secretary Melvin Laird.

The deployment of the Sentinel missile sites near our large cities is fraught with danger. As Sen. Edward M. Kennedy has warned, an accidental explosion of a nuclear-tipped missile would cause "total devastation in an area of five miles in diameter, and serious destruction over a far greater area."

The "thin" anti-missile project is designed to bring down presently non-existent missiles from Red China. The cost may be as high as \$9.4 billion. A "thick" system to stop missiles from Russia might cost as much as \$100 billion. And no one can be sure that either system would be effective.

We approve the President's belated determination to approve the nuclear non-proliferation treaty as a symbol of U.S. willingness to cooperate with the Soviet Union on arms limitation.

Mr. Nixon had previously endorsed the treaty last Fall but opposed its immediate ratification by the Senate because of the Soviet invasion of Czechoslovakia.

We cheer his announced five-nation tour of Western Europe which is intended to strengthen NATO and to examine the prospects for a later Summit meeting with Soviet leaders.

We applaud the President's announcement that all postmaster and rural letter-carrier appointments are to be removed from the political patronage system. Also his statement that it is time "to take politics out of the Post Office Department" and end more than 190 years of congressional and party influence on the selection process.

Under the new system, the Civil Service Commission will sponsor competitive examinations for all postmasters and rural carrier vacancies. Incumbents will not be affected by the ruling.

We believe the President is showing commendable restraint in the Middle East, a situation he has described as a "powder keg." Our obligations to Israel must not deter the United States from attempting to achieve a better understanding with the Arab world.

No one wishes to jeopardize the security of Israel, unless the United States can be an effective force with both sides to this conflict, the strong possibility exists that another and more tragic war may be in the making.

No one profits from war, not even the victors. And why cling to the dead-end policies of the past which have failed miserably in the pursuit of peace?

We commend the President's interest in

the plight of the cities and his indicated personal involvement in these problems. Here again there are no easy solutions but the total problem is at least getting a new look.

We praise the appointment of Dr. James E. Allen Jr., as U.S. Commissioner of Education. Dr. Allen comes to Washington with a fine record in New York State and will pursue established school integration guidelines with unmistakable vigor.

We are less enthusiastic over Nixon's appointment of Alaska's Gov. Walter Hickel as Secretary of the Interior. One colloquy in the Senate hearings on Gov. Hickel's confirmation will explain:

Sen. Metcalf: How are public service commissions in Alaska selected, Governor?

Gov. Hickel: I think they are—gee, I should know that. I think they are appointed, and are they confirmed by the Senate?

Sen. Metcalf: The Governor appoints them?

Gov. Hickel: I think that is right. I think there are guidelines, however. How do I do that? I can get the information for you, Senator, but I just don't have it at my fingertips.

These hearings were called by one wag "the Wally Hickel nobody knew about—and maybe still doesn't."

But Wally Hickel will get his chance to confuse the critics, along with Vice President Spiro T. Agnew. Moreover, whoever heard of Bowle Kuhn, the new commissioner of baseball, until last week?

Secretary Hickel has an opportunity to establish himself as a stand-up conservationist if he cracks down on offshore oil drilling which has fouled the beaches, destroyed the sea birds and ruined fishing in Santa Barbara, California.

A year ago, the Johnson administration was auctioning offshore drilling leases and collected some \$600 million for the government. If the oil companies cannot prove that drilling can be made harmless, these leases should be cancelled.

Despite these and other previously expressed reservations over the choice of our Vietnam peace negotiators at Paris, the Nixon record thus far is such as to inspire confidence in the new administration.

We are almost convinced that there is a "new Nixon," a confident man free from the doubts and inhibitions which have at times plagued him in the past.

Moreover, President Nixon brings zest and enthusiasm to the job. He is singularly free from obligations—even to the South—and he appears not to be yielding anything of importance to the hard-shell Republicans, vintage 1964.

And speaking of vintages, the President served a fine French champagne at his first formal diplomatic dinner much to the dismay of New York and California wine producers.

So, Gen. de Gaulle should be pleased even if California's Sen. George Murphy predicted "it will never happen again."

Somehow, better relations with the crusty general seem more important at this stage of the world's affairs than pleasing the domestic vintners.

Besides, it was the civilized thing to do.

BUDGET IS PLACE TO START

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. EDWARDS of Alabama. Mr. Speaker, I insert a recent newspaper column by Henry J. Taylor in the RECORD:

CXV—226—Part 3

BUDGET IS PLACE TO START

(By Henry J. Taylor)

President Johnson prepared a \$195.3 billion budget and now President Nixon—and the taxpayers—are stuck with it. In the same tiresome words he used in previous years, the outgoing President said there would be a surplus. But it never works out that way. This so-called budget just grabs at our money like a starved man at the sound of a steak sizzling in the pan.

What happened to President Johnson's famous "under \$100 billion" budget? That was only as long ago as 1965. Here's a \$95.3 billion difference in just four years. That's ridiculous, on the face of it—and so are the deficits. We pay them, and the millions of dollars in daily interest on the debts. This interest alone costs us more than six times as much as our people's annual clothing bill. But the Washington windbag boys prefer to be irresponsible—it's easier—and show no more concern for who foots the bill than for the tortoises of Aldabra in the Indian Ocean.

What has happened to all the promised cutbacks in federal payrollers? The payroll increased 50,000 in 1965, the administration spent \$120 billion instead of the \$100 billion, and this is the pattern all the way through. Although tax collections were at an all-time high the official federal deficit in the past year was \$25.4 billion. Even so the books were juggled by \$4 billion to make the red ink look less to us.

MISLEADING

Among other totally misleading abuses behind the scenes, the outgoing administration applied the excess of government trust funds receipts over outlays. This little dust-in-our-eyes abuses makes the deficit look \$7.4 billion less. And we're supposed to have confidence in what's being done to us?

If we're going to catch up with what's really happening we will have to run faster than the biggest army of public relations operators in history. There are more than twice as many government press agents in Washington than in the entire capital press corps. The first thing the new Nixon administration should do is fire three out of five of them.

Never have so many sent Washington so much—right out of our hides. But no matter how much we send it's never enough. The only conceivable way to lighten the awful load is to cut the waste and the "Papa knows best" spending. Hey, that's our money!

The so-called budget assumes that the 10 per cent super-tax will stay on. Oh, sure—anything except really to cut anything anywhere that we're paying for. And, on the business side, the Defense Department alone already is taking far more than the total net profits of all the companies in the country—an appalling fact, but true.

Moreover, the big companies may be able to get along with this super-tax, but our economy includes some 4.7 million small and medium-sized enterprises. What about them?

Mr. Johnson proposed increased Social Security taxes, shared by employers and employees alike. Well, already Social Security has gone up about 300 per cent since it was instituted, and this increase has been nearly twice as much as the increased benefits payable from the taxes. What we're really being hit with is increased Social Security taxes without equivalently increased benefits. But who would know it?

PAYROLL

Look at Medicare, bound up in enough red tape to wrap a mummy. Even with its loopholes, exclusions, delays, bureaucracy and all, it costs us today about double the estimated cost originally stated by Washington.

Like Fort Knox, our actual Social Security deposits are gone with the wind. These do not go into a sacrosanct trust as millions think. When we send them they are merely

shoveled into the general fund of the Treasury and spent. The cash thus borrowed from us is spent and is replaced with government bonds, i.e., IOUs.

Meanwhile, the House payroll has gone up 84 per cent in the past seven years. And, even before their last mighty boost, the congressmen have been steadily raising their own salaries, voting themselves their own self-protection against the inflation the overspending pumps into our cost of living.

A Congress so busy boosting its pay may be too busy to tear this latest so-called budget to pieces. But the 91st Congress—so full of promises during the campaign—should hear from the taxpaying peasants with an instant roar.

Every place I go in the country the people are sick and tired of officeholders who say they'll do one thing and do another. This is put-up-or-shut-up time and the so-called budget is the place to start.

DRIVE FOR TAX REFORM PICKS UP STEAM

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. EVINS of Tennessee. Mr. Speaker, the movement for tax reform is gathering momentum. The distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas (Mr. MILLS) has announced that his committee will begin broadgaged hearings this week into the need and necessity for reform.

Certainly tax reform is long overdue. There are obvious loopholes that should be closed.

Personal exemptions and standard deductions should be increased.

Many other changes in our tax laws should be made.

In this connection, I am placing in the RECORD herewith my recent newsletter, Capitol Comments, concerning tax reform because of the interest of my colleagues and the American people in this most important subject.

The newsletter follows:

CAPITOL COMMENTS

(By Joe L. Evins, Member of Congress)

DRIVE FOR TAX REFORM GAINS MOMENTUM—HEARINGS OPEN THIS WEEK BEFORE HOUSE COMMITTEE ON WAYS AND MEANS

With public opinion creating a favorable climate, the prospects for long overdue tax reform are bright in the 91st Congress. The House Committee on Ways and Means will begin hearings this week on the need and necessity for closing loopholes and improving our Nation's tax structure. Both President Nixon and Secretary of the Treasury David M. Kennedy have indicated their awareness of inequities in the present system and have promised a remedial program.

An exhaustive study on tax reform by the Treasury Department shows gross inequities with many wealthy individuals paying less taxes than many taxpayers in the middle and low income brackets because of "loopholes" and tax avoidance. One of the major factors conducive to tax reform is the expressed interest and concern of many people. In our great Fourth Congressional District many concerned taxpayers have written, expressing their hope that tax reform will be accomplished in this Congress.

These letters reflect much study, thought

and public concern. One recent writer pointed out that the Treasury study showed that 155 taxpayers with adjusted gross income of more than \$200,000 in 1967 paid no taxes at all—and that more than 20 of these taxpayers had incomes in excess of one million dollars. This writer concluded: "A primitive tax system in a space-oriented world is as outmoded as a Model-T Ford."

The first phase of the tax hearings beginning this week in Congress will be a study of private foundations. Many such foundations serve a worthy purpose and are helpful in many ways but some have been described as "large bodies of money completely surrounded by people who are concerned with tax avoidance."

Investigations by a Subcommittee of our House Small Business Committee have indicated many abuses by these private tax-exempt foundations which in many instances are vehicles for tax-dodging. Other major tax loopholes expected to draw attention are the much discussed oil and gas depletion allowances and excessive farm losses deducted by wealthy speculators who are not farmers but who use farms as tax writeoffs.

Secretary Kennedy has indicated that in his testimony he will outline recommendations for the use of tax incentives to encourage industrial development in our larger cities. I have urged Secretary Kennedy to expand this concept to include our rural and small town areas, pointing out that it is just as important to create opportunities and employment in our rural areas as in our major cities.

It is certainly my hope and recommendation that individual income tax exemptions be increased from \$600 to at least \$1,200 and the standard deduction from \$1,000 to \$2,000. Tax reform is long overdue and it appears that with the Congress and Executive branch in apparent accord on the need for reform, some progress will be made.

GOVERNMENT BY EDICT

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. NATCHER. Mr. Speaker, we know of course that freedom of the press is guaranteed by the first amendment to our Constitution. We well know, as Members of the Congress, that we may pass no law that would infringe upon this freedom. Freedom of the press is the bedrock of American journalism. Yet with this freedom as the inalienable right of every newspaper in the United States, what is it—what are the qualities, that enter into the making of a newspaper that is not merely good, but oftentimes great?

A newspaper cannot be better than the people who establish it, determine its policies, write its articles, and editorials, plan its format, operate its presses, and distribute it to the community it serves. A good newspaper is the product of good men, responsible men, who believe that they have an obligation to report the news as it really is, without embellishment or prejudice, but with truth and objectivity. They are committed to the principle that the paper exists to serve the community and to provide an approachable avenue of expression and exchange of ideas.

At the same time they are men who at no time hesitate to take a stand, no matter how controversial or unpopular the

issue, for they have the courage to come right out and print what they think and what they believe. On such occasions they shed their roles as reporters and frankly state their views on the page reserved for editorial opinion.

We have such men, and such a newspaper, in our Second Congressional District. Mr. Seymour Goodman and Mr. Joe S. Goodman are the publishers of the Hardin County Enterprise in Elizabethtown, Ky., and I am proud to include as proof of my remarks an editorial that appeared in the February 10 edition of their newspaper entitled "A Bad Proposal":

A BAD PROPOSAL

The Federal Communications Commission's proposed ban of cigarette advertising on television and radio is a bad one. It is the same old gimmick that federal bureaus and federal lawmakers have tried to fall back upon from time to time. That is to "regulate" an industry by saying how, when and where it shall be advertised.

Now the matter before the lawmakers is as simple as black and white. If the smoking of cigarettes is to be prohibited, let it be done by passing a law, prohibiting the manufacture, sale and smoking of cigarettes.

But no, nothing as straightforward as that will do for the Wise Men in Washington who attempt to tell the nation what it shall do and shall not do. They have to fall back upon a sneaky expedient, that of prohibiting the advertising of a product while they do not have the intestinal fortitude to prohibit the manufacture and sale of the product itself.

It has frequently been said that word of mouth is an effective form of advertising. So if the Wise Ones in Washington are going to be consistent in their proposal they will make it a felony or at least a misdemeanor for one person to tell another, "I just LOVE the taste of Salems" or "Kents are milder on my throat than any brand I've ever smoked."

The whole thing is senseless, childish, amateurish and a travesty on democratic rule. We hope the tobacco lobby, the radio and TV lobbies and such other lobbies as may be interested beat the daylight out of this proposal.

UNITED STATES MUST PURSUE HUMANITARIAN EFFORTS TO ASSIST JEWS LIVING IN ARAB COUNTRIES

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. MURPHY of New York. Mr. Speaker, if the Government of Iraq persists in its disgusting persecution and threatened execution of defenseless Iraqi Jews, it is incumbent upon the United States to use all appropriate diplomatic, humanitarian, and moral channels to prevent this bloodbath.

We, as one of the leading legislative bodies of the free peoples of the world, must continue to pursue every effort for the release of almost 3,000 Iraqi Jews—trapped in this hostile Arab land and facing the specter of mass murder on trumped-up espionage charges.

Therefore, on February 7, 1969, I submitted a resolution in the sense of the Congress that the United States do everything in its power to encourage and assist Jews living in Arab countries to take asylum in the United States, or in any U.S. Embassy in any foreign country.

Under the leave to extend my remarks in the Record, I include the following:

H. RES. 241

Whereas the atmosphere in the Middle East is one of extreme tension,

Whereas Jews living in Arab countries have suffered constant harassment and abuse,

Whereas this tense atmosphere has led to the public execution of Jews in Iraq, and the threat of even more executions, and

Whereas this tense atmosphere is such that it could result in mass genocide of Jews in Arab countries: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the United States do everything in its power to encourage and assist Jews living in Arab countries, and threatened by virtue of their presence in such countries, to take asylum in the United States, or in any United States embassy in any foreign country.

If these shocking trials and executions are permitted to continue without the adamant censure of not only the United States but all the sane nations in the brotherhood of man, it could lead to total genocide of Jews in volatile Arab countries.

The lives of 3,000 Iraqi Jews are at stake. The life of every Jew in the Arab world is at stake. The uncertain peace of the Middle East is at stake.

We cannot turn our backs on flagrant persecution and threatened decimation. We must, instead, exert ourselves to open the doors to freedom for the victims of terror.

DENVER'S URBAN HOPES MILE-HIGH

HON. BYRON G. ROGERS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. ROGERS of Colorado. Mr. Speaker, the city and county of Denver had great need for the Model Cities program. When it was adopted by the Congress, the officials were alert and filed necessary applications to participate in the program, and thereafter a grant was made. We are proud of the progress that has developed, as set forth in an article by Mr. Charles Bartlett that appeared in the Washington Evening Star of February 11, 1969, and, under unanimous consent, I insert the same in the Extensions of Remarks of the Record:

DENVER'S URBAN HOPES MILE-HIGH

(By Charles Bartlett)

DENVER.—The gathering momentum of the Model Cities program here suggests that this may be the horse that Richard Nixon can ride out of his urban dilemma.

Denver is out in front on this highly touted but barely understood innovation in poverty-fighting because city officials prodded the community into a swift response to Washington's invitation to plan for a sweeping rehabilitation of two areas of Denver that involve 142,000 people.

Consequently Denver has a set of 70 approved programs that will be applied against the target areas as soon as the money arrives from Washington. Most important, the program managers seem to have found a formula for participation by the poor that meets the insistence of the poor on being the architects of their own salvation without severing all the lines to city hall.

The city council passes on the programs but they are drafted by committees heavily staffed by citizens of the target area. Establishment institutions are drawn into the planning and execution of the programs. The Urban Coalition will scout for jobs. The strength of the Model Cities concept is that it is capable of involving almost everyone.

Inevitably in Denver the Community Action agency will be absorbed by the Model Cities program and probably thus set a national pattern. Where the two exist side by side, it makes no sense to keep them separate because they tend to develop two sets of conflicting leaders. In Trinidad, Colo., and in many other cities, crippling standoffs have developed between the leaders elected through the Community Action process and those tied to the larger concept of Model Cities.

This is absurd, because in Denver (and ideally) the concepts adopted for Model City plans have flowed from the experience and ideas of the ghetto leadership that developed under Community Action. Without the CAP initiative to blaze trails into the ghettos and rouse the poor to the potential of participation, the Model Cities approach would never have been feasible. It is the logical second step.

City hall keeps a small staff and a low profile in its direction of the program. Hatred for the establishment is so intense in the ghettos that if the program becomes more identified with the city leaders than with the neighborhood action councils, it is likely to be rejected by its beneficiaries. Even with the access afforded by Community Action channels, it took four months to establish the basic lines of communication necessary for planning purposes.

Denver offers a severe test of the flexibility of the new concept because it contains two minorities, the Spanish and the Negroes, and the two are often in conflict. The 70 programs approved last month by the city council are as diversified as any approach to the problems of 142,000 people could be. They involve \$29 million for the current year, an average of only \$204 per person.

This will finance a spectrum of activities from building houses to planting trees, from drying out drunks to running a night college, from training teachers to cope with the poor to enabling the poor to get washed up and dressed for their first jobs.

The program will bring warm meals to neighborhood schools, create a center for socially alienated youths, enlarge vocational training opportunities, and protect the aged against their infirmities. The key is a drive for employment and the projects themselves will supply 3,500 new jobs. A committee will even be formed to lobby for expanded welfare benefits.

The Model Cities program, as it is developing here, is total, concentrated welfarism tailored to the tastes of its beneficiaries. It is a massive but amazingly practical response that should manage to tap the city's expertise and leadership without alienating its poor.

It has a promising look as it begins to blossom in Denver and it may well be the answer for Richard Nixon.

GONZALEZ BILL AUTHORIZES TWO ADDITIONAL JUDGESHIPS FOR THE WESTERN DISTRICT OF TEXAS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. GONZALEZ. Mr. Speaker, I introduced in 1967 a bill to provide one additional judgeship for the western dis-

trict of Texas. As I pointed out at that time, this very large and fast-growing Federal judicial district was under a heavy burden because of its size, the time-consuming nature of its cases, and the increase in the very number of its cases.

I pointed out that in 1966, the 88 judicial districts in the Nation had an average weighted caseload of 255, but that the weighted number of cases for the western district of Texas was 320. Even with an additional judge, the western district's caseload would still have been slightly above the national average. I pointed out that two judges in the western district terminated 1,744 criminal cases in 1966, a total second in the Nation only to the southern district of California, which had 13 judges.

I am pleased that the Judicial Conference of the United States last year endorsed an additional judge for this district.

I am again in the 91st Congress introducing legislation to increase the judgeships for the western district of Texas. But one additional judge will be inadequate. Two additional judges are needed, as my bill would provide.

An increase from four to six judges is necessary because of the leap-frogging caseload in western Texas. The San Antonio division is an example of this. In this division in 1967, 254 cases were filed. By early December 1968, 500 cases had been filed. The yearly totals will show that in 1 short year the number of cases filed in the San Antonio division nearly doubled.

My city of San Antonio is experiencing an economic renaissance. With the economy and the population thriving, the activity of the courts increases. But San Antonio is by no means the only city in the western district which is growing rapidly. The same is true of El Paso, Midland-Odessa, Austin, and Waco.

Not only is the caseload itself heavy, but the western district of Texas has a high proportion of time-consuming cases. For example, cases under the Narcotic Addict Rehabilitation Act are quite complicated and drawn out.

Another relative hardship on the present judges is the immense geographical area the western district of Texas includes—an area almost as large as the States of New York and Pennsylvania combined. The four judges do an exceptional amount of traveling in order to sit at the division courts. It is a trip of 800 miles to travel from Waco in one end of the district to El Paso in the other, following the route via Austin, San Antonio, Del Rio, and Pecos.

A further growth factor is the approaching implementation of the office of Federal magistrate as an extension and servant of the Federal district courts. A partial survey in San Antonio projects 4,156 cases could be expected for the adjudication of the magistrates—a much higher number of petty cases than the San Antonio division now handles.

Mr. Speaker, these few figures demonstrate that anything less than two additional judges for the western district of Texas would be shortsighted. There is an immediate need for two. I urge Congress to authorize two additional judgeships as soon as possible.

THE 1,100TH ANNIVERSARY OF THE DEATH OF ST. CYRIL

HON. CHARLES S. JOELSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. JOELSON. Mr. Speaker, I am pleased to insert in the CONGRESSIONAL RECORD an article by my respected constituent, John C. Sciranka, press director of the Slovak Catholic Federation of America. We have seen much evidence of the moral stamina and strength of the people of Czechoslovakia, and this is due in great part to their deep faith, and the heritage of SS. Cyril and Methodius.

On Sunday, February 16, through the efforts of the Slovak Catholic Federation of America, tribute was given to St. Cyril, who died on February 14, A.D. 869, in Rome. There are two Slovak parishes in the area which I represent, dedicated to SS. Cyril and Methodius.

It is fitting that the great educator, St. Cyril, should be reverently remembered on the 1,100th anniversary of his death, and I am grateful to Mr. John Sciranka, a member of the Passaic Historical Commission, for sending me the following article on a historic event:

PASSAIC AND CLIFTON, N.J., SOKOLS TO PAY TRIBUTE TO ST. CYRIL ON THE 1,100TH ANNIVERSARY OF HIS BLESSED DEATH

The Slovaks and Slavonic people throughout the world will observe this year the 1,100th anniversary of the death of St. Cyril, who died in Rome on February 14, 869 after he and his brother St. Methodius secured the blessing from Pope Hadrian II for the Slavonic liturgy and both were consecrated bishops. St. Cyril as a great scholar and linguist was of great help to the Vatican in translating many documents from Greek from the rebellious Synod called by Patriarch Focius. Both brothers were born in Thessalonica and are known as the apostles of the Slavonic nations. They came to what is now Slovakia in 863 A.D. at the invitation of Ruler Rastislav from Byzantium.

Editor John C. Sciranka, the Press Director of the Slovak Catholic Federation of America launched a campaign in honor of these two apostles, that more newborn boys be baptized Cyril and Methodius, and girls Cyrila and Methodia.

Special tribute will be paid to St. Cyril on Sunday, February 16th at the meetings of Slovak Catholic Sokols at St. Mary's Parish Center, Passaic, N.J., where Assembly 1, whose president is Joseph A. Czejka and Wreath 2, whose President is Mrs. Paul Kopchak, will meet. They will be also honored by the Sokols of Clifton, N.J., where Assembly 162 is located, and of which John Kalata is president and Mrs. Katherine Petrusek, President of Wreath 102. Both Sokol units hold each year a celebration in observance of their feast day, on or near July 7th.

On Sunday morning, February 16th, the members will attend Slovak masses in both churches, Passaic and Clifton. The Paterson diocese has two Slovak churches dedicated to these two Slavonic saints: one in Boonton of which Msgr. Andrew V. Stefan, P.A., V.F., is pastor and the other in Clifton, N.J., of which Rev. Lawrence Pollack, O.F.M., is pastor and Rev. Robert Valent, O.F.M., assistant pastor.

Sokols and Sokolky all over the country are urged to honor St. Cyril on the 1,100 anniversary of his blessed death.

By order of Pope Hadrian II, who sanctioned and blessed the Slovak and Slavonic liturgy at his and his brother's (Methodius) request eleven centuries ago, St. Cyril is

buried in the basilica of St. Clement in Rome, which is the titular church of Lawrence Cardinal Shehan, archbishop of Baltimore, Maryland and the first bishop of Bridgeport, Conn., where he got closely acquainted with the great cultural mission of these two great apostles. The Slovak Church of SS. Cyril and Methodius in Bridgeport, Conn., has the replicas and frescos of the rich paintings from the Basilica of St. Clement in Rome, depicting the mission of these two apostles before Pope Hadrian II, and the burial of St. Cyril, also a tribute paid to them by Pope Leo XIII, who issued in their honor a famous Encyclical "Grande Munus" on September 30, 1880.

It was through the efforts of the first pastor of SS. Cyril and Methodius in Bridgeport, Conn., that contact was made in Rome with Pope Leo XIII, followed later by his successor, Father Gasparik J. Panik. During the pastorate of Father Stephen J. Panik the replicas of historical paintings were executed. All three priests were Supreme Chaplains of our Slovak Catholic Sokol organization.

The present pastor, Rt. Rev. Msgr. John F. Murcko, with the Rt. Rev. Msgr. Michael J. Carnicke, P.A., and all the Slovak priests of the Bridgeport diocese, sponsored the great celebration in honor of the two apostles in 1963 with the Most Rev. Bishop Walter Curtis pontificating and Most Rev. Bishop Andrew G. Grutka of Gary, Indiana, preaching on this solemn occasion.

This year the blessed death of St. Cyril will be observed with many ceremonies in all parts of the world.

The basilica of St. Clement in Rome, where St. Cyril is buried, is under the care of Irish Dominican Fathers.

YOUTH SERVICES IN MEMPHIS, INC.

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. KUYKENDALL. Mr. Speaker, one of the finest examples I know of how the Federal Government and private agencies are cooperating in an action program to help underprivileged boys from slum areas is being carried on in Memphis, Tenn. by Youth Services in Memphis, Inc., and the U.S. Naval Air Station at Millington.

Youth Services is a church sponsored activity which was started to expand recreational and educational opportunities for young people in the slum areas. In true Memphis spirit of good neighborliness the program soon became a communitywide project. Last summer the officers and personnel of the Naval Air Station at Memphis accepted an idea from Youth Services to offer an education-vacation period for a number of boys from the hard-core inner city. The results were astounding and the program so successful, the Defense Department has now encouraged all its installations located near metropolitan areas to work out similar programs.

For the information of my colleagues I would like to include as a part of these remarks, the report of the summer youth program of Youth Services. The report follows:

SUMMER YOUTH PROGRAM: YOUTH SERVICES IN MEMPHIS, INC.

PROGRAM BACKGROUND

Last summer, the Naval Air Station Memphis at Millington, Tenn., joined hands

with Youth Service in Memphis, Inc., (supported by Shelby United Neighbors) to provide a three-day education-vacation camp for 600 underprivileged youngsters from Memphis slum areas.

The idea originated with the Executive Director of Youth Service in Memphis, Inc., Rev. Donald E. Mowery, to provide some form of recreation for interested youngsters for a few hours on a one day basis. Rev. Mowery made personal contact with the Commanding Officer of the Naval Air Station, Captain L. A. Hoke, and the Chief of Naval Air Technical Training, Rear Admiral E. E. Christensen, and gained their permission to use the air station's facilities. Initially, Rev. Mowery asked to use the swimming facilities only during the pools' slow hours, but the Navy felt that as long as the boys were going to be visiting that they should learn something as well. Thus, through additional discussion and ideas, the program was expanded to include a full three-day schedule of physical and moral guidance and leadership.

PROCEDURES

After settling in their quarters upon arrival and receiving a brief, but thorough, indoctrination, the group of approximately 25 was divided into two groups, each headed by an assistant counselor, known as a "lieutenant". Both groups were placed under the leadership of a head counselor, known as a "captain". These counselors were provided by Youth Service in Memphis, Inc., and assisted by four service men assigned to the program by the Navy. These groups maintained the competitive spirit and were pitted against each other in athletic contests.

Cleanliness in barracks and of person was highly stressed. As the boys received their room assignments, one man from each room was elected as "chief petty officer" and held responsible for the area's neatness and cleanliness. Each boy stood inspection for personal appearance and was required to maintain a standard with the rest of the group.

While the program provided a full slate of physical activity, the program also placed emphasis on character guidance. Apparently, this leadership paid off since there was a minimum of incidents and the youngsters learned to live in basic harmony and function as part of a team. They also learned to answer with a "yes, sir" and "no, sir".

PROGRAM

Scheduling

The following is a typical group three-day schedule with added comments:

First Day

The boys arrived from Memphis by bus at 1400 at the Naval Air Station's Youth Center, Bldg N-26. Here they were introduced to the rules that would apply to them during their visit; i.e., no smoking in barracks except in a designated area, no running or rough-housing in passageways, etc. In addition, they were shown where they would live and were allowed a few minutes to unpack their clothes. Youth Service in Memphis, Inc. told each boy what he should bring. For instance, they were told to bring a change or two of clothes, including underwear, but were told not to bring any type of weapon (knives, can openers, etc.).

At 1430, the Navy provided a bus at Bldg N-26 to take the group on a planned tour of the station until 1545. At the end of the tour, and upon returning to their barracks, the group counselors were given until 1700 to get acquainted with the boys and use the time as desired. Suggested activities were: basketball free throw contest, ping pong contest, pool tourney, basketball, horse-shoes, tour of hobby shop garage, softball game, volleyball, badminton, boxing, trampoleen, croquet, watch intramural sports contests, football game, set up a camper, etc. From 1700 to 1800 all boys ate supper in their assigned galley (galley 3, wing 3) and used a few minutes to tidy up their living

spaces. From 1800 to 1900, the group returned to the Youth Center for a recreation hour prior to a swimming period from 1900 to 2100 at the indoor pool, Bldg N-79. At this time, the boys were shown water safety procedures and were required to follow the "buddy" system while swimming. 2100 to 2200 period was used in cleaning living spaces and getting ready for bed. TAPS was strictly observed and monitored by each group's counselor.

Second Day

At 0600 the boys observed reveille as strictly as they had observed taps the night before. After cleaning up and getting ready for breakfast, they cleaned their area and made their beds before going to the galley. At 0815 everyone was organized into a hike to Navy Lake (2 miles). The hike was handled much like marching in ranks—there was no playing along the way or smoking unless during a short break authorized by the hike leader (group counselor). While at the Lake, each youngster was shown how to don a life vest and given a strict lecture in boating procedures—this was followed by boat rides for all. The time from 1130 to 1300 was used for lunch and cleanup time in the barracks area. At 1300, the boys met with a Navy Chaplain for lecture and movies on character guidance, religious activities, and moral responsibility. Following their session with the Chaplain, the group reported to the gymnasium to draw athletic equipment for softball and a track meet. Here the youngsters were taught teamwork—everyone participated in all events—and taught a degree of sportsmanship in both winning and losing. After eating supper and straightening up their living spaces from 1700 to 1800, all hands followed the previous day's evening schedule with an hour of recreation at the Youth Center, a two-hour swim period, and then to bed and lights out at 2200.

Third Day

Events began with the usual 0600 reveille, clean up, then breakfast until 0800. At 0800, the group was taken to the NAS Dental Clinic for fluoride treatments. At 0900, a "bike hike" followed. This lasted approximately 1 hour and 15 minutes and was followed up with each boy taking the U.S. Marine Corps Physical Fitness Test in the N-82 gymnasium. All boys received a certificate attesting to their having taken the exam and their final score. From 1130 to 1300 there was lunch and a final period of cleaning their barracks area in preparation to return home. At 1400, bus service returned the boys to Memphis.

INCIDENTS

Any program of this type has its problems—especially when dealing with youngsters who have had little or no training or guidance in respecting others, taking orders, or working as part of a team.

On one occasion, according to Rev. Mowery, two youths, under the influence of a local militant organization, didn't like taking orders so they left after being on board only one day. With them went ten others who were afraid of the consequences if they remained. A month or so later, having heard from other boys about the fun they had had in the program, the two youths called Rev. Mowery and apologized, and asked that they be given another chance and be included in next summer's program.

Another instance, and possibly one easier to understand, involved two boys, a dime, and a soft drink machine. One boy had a dime, the other didn't. The boy without the dime tried to get it the only way he knew how and a bottle fight ensued. The boys were later calmed down, but the soft drink machine had to be placed "off limits" to other groups.

To point up the poverty and circumstances surrounding many of the boys in the program, Rev. Mowery cited this instance: There was one boy who could not take the three-meals-a-day balanced diet provided by the

Navy because his mainstay for so long had been starch. Not starch contained in foods—laundry starch. He had to be sent home following a Navy's doctor's examination. Many of the boys commented they didn't know what some of the food was in the galley serving line; i.e., broccoli, but they were encouraged to try a little of everything.

COST ANALYSIS AND ASSISTANCE

The exact cost for the program was \$5,165.68, paid by SUN under Project EXTEND. Approximately \$1 was spent on each boy's transportation to and from the Naval Air Station; meals were \$1.60 per day per boy. Each "lieutenant" received \$64 per week, and the "captains", \$90. The Navy provided the facilities. Four military volunteers were assigned at no cost to assist with each group. Rev. Mowery also assisted but at no additional cost since he was already under salary to Youth Service in Memphis, Inc.

The Memphis Naval Air Station command support behind the program included Lt. V. T. Paladino, Navy Project Officer; and Charles Novak of the Naval Air Station Recreation Department.

The Navy participated in the program under the authorization of Department of Defense and Secretary of the Navy directives supporting the President's Youth Opportunity program.

SUMMARY

The success of the program can be determined from the comments and actions offered by some of the campers; one youngster was so impressed that he went home and told his parents he was quitting school and joining the Navy. Another lad didn't want to leave the camp to return home at all, because he "had too much fun and such a good time."

TAX-EXEMPT MUNICIPAL BONDS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. WHALEN. Mr. Speaker, the distinguished chairman of the Ways and Means Committee has announced that hearings on tax reform legislation will commence tomorrow. I believe I can speak for all of us in the House in congratulating the chairman on this decision.

The hearing schedule released by the committee on January 29 indicates that one of the areas which will be reviewed is tax treatment of State municipal bonds. I believe four papers prepared by Prof. Donald J. Reeb of the Department of Commerce and Prof. Edward Renshaw of the State University of New York will contribute to this particular dialog. The views expressed therein are those of the writers, of course, and in no way reflect those of the Department of Commerce or any other organization with which they are affiliated.

As the committee begins its study, I think it is appropriate to bring the alternatives to the issuance of tax-exempt municipal bonds, which Professors Reeb and Renshaw propose, to the attention of my colleagues. Therefore, Mr. Speaker, at this point I would like to insert into the RECORD the papers in which these proposals are discussed:

A COSTLESS PUBLIC POLICY: SHARED REVENUES FROM STATE-LOCAL BONDS

This note puts forth the proposition that the purchase of tax-free State and local bonds by the U.S. Government would: (1) lower

the interest cost of State and local governments; (2) increase the tax revenue of the national government; and (3) provide another instrument for helping to implement other public objectives. The proposal is for a type of financial arbitrage which does not, in any way, affect or question the historic right of State and local governments to issue tax-free bonds.

"Interest income from securities issued by State and local governments was specifically exempted from the Federal income tax under section 103(a)(1) of the first Income Tax Amendment. Virtually every Secretary of the Treasury since its passage has favored removing the exemption feature. Public finance experts have repeatedly attacked it, and volumes of testimony before congressional tax committees have been heard in connection with its repeal. Despite this rather concerted opposition, Congress has some six times defeated proposals to remove the exemption, and on many more occasions such proposals have never reached a vote."¹

Those attacking the exemption feature have generally recognized that State and local governments benefit from tax exemption but have argued that tax exemption is an inefficient subsidy. If income taxes are progressive and if the volume of bonds is too large to be absorbed by persons in the highest tax bracket, the market interest rate must be raised to attract capital from persons in lower tax brackets. Bond holders with higher incomes will then receive a windfall gain. The higher interest rate reduces the value of the tax exemption provision to State-local governments. It also increases the cost of the subsidy to the national treasury. Most estimates suggest that the interest savings for State and local governments in the postwar period have been less than two-thirds of the revenue loss to the national government.²

One way to retain the benefits from lower interest rates and reduce the loss to the Federal Treasury would be to replace tax exemption with a direct subsidy. In 1941 Lawrence Seltzer proposed that the national government pay State and local governments some fixed proportion of their annual interest payments if they issued taxable bonds.³ Two versions of the Seltzer plan were incorporated into bills presented to the Second Session of the 90th Congress (1968).

The Proxmire Bill, S. 3170 would create a non-profit corporation to guarantee taxable municipal bonds and authorize interest reduction grants up to one-third the annual interest charge payable each year on taxable State and local securities.

The second bill, S. 3206, was sponsored by the Administration to meet its commitment under the Federal Water Pollution Control Act. This bill would have committed the Federal government to pay the principal and interest on the Federal share, provide a guarantee for the non-Federal share, and give States and localities an interest subsidy (maximum twenty-five percent), if States and localities would issue only taxable bonds for water pollution control facilities.⁴

S. 3206 was attacked by Governor Rockefeller of New York and other representatives of State and local government. They argued that the national treasury would be the big gainer and that this would be an opening wedge "to abolish the (entire) tax-exempt authority of State and local government bonds."⁵ Though the intent to do away with tax exemption was vigorously denied by the Administration,⁶ the plan was successfully opposed.

Our proposition, an alternative to a direct subsidy, is Federal purchase of tax free State and local bonds. If the fiscal authorities purchase tax exempt State and local bonds and then issue taxable bonds to offset those purchases, all levels of government could be made better off financially. The right of States and their subsidiaries to issue tax exempt bonds would remain unquestioned.

Footnotes at end of article.

The discussion below indicates the proximate, first order size of the savings from this proposition.⁷

COST EFFECTIVENESS CALCULATIONS

The key parameter for these estimates is the marginal average tax rate for tax exempt bond holders. We assume it to be 48 percent. This seems to be a fairly standard assumption⁸ and would be the marginal average tax rate for commercial banks in the absence of the temporary surtax. It should be noted that commercial banks have become an increasingly important factor in the market for municipal bonds. About 75 percent of the net expansion of State-local debt was absorbed by commercial banks in the 1962-1965 period.⁹

To provide an approximate estimate of the savings that might be obtained from arbitrage let us assume that the Federal Reserve stabilizes the U.S. Government Bond Rate at an average rate of about 4.465 percent, the average reported for 1964-1967. Let us also assume that the Fed will buy enough municipal bonds to create an average yield differential of 40 percent. Banks and individuals in tax brackets greater than 40 percent would still find State and local government bonds more profitable after income taxes than federal bonds. The average interest cost to State and local governments would then be 2.679 percent $(1.00 - .40) \times (.04465)$.

In the absence of arbitrage operations by the fiscal authorities let us assume that State and local governments pay 3.568 percent—the average yield on high grade municipal bonds in the period from 1964-1967. Suppose that fifty billion of municipals are affected by this policy in the next five years. The yearly average direct saving to State and local governments at the end of five years would be more than 444 million dollars $(.03568 - .02679) \times (50 \text{ billion})$.

If the Federal Reserve is forced to sell 50 billion of U.S. Government obligations to implement this policy—earnings on its bond portfolio would be reduced by 893 million dollars $(.04465 - .02679) \times (50 \text{ billion})$. If the marginal average tax rate for corporations and persons who would otherwise acquire tax exempt bonds is 48 percent and if taxable government securities are substituted in a one-to-one manner for taxable bonds, the Treasury would receive 1071 million dollars in added tax revenues by reducing private ownership of tax exempt bonds $(.04465) \times (50 \text{ billion}) \times (.48)$.¹⁰ The net gain to the Federal Government would be 178 million dollars $(1071 - 893)$, since earnings on the bond portfolio of the Federal Reserve are largely returned to the Treasury.

The foregoing analysis suggests that the Federal Government, using the arbitrage principle, could provide State and local governments with a subsidy of over 444 million dollars per year with revenue gains to the national government of some 178 million¹¹—for a combined gain of 622 million.

The use of arbitrage can be compared to fixed interest subsidies to State and local governments for issuing taxable bonds. The average interest rate on taxable State-local bonds is assumed to be 5.141 percent—the average yield on Moody's Aaa and Baa corporate bond indexes in the period 1964-1967. A 47.9 percent interest subsidy would then be required to reduce the State and local governments' net interest cost to 2.679 percent $(1.00 - .479) \times (.05141)$. Assume that the 50 billion dollars of State-local taxable bonds are acquired by persons with a marginal average tax rate of 48 percent. The net gain to the national Treasury from the taxable bonds minus the subsidy would be 257 million dollars $(.48 - .479) \times (.05141) \times (50 \text{ billion})$.¹² This 257 million compares unfavorably with our arbitrage proposal—a difference of 175.43 million $(178 - 257)$.

The foregoing comparisons suggest that arbitrage is more cost-effective than direct interest subsidies at high rates of implicit subsidy. The cost-effectiveness of arbitrage

is reduced as the direct interest subsidy becomes less—but low rates of direct interest subsidy do not seem to be politically acceptable.¹³

ADDITIONAL BENEFITS

The arbitrage proposition put forth herein can be expected to yield other benefits. Data presented to the Joint Economic Committee show that the adjusted interest costs for medium-sized municipalities were less for every grade and every year from 1961–1965 than those for smaller municipalities.¹⁴

Similar findings have been observed in connection with corporate bonds which are generally assumed to provide the best indication of probable interest rates for municipalities in the absence of tax exemption.¹⁵ After taking financial leverage and the default records of corporations explicitly into account via multiple regression, Fisher found that corporations with a larger volume of debt outstanding were able to borrow at significantly lower rates than corporations with lesser amount of outstanding debt. He attributes the lower interest rates to increased marketability of debt issues.¹⁶

The financial economies associated with debt issues which are large enough to create an active secondary market are probably one of the more important factors helping to explain the conglomerate merger movement.¹⁷ These financial economies are a kind of saving which could be channelled automatically to small communities if the Federal Government were to bid on local bond issues. Our arbitrage proposition provides a revenue incentive for Federal Government participation and thus a reason to seek these secondary savings.

Another benefit might be achieved by restructuring State-local government debt to take advantage of an upward sloping yield to maturity curve. Stable tax revenues and fixed flotation costs make it convenient for local governments to enter the bond market infrequently and offer mainly serial bonds. The national government with its large volume of outstanding debt is in a better position to enter the bond market frequently and restructure its debt to take advantage of lower yields on short term securities.

The arbitrage device could also become an instrument for public policy implementation. While this paper assumed an interest differential of 40 percent, it could be a range of differentials, e.g., between 20 and 40 percent depending on the degree of social need. Specific national goals could be furthered by making bid prices for local bonds vary by local government function or by the unemployment rate and per capita income level of a region.¹⁸

IMPLEMENTATION

The calculations in this paper have assumed that the Federal Reserve might be given the responsibility to implement a policy of financial arbitrage. It now holds about 50 billion in taxable government obligations which are not needed for open market operations and could be sold to improve the municipal bond market if section 14B of the Federal Reserve Act were amended.¹⁹ A second alternative would be to permit the Treasury to exceed the statutory debt limit in implementing a policy of municipal arbitrage. A third alternative would be to create a special corporation like that proposed in S. 3170.

It might be noted, by way of conclusion, that the Housing Act, as amended,²⁰ has specifically authorized the Department of Housing and Urban Development to purchase the securities and obligations of, or make loans to, cities, towns, villages, townships, and counties with populations under 50,000, if such political subdivisions cannot secure credit at "reasonable terms and conditions" from private lending organizations. Some states such as California and New York have created special lending and borrowing authorities or state corporations to improve the

market for local school and sewage facility bonds. The arbitrage principle, it would seem, is not exactly new. All we are really suggesting is that it be recognized as an important instrument of public policy and be used on a large enough scale to significantly reduce the cost of public services at all levels of government.

FOOTNOTES

¹ David J. Ott and Allan H. Meltzer, *Federal Tax Treatment of Local Securities* (Washington, D.C.: The Brookings Institution, 1963), p. 1. Lucille Denick, "Exemption of Security Interests from Income Taxes in the United States," *Journal of Business*, Vol. 19 (October, 1946), Part 1, App., listed 114 resolutions introduced between 1920–1943 to reduce the subsidy. Cited in Ott and Meltzer.

² Ott and Meltzer, *op. cit.*, p. 15.

³ National Tax Association, *Proceedings* (1941), p. 195.

⁴ Sec. 202 and 204 contain the specific proposal of interest payments by the national government in lieu of the tax free provision.

⁵ U.S. Congress, Subcommittee on Air and Water Pollution of the Committee on Public Works, United States Senate, Ninetieth Congress, Second Session, *Hearings on S. 2525 and S. 3206*, Part 2, p. 509 and p. 542.

⁶ *Hearings, op. cit.*, p. 548.

⁷ The cost effectiveness calculations assume that the Federal Reserve will try to stabilize the U.S. government bond rate at the average rate for 1964–1967. Part of the savings to the Federal Treasury might be lost if arbitrage led to an increase in the Federal borrowing rate; this loss would be partially offset, however, if persons in high tax brackets substituted corporate bonds for municipals. See footnote 10.

Whether the Fed does strive to stabilize the government borrowing rate at some normal level, on the average, is a matter of conjecture.

Our assumption, in other respects, are really quite conservative. Interest rates on State and local bonds have risen much more rapidly in recent years than the Federal borrowing rate. Since the percentage differential has narrowed, the savings to State and local governments would be substantially greater if we had chosen to use current interest rates rather than the average rates prevailing over the longer, and perhaps more normal period from 1964–67. The saving estimates are also based on the average rate of S & P's high grade municipal bonds. If the fiscal authorities arbitrated revenue bonds and low grade municipals, the savings to State and local governments would be very much greater. It is doubtful, therefore, that a full equilibrium analysis would necessarily mean lower total savings to all levels of government than are suggested in this paper.

⁸ *Hearings on S. 2525 and S. 3206, op. cit.*, p. 567.

⁹ U.S. Congress, Joint Economic Committee, *State and Local Public Facility Financing* (Washington, D.C.: Government Printing Office, 1966), Vol. 2, p. 16.

¹⁰ If part of the U.S. Government Bonds are sold by the fiscal authorities to people in lower tax brackets and they sell higher yielding taxable assets, such as corporate bonds, to those who would otherwise purchase tax exempt securities, the tax receipts collected by the Treasury would be greater. The substitution of common stock for tax exempt bonds could lead to capital gains which would be taxed at a lower effective rate than 40 percent. This sort of substitution would increase portfolio variance and be inconsistent with rational management if the portfolio was efficient before the substitution. Since banks are generally prohibited from holding common stocks, this exception is rather academic.

¹¹ If these savings would be shared among governments in proportion to their interest expenditures, the following State-local savings (in 1962) would result: California, \$47.65 million; Florida, \$12.59 million; Mississippi, \$3.69 million; New York, \$77.28 mil-

lion; West Virginia, \$2.30 million. The savings for the central counties of the big three SMSA's would have been (in 1962): New York City, \$24.82 million; Chicago, \$12.28 million; and Los Angeles, \$9.10 million. See *Compendium of Government Finances, op. cit.*, Table 33, and U.S. Bureau of the Census, *Census of Governments: 1962, Volume 5, Local Government in Metropolitan Areas* (Washington, D.C.: Government Printing Office, 1964), Table 12.

¹² This is likely to be a maximum gain to the Treasury since some banks might prefer to hold U.S. Government obligations rather than taxable municipals. Substitution of low yielding governments would lower the tax receipts from banks proportionately more than the gain in receipts from corresponding changes in the portfolios of persons with lower marginal tax rates.

¹³ One of the criticisms of S. 3206 was that a 25 percent interest subsidy—the maximum permitted under the bill—might not be sufficient to fully compensate for the loss of tax exemption. This point was emphasized in the *Hearings of the Water Pollution Control Act* by James Lopp of Eastman Dillon, *op. cit.*, p. 666.

¹⁴ *State and Local Public Facility Financing, op. cit.*, p. 329.

¹⁵ Moody's Aaa corporate bonds have yielded 25 to 70 basis points more than taxable government bonds during the last decade. (One hundred basis points equals one percentage point.)

¹⁶ Lawrence Fisher, "Determinants of Risk Premiums on Corporate Bonds," *The Journal of Political Economy*, 67 (June, 1959), p. 217–37.

¹⁷ Edward F. Renshaw, "A Note on the Theory of Financial Leverage and Conglomerate Mergers," to be published in the next issue of the *California Management Review*.

¹⁸ R. J. Kalish and D. J. Reeb, "Metropolitan Resources in a Policy Matrix," *Natural Resources Journal*, next issue, discusses a matrix for regional public policy.

¹⁹ Council for the open market committee has offered an opinion that Title 12, U.S. Code, Sec. 355 would have to be amended to permit the Federal Reserve to purchase municipal bonds.

²⁰ Public Law 345, 84th Cong., 69 Stat. 642; 42 U.S.C. 1941. Political subdivisions having populations up to 150,000 may qualify if located in a redevelopment area designated by the Public Works and Economic Development Act of 1965. Population limits do not apply to communities located near a research and development installation of the National Aeronautics and Space Agency.

IMPROVING THE MARKET FOR MUNICIPAL BONDS (By Edward F. Renshaw)

The purpose of this note is to provide background statistics which indicate a growing need to broaden the market for municipal securities. Since most of the alternative ways of attracting new participants into this market require either legislation or significant institutional changes, it would seem imperative that public officials at all levels of government begin to consider steps that might be taken to improve the market for municipal bonds.

HISTORIC YIELDS: THE FIRST INDICATION OF NEED

The yield on S & P's high grade municipal bond index rose to over four and one-half percent in March, 1968, and is still providing a return of more than four and one-quarter percent. This tax free return is quite a bit larger than the four percent return on ordinary time deposits at commercial banks. It is also higher than the yield to maturity on U.S. Savings Bonds.

If a consuming unit receives four percent interest on savings deposits and is then subject to a marginal income tax of 20 percent, the net after tax return on savings deposits will be only 3.2 percent. The average annual

tax free yield on S & P's high grade municipal bond index has dipped below this figure in only one year since 1957. That year was 1962 when the average yield amounted to 3.18 percent. It would appear, therefore, that even families and individuals in modest tax brackets would have found it more profitable on the average to have invested in high grade municipal bonds than to have purchased U.S. bonds or acquired ordinary time deposits at a commercial bank. Middle income families have not been attracted to this market, however.

Spending units with incomes under \$15,000 are estimated to have been holding liquid assets amounting to over \$2,000 in 1962. By liquid assets we mean demand deposits, time deposits, savings accounts and U.S. Savings Bonds. Their holdings of state and local bonds amounted to only \$18 on the average. Family units with incomes between \$15,000 and \$25,000 had liquid assets amounting to almost \$9,000. Their holdings of state and local bonds amounted to \$262 per spending unit.¹ The holdings of state and municipal bonds by family units with incomes between \$50,000 and \$100,000, on the other hand, were almost as large (\$34,722) as their holdings of liquid assets (\$37,298).

The importance of developing a broader market for state and local bonds can best be understood by considering recent trends in public financing. In the 1966 compendium on *State and Local Public Facility Needs and Financing*, sponsored by the Joint Economic Committee, it was suggested that the net supply of state and local government obligations would increase 8.5 billion in 1966, 10.0 billion in 1971 and reach 11.3 billion in 1975. At that point in history the total supply of state-local bonds outstanding was expected to be 198.8 billion, more than double the amount outstanding at the end of 1965.²

In 1967, state and local governments increased their indebtedness by 10.1 billion dollars, an increase that was not supposed to have been reached until 1971. The unexpectedly large increase in public facility financing at the present time is perhaps one of the reasons why the yields on municipal bonds have risen to unprecedented highs. A second and possibly more important reason for the absolute and relative rise in municipal bond yields might be termed over complacency about the demand for municipal bonds.

In the four year period from 1962-1965 commercial banks absorbed 74.9 percent of the net expansion of municipal debt.³ This was accomplished by increasing the proportion of municipals in bank portfolios from 10.5 to more than 12.5 percent of total loans and investments. The compendium on *Public Facility Financing* assumed that this proportion would continue to increase and that banks would be able to absorb about 62 percent of the projected incremental demand for state and local obligations between 1965 and 1975.⁴ In the two years from 1965 to 1967 commercial banks did increase municipals to about 14 percent of total loans and investments and in so doing were able to absorb nearly 71 percent of the net increase in municipal debt.

In the first quarter of 1968 state and local governments continued to increase their debt obligations at a ten billion annual rate. The absorption of municipals by commercial banks, on the other hand, plunged to only 46 percent of the increase. To find a market for the remaining 54 percent, state and local governments were forced to pay interest up to 4.5 percent on high grade municipals. For persons with marginal incomes taxed at a twenty percent rate this would have been equivalent to a return of over 5.5 percent on taxable government bonds or savings accounts.⁵

Our main reason for supposing that individuals will have to absorb an increasing share of municipal offerings is preference on

the part of commercial banks for loans as opposed to investments. In his book on *Management Policies for Commercial Banks*, Howard Crosse, Vice-President of the Federal Reserve Bank of New York, has stated this preference in the following way:

"The policy approach advanced in this book has stressed the primary obligation of a commercial bank to serve the credit needs of the community. It has emphasized, also, the need for protective liquidity and has advocated the provision of sufficient additional liquid assets to meet any foreseeable local demand for loans. Banks in some areas, however, or at some times, will have provided adequate liquidity, granted all the sound loans they can, and still have excess funds to invest. Funds so employed represent the bank's 'investment portfolio' as distinguished from its liquidity position and its loan account."⁶

State and local bonds are generally considered to be part of a bank's investment portfolio.

While the municipal securities of all commercial banks have increased from about 3.2 percent of all loans and investments in 1945 to 14 percent in 1967, the increase was not at the expense of loans. Commercial bank loans, during the same period of time, increased from 21 percent of total loans and investments to over 65 percent. Both of these increases were at the expense of U.S. government securities which declined from 73 percent of total loans and investments in 1945 to 17.4 percent in 1967.

Continuation of these trends at the same average percentage point rate would mean that banks would be left without any federal securities before the end of 1975. U.S. government securities are more liquid than state and local obligations and for this reason are generally considered essential to meet a bank's liquidity requirements.

If we assume that 60 billion in U.S. government securities are required for liquidity purposes and that any dip below this figure will eventually be restored,⁷ the share of U.S. governments in bank portfolios will continue to decline in a modest fashion, but not at the dramatic rate which was observed from 1945-67. A more moderate decline in the share of U.S. governments will mean that loans and municipals cannot possibly rise at the share rates which were characteristic of the post war period. If bankers give preference to loans as opposed to municipal investments, the share of municipals in total loans and investments can be expected to stabilize in the near future and may even decline.

Some evidence in support of stabilization and decline can already be observed in connection with the ten largest banks in the United States. These banks have often been the leaders in establishing new trends in portfolio composition. In the three year period from the end of 1964 to the close of 1967 the ten largest U.S. banks reduced the proportion of "other securities" in their portfolio by an (unweighted) average of slightly more than one percentage point.⁸ (Other securities are mainly municipal obligations.)

This decline in the share of municipals in the portfolios of large banks suggests that smaller banks may have been more sheltered from the credit demands of the war effort and, for this reason, able to purchase a disproportionate share of municipal offerings. As the growth in bank deposits slows to a more normal rate of perhaps six percent per year and as the baby boom begins to return from Vietnam and stock up on consumer durables it is only logical to assume that smaller banks will be forced to emulate larger banks in stabilizing and perhaps even reducing the proportion of municipal bonds to meet a rising demand for business inventory and consumer loans.

If our analysis is correct, the holdings of state and municipal obligations by commercial banks will grow from 50.1 billion at

the end of 1957 to not more than 80 billion by the end of 1975.⁹ This figure can be compared to projected holdings of 107.5 billion presented in the 1966 compendium on *Public Facility Financing*.¹⁰ The difference between these two estimates is mainly a difference between no growth in the proportion of municipals included in bank portfolios and a continued increase in the share of municipals at about the same percentage point rate as was characteristic of the post war period.

If our stabilization hypothesis is valid and the debt obligations of state and local governments do increase from 110.1 billion at the end of 1967 to a projected total of 198.8 billion at the end of 1975,¹¹ the proportion of new municipals absorbed by commercial banks will fall from over 70 percent in the period from 1962-67 to less than 34 percent in the next eight years. A probable decline of this magnitude would indicate a need to broaden the market for municipal bonds.

One method which has been advocated by Professor Donald Reeb and myself, would be to amend section 14B of the Federal Reserve Act to permit that organization to hold state and local debt as well as obligations of the U.S. government. The Federal Reserve now holds about 50 billion in government debt which is not needed to manage the money supply and could be sold to improve the market for municipal bonds.

We have estimated that the interest savings to state and local governments and the added tax revenues to the U.S. Treasury would eventually amount to more than half a billion dollars per year if the Federal Reserve Act was amended and if the Board of Governors of the Federal Reserve adopted a policy of broad participation in the market for state and local bonds.¹² Mobilizing the resources of the Federal Reserve to help solve state and local problems would be in keeping with a more general policy of using the resources and procurements of the Department of Defense and other federal agencies to attack social problems.¹³

A second approach might take the form of innovations proposed by Sidney Horner in his paper on, "Factors Determining Municipal Bond Yields."

"High bracket private investors do not ordinarily command a large enough new money flow to play a major role in the \$6-\$7 billion municipal market, but the army of medium bracket individuals do command vast and growing sums. Much of it is today flowing into institutions. Savings accounts are very convenient to such people while security purchase programs are mysterious and cumbersome and seem risky. New techniques, such as tax-exempt common trust funds or tax exempt mutual funds (if managed funds were legalized), could ultimately divert a vital \$2 billion or more a year into municipals."¹⁴

One of the main difficulties with Horner's proposal is the lack of an active secondary market for state and local securities.¹⁵ Many offerings are held to maturity and never traded in the open market. An inactive secondary market makes it difficult to clearly define the market value of a portfolio of municipal bonds at any point in time. If a way can be found to place a fair and reasonable value on non traded municipals, Horner's proposals would deserve very serious consideration.

A third approach is for state governments to emulate the federal government in setting up a non profit corporation to issue state savings bonds in the same denominations and on the same terms—except for somewhat lower interest rates—as Series E Savings Bonds. The proceeds could be reinvested in the securities of state agencies and local governments. The demand for these bonds could probably be increased by permitting individual buyers to choose, within limits, the kinds of securities that would be purchased with the proceeds.

Amounts of state savings bonds up to, say, \$10,000 per person, might be guaranteed by

Footnotes at end of article.

the state or insured through the Federal Deposit Insurance Corporations. Municipal bonds are not very risky. A search of primary sources of default records reveals only four instances in which cities or counties failed to pay interest when due in the post war period.¹⁷ Most, if not all, of these defaults were eventually corrected without loss to bond holders.

FOOTNOTES

¹ These data were compiled from the Federal Reserve survey of financial characteristics of consumers and are reported in U.S. Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing*, Vol. 2, p. 446.

² *Ibid.*, p. 21.

³ The yield on S & P's municipal bond index was 78 percent of the yield on long term taxable bonds of the U.S. Government in 1965. By August 16, 1968, this figure had risen to almost 85 percent.

⁴ *Ibid.*, p. 16. Subsequent data have been taken from the *President's Economic Report* and the flow of funds published in the *Federal Reserve Bulletin*.

⁵ This estimate is based on the projected holdings presented in Table D1, p. 50 of the compendium on *Public Facility Financing*.

⁶ An even higher return could have been obtained in the short run if the bonds were sold at a capital gain after interest rates declined from these historic levels.

⁷ Howard Grosse, *Management Policies for Commercial Banks* (Englewood Cliffs, New Jersey: Prentice Hall, 1962), p. 231.

⁸ Bank holdings of U.S. governments dipped below 60 billion during the tight money periods of 1956-57, 1959-60 and 1965-66 and were restored to at least this level during subsequent periods of monetary ease.

⁹ Six of the ten banks decreased the proportion of other securities to total resources while four banks increased the proportion. Bank of America, by far the largest bank in the United States, increased the proportion of other securities, but not to a new post war high. Only one of the ten largest banks devoted a record post war proportion of its portfolio to other securities in the years since 1965. Most large banks, in other words, seem to have stabilized their holdings of other securities at less than historic proportions. This stabilization appears to have occurred in spite of economic ease and extremely rapid growth in bank deposits during 1967. Data on security proportions were obtained from Standard and Poor's *Corporation Records*.

¹⁰ This assumes that bank deposits and municipal bond holdings will both increase at about six percent per year. Bank deposits in the first half of 1967 grew at an annual rate that was slightly less than six percent.

¹¹ *Op. cit.*, p. 50.

¹² *Ibid.*, p. 35. Some uncertainty exists as to whether the demand for municipal facilities will be large enough to require this much debt. While new debt did increase at a rather spectacular rate in 1967, the increase was not enough to fully compensate for the lower than expected addition to state and municipal obligations during the tight money year of 1966. If part of the higher than expected current increase is due to a catching-up effect and if the Presidential polls do indicate a trend toward fiscal conservatism, the problem of finding new markets for municipal bonds may not be quite as great as indicated by our figures. Changes in the amount of public facility financing are not likely to be as dramatic, however, as changes in the sources of financing.

¹³ Donald Reeb and Edward Renshaw, "A Costless Public Policy: Shared Revenues From State-Local Bonds," an unpublished research paper that is now being circulated for review.

¹⁴ See the recent statement by Secretary of Defense Clark Clifford as reported in the New York Times, September 27, 1968, p. 1.

¹⁵ *Public Facility Financing*, *op. cit.*, p. 285.

¹⁶ Roland I. Robinson, *Postwar Market for States and Local Government Securities*, (Princeton, N.J.: Princeton University Press, 1960), Chapter 5, p. 144.

¹⁷ *Public Facility Financing*, *op. cit.*, p. 244-45.

THE STATE-LOCAL BOND MARKET: ANOTHER URBAN PROBLEM AND A SOLUTION

(By Donald J. Reeb*)

During September 1968 state and local long term bond issues amounted to \$1.329 billions and short term issues were an additional \$0.427 billions.¹ This brought the cumulated twelve months total to \$15.314 billions for long term and \$8.091 for short term bonds. These amounts were, respectively, \$1.026 billions and \$0.066 billions greater than new issues in 1967. Net state-local indebtedness is increasing by about \$10 billions a year—some \$5 billions of the \$15 billions long term debt increase are reissues—and total state-local debt is in excess of \$100 billions. Interest expenditures on this \$100 billions are over \$3.6 billions yearly while local interest expenditures are 70 per cent of this total.²

All of this provides one very definite conclusion: state-local debt is important. It takes on added importance when the finances of state-local governments are considered. State and local governments now lack sufficient tax and grant-in-aid revenues to provide public services and facilities as they are needed. Debt, especially long term debt, is one way—a very common way in fact—of adding to current income and expenditures when present needs exceed revenues. Most consumers and businesses are familiar with this use of long term debt. But for state and local governments with their interest expenditures of more than \$3 billions the question need be asked: Will increases in debt continue to be a reasonable alternative for financing current expenditures?

There are two important constraints or impediments on state and local governments continual use of debt financing. The first and most famous is the law. Legal constraints on state-local debt abound. The constitutional and statutory controls are dys-

functional: the law promotes inefficiencies and inequities. Rather than limiting the total debt or promoting sound financial and physical planning the legal controls on state-local debt promotes multi-government use of debt, uncoordinated physical development, increased interest costs, and useless subsidies to higher income receivers.

The increased costs for state-local bonded debt has occurred despite the federal (and sometimes the state and local) tax exemption status of the interest earnings received by owners of the bonds. In fact, the conventions used by the governments to avoid the legal constraints on the use of general obligation debt issues have aided the increased interest costs. There are solutions to this predominantly urban problems and they are discussed in the third part of this study.

DEBT LIMITATIONS

The control of local government finances is, for the most part, vested in the respective state governments, much as the finances of the branch plants of a corporation are subject to the controls of the headquarters establishment. Unlike the business sector, however, state governments have been unduly restrictive without providing equal or cheaper alternative sources of debt funds. For example, only three states permit all of their local governments to issue general obligation debt by legislative council action. Twelve states, on the other end of the spectrum, require legislative council actions, referendum approval, and more than simple majority to vote in favor of the debt issue before general obligation bonds can be issued. With 24 per cent of the states having repressive restrictions and only 6 per cent having reasonable controls the simple conclusion seems appropriate that state governments do in fact impose undue restrictions on local government general obligation debt issues.³

The referendum restriction does not apply equally to all local governments in a state. There are many exceptions; for example, Maryland local debt laws are complex to the point where generalization is impossible. A reasonably accurate summary of referendum restrictions is provided in a recent Advisory Commission on Intergovernmental Relations publication and reproduced below.⁴

TABLE I.—DISTRIBUTION OF SELECTED STATES ACCORDING TO PREDOMINANT METHOD FOR COUNTIES, MUNICIPALITIES, AND SCHOOL DISTRICTS TO AUTHORIZE FULL FAITH AND CREDIT BONDS

Predominant method of authorizing full faith and credit bonds	Counties	Municipalities	School districts
A. By action of local governing body.....	7	11	4
B. By referendum, with all electors eligible to vote:			
1. With simple majority in favor.....	11	11	12
2. Requiring special majority on the question (60 percent, 67 percent, 75 percent, etc.).....	9	9	8
C. By referendum involving property ownership qualification:			
1. With simple majority (of property owning voters) in favor.....	7	8	7
2. Requiring special type of majority.....	3	3	3
D. By referendum requiring favorable vote by majority of all eligible voters in jurisdiction.....	2	2	2
E. Varied; not subject to generalization (Maryland).....	1	1	1
Total (for States reported).....	40	45	36

State governments restrict their own general obligation borrowing also. Four states, Florida, Indiana, Louisiana, and West Virginia, permit no general obligation debt to be issued by their state governments. Eight states, Connecticut, Maryland, Massachusetts, Minnesota, Mississippi, New Hampshire, Tennessee, and Vermont, have no limits on state issues of general obligation debt contained in their constitutions.⁵

Referendum approval is an impediment to sound financial and physical management, but it may not be the most important one. About two-thirds of the referendums are approved by the electors.⁶

The various state laws also require that serial bonds be issued, i.e., debt which is repayable in increments (approximately even

increments usually). This results in state-local debt being relatively short-lived in comparison with nonserialized debt. That is, a thirty year serial bond for \$1 millions with serialized payments provides \$1 millions in revenue only in the first year. Or, factually, in 1962 with a total long-term state-local debt of more than \$77 billions, fully fifty-three per cent of the debt is scheduled for repayment before thirteen years are completed.⁷ This requires the annual repayment of more than \$3 billions. Since 1962-63 fiscal year the average annual increase in state-local revenues from own sources has been about \$5.2 billions—leaving only \$2.2 billions. Interest expenditures have been expanding at the annual average amount of \$0.2 billions, leaving the residual of \$2.0 billions for expanded, improved, and new state-local self-financed services.⁸

Footnotes at end of article.

There are, as well, interest rate restrictions—usually set at five or six per cent—but these, as yet, are not constricting since the market rate tends to be under five per cent. The August 22, 1968 rate for municipals was 4.22 for the twenty bond index and 4.15 per cent for the 11 bond index.⁹

Finally there are the limits on taxes for servicing the debt or limits on property taxing power in its entirety, and/or limits on the amount of debt as a percentage of taxable property.

At present, all except 16 of the 50 state constitutions specify some percentage limitations on outstanding debt of local governments in relation to the property tax base.¹⁰

Generally, the restriction applies to only a few governments in a state and/or a few types of debt. For cities and towns, for example, the rate limitation applies in twenty-four states with the rate varying from 1.5 per cent (Washington) to 18 per cent (Virginia) with the mode being 5 per cent (nine states). The applicable rate tends to change as the population size, type of government, and purpose of debt changes.¹¹

These and other restrictions might be bearable if they are efficient, i.e., serve a purpose effectively. But they do not serve a financial planning purpose for they are not tied to probable gains in tax revenues. They do not serve a physical planning purpose for physical planning considerations are not contained in the permissive legislation. They do not serve to reduce risk, for there is no effective risk.¹²

Rather, the effects of the legal restrictions on the use of general obligation bonds by state-local governments to meet their long term capital facility needs have been increased use of legal circumventions. In turn, the circumventions have promoted increased interest costs, increased subsidies to holders of the bonds, increased tax revenue losses to the state-local and national government treasuries, and increased concern in the Congress. If the state-local governments do not find a less costly solution they may find the status of their bonds diminished by the actions of the Congress and the market, and their debt problems and costs increased.

MARKET REACTIONS

State and local governments have reacted to these legal restrictions on issuing general obligation bonds by issuing revenue bonds. Revenue bonds—after the courts accepted the "special fund theory"—have been relatively unrestricted.¹³ Nearly any tax or fee and any service which "generates" revenue can be legally pledged towards repayment of a complementary capital facility. The revenue need not be directly generated, e.g., revenue construction bonds for the construction of a government office building on which the government pays rent to itself for the use of the building is permissible. The "special fund theory" provides that such debts are outside the constitutional debt limits imposed on general obligation bond issues, and thus are restricted by procedural obligations and the market. Table 2 indicates the rise in use of revenue bonds since 1952. Revenue bonds accounted for 48.9 per cent of the sixteen year increase in state-local indebtedness of \$78,901 millions. In 1946 new revenue bonds issued were but 17 per cent of the more than \$1.1 billions in new issues.¹⁴

TABLE 2—STATE AND LOCAL LONG TERM DEBT

[In millions of dollars]

Year	Long-term debts outstanding	Increases from previous years	
		General obligation	Revenue
1952.....	28,720
1953.....	32,004	1,837	1,447
1954.....	36,898	2,719	2,174
1955.....	42,272	2,333	3,042

TABLE 2—STATE AND LOCAL LONG TERM DEBT

[In millions of dollars]

Year	Long-term debts outstanding	Increases from previous years	
		General obligation	Revenue
1956.....	46,775	2,490	2,013
1957.....	50,845	762	3,308
1958.....	55,737	3,267	1,625
1959.....	61,127	3,419	1,971
1960.....	66,801	2,387	3,287
1961.....	71,540	3,014	1,727
1962.....	77,543	3,657	2,344
1963.....	81,110	1,736	1,831
1964.....	87,527	3,208	3,208
1965.....	94,204	3,151	3,525
1966.....	101,000	3,383	3,414
1967.....	107,621	2,962	3,659
Total change..	78,901	40,326	38,575

¹ Fiscal year data.

Source: Bureau of the Census, Governmental Finances in 1966-67, GF 67, No. 3, Washington, D.C.: Government Printing Office, 1968, table 3; and Bureau of the Census, Census of Governments, Historical Statistics on Governmental Finances and Employment, 1962, Washington, D.C.: Government Printing Office, 1964, table 12 and errata notice.

TABLE 3.—STRUCTURE OF LONG-TERM DEBT FOR MUNICIPALITIES, 1966-67

[Dollar amounts are in millions]

Size of municipalities	Number of governments	(1) General obligations	(2) Revenue bonds	(3) 2-1	(4) Present shares	
					(1)	(2)
Less than 50,000.....	17,690	\$4,694	\$4,812	102.5	23.9	38.3
50,000 to 99,000.....	180	1,645	1,066	64.8	8.4	8.5
100,000 to 199,000.....	68	1,472	890	60.5	7.5	7.1
200,000 to 299,999.....	19	782	723	92.5	4.0	5.8
300,000 to 499,999.....	21	1,581	891	56.4	8.1	7.1
500,000 to 999,999.....	17	2,539	986	38.8	12.9	7.9
1,000,000 or more.....	5	6,928	3,176	45.8	35.2	25.3
Total.....	18,000	19,641	12,544	63.9	100.0	100.0

Source: Bureau of the Census, City Government Finances in 1966-67, GF 67, No. 2, Washington, D.C.: Government Printing Office, 1968, table 3.

Both of these expectations are complemented by the available data. Revenue bonds are issued at some 50 to 33½ basis points above the general obligation bond interest rate.¹⁵ At the lower figure and given the \$6.2 billions in revenue bonds issued in the past twelve months (by September 1, 1968) the yearly excess interest expense is \$20 millions; the cumulated total excess interest expense in thirty years will be \$600 millions.¹⁶ Collaborative evidence is that smaller governments tend to be charged higher interest rates for their bonds than larger governments—the usual surcharge being about 10 to 30 basis points.¹⁷

With these kinds of market distinctions among state-local bonds and their resulting increased interest rates, the present solution of revenue bonds as debt instruments is obviously inadequate. The inadequacy of the present bond market is further revealed by consideration of its effects on the income tax systems of the federal and state-local governments. The tax exemption of interest earnings provides that persons or corporations with income may not incur a tax liability and, more importantly, the amount of subsidy for a given taxpayer will tend to increase as the interest rate increases.

Graph 1 (not printed in RECORD) indicates that the amount of the subsidy increases for a given tax-bracket when the interest rate rises on state-local bonds relative to taxable bonds. Interest rates are on the vertical axis; marginal tax rates are on the horizontal axis. The downward sloping lines are the non-exemption bond interest rates after taxes.¹⁸ If the state-local interest rate is 0.04 (4 per cent) in a bond market which charges 0.06 for similar taxable bonds there is a 0.02 subsidy to state-local governments through the tax exemption provision. Again, assuming similar bonds, the subsidy to the bond holders is 0.00 if the holder is a 33

The importance of revenue bond financing varies with the size of the government. Table 3 indicates that revenue bonds are more than 102.5 per cent of general obligation long term bonded indebtedness for the smallest municipalities and but 45.8 per cent for the largest municipalities.¹⁹ The revenue bond carries with its debt limit avoidance attribute the characteristics of greater legal complexity and greater interest costs. The increased complexity is quite significant. The smaller governments tend to have less specialized personnel and the governments tend to be at greater distances from the banking and financial centers.²⁰

The greater complexity of revenue bonds and their use by smaller governments discourages the formation of a secondary market for the bonds—an important element in the initial marketability of financial securities. In turn, a reasonable expectation is that revenue bonds are issued at higher interest rates than general obligation bonds, and that, *pari passu*, smaller governments pay more in interest rates than larger governments.

per cent marginal tax payer, 0.01 if the bond holder is a 50 per cent marginal tax payer, 0.02 if the holder is a 66 per cent marginal tax payer, etc. If the market rate on taxable bonds is 0.05 then the bond buyer who pays a 33 per cent marginal rate would not buy tax exempt bonds if the tax exempt bond interest rate was 0.04. Other examples can be constructed by the reader.

One point of the diagram is that as tax exempt interest rates increase towards equality with the taxable bond interest rate—as it has been doing since 1945 when the ratio was 41 per cent while in 1966 it was 75 per cent²¹—the importance of the tax exemption to state-local governments decreases absolutely and relative to increases in the importance of the subsidy to bond buyers. Surrey indicates that further increases in the ratio can be expected—possibly to as much as 87 per cent—as the state-local bond debt share of total indebtedness increases beyond the present 8 per cent.²²

The second point of the diagram is inferential—that the subsidy is inefficient since the savings to the buyers of the bonds is greater than the savings provided to the issuers (state-local government) of the tax exempt bonds. This can be empirically demonstrated and has been numerous times. The loss to the Treasury has usually been estimated to be three times the gain to the state-local governments.²³ In reference to the above diagram, the subsidy is efficient only on the diagonal line, e.g., point C. All bond buyers other than those who receive a rate equal to the marginal rate (indicated by the diagonal lines) are receiving an excess subsidy for holding the tax exempt bonds. Thus the tax exemption provision can only be efficient, under the present market conditions, if the holders of tax exempt bonds receive an interest rate

Footnotes at end of article.

which varies inversely with their tax bracket, i.e., higher marginal tax rate payers must receive lower interest rates on their bonds if the subsidy is to be efficient.

A New Market. Remedies for the dysfunctions in the state-local bond market have been frequently proposed—and just as often opposed. Derrick indicates that more than one hundred resolutions to eliminate the tax exemption provision have been introduced in Congress.²⁴ The efforts continue with a two volume study prepared by the Joint Economic Committee, introduction of legislation by Patman and Proxmire,²⁵ and a suggestion for a "Community Development Bank" by the Assistant Secretary of the Treasury Stanley Surrey in a speech to the Investment Bankers Association in New Orleans. The Patman-Proxmire bill did not become the law of the land and the Surrey proposal was introduced prior to the Nixon election with his emphasis on tax incentives rather than tax reform.

A solution, rather, must consist of a policy which recognizes that the state-local bond market is not homogeneous in either supply or demand. Revenue bonds are not identical with general obligation bonds, unrated bonds are not identical with rated bonds, small bond issues are not the same as large bond issues, a commercial bank buyer bond is not identical with a lower marginal tax bracket buyer, and already issued bonds are not the same as newly offered bonds.

Homogeneity of supply in state-local bonds would be increased if the tax exempt bonds were for the most part issued by state governments. The state could receive certificates of indebtedness from its authorities and local governments and reissue these as state bonds. North Carolina in 1931 and Virginia in 1950 established a procedure of state assistance for local bond issues. North Carolina issues all local bonds; Virginia renders advice upon request. Either procedure is preferable to the present system used in the other 48 states of occasional aid and advice. The Advisory Commission on Intergovernmental Relations recommended that the Virginia system be established in each State. It would seem that if a state, like North Carolina was in 1931, had no major urban centers and/or had a scarcity of bond underwriters in the state or proximate to it, the mandatory requirement would be more reasonable.²⁶ This state action independent of the market and/or federal government action is sufficient to increase homogeneity of supply. A reduction in interest costs to local governments would tend to occur since the state would be an intermediary guaranteeing the quality of the issue. The secondary market for the bonds would be improved since even Nevada is better known by bond buyers than is Utica, New York. The legal documentation to the final buyer would be less involved. More bidders could be attracted since the average issue could be greater in size and more publicized. And, the state-local debt agency could restructure the debt issues and change their timing to better meet the demands from the market. There could be some problem at first for the state-local debt agency in buying offered local and state bonds at rates below the reissue price but experience and/or a consignment provision should reduce this hurdle to inconsequentiality.

The financial certificates issued by the state-local debt agency can, in part be likened to a state savings bond—sold through payroll deduction plans and banks, issued in small to large amounts, and at a fixed interest rate. The supply would be infinite and continuously redeemable without penalty. The other part of the supply of debt instruments from the state-local agency would be like Treasury issues—large blocks, sealed bids, and bidded interest rates from bond underwriters. The savings bond market may not be very large—Treasury savings bonds

outstanding are \$50 billions—but their cost of issuance should be very low also.

Homogeneity of demand is more difficult to achieve—it requires congressional action and state-local governments and others have been unalterably opposed to the Congress changing the acquired right of issuing tax exempt bonds.²⁷ Homogeneity of demand would be aided if the twelve Federal Reserve Banks were permitted to buy the state-local debt agency bond issues and, in turn, sell the Treasury bonds which they own as part of their financial assets. Each of the twelve Federal Reserve Banks have a regional awareness and some, like the Boston FRB has a long history of concern with regional development. Their staffs are far more competent than could be developed for a new bank—like the Surrey proposal—and the banks are not Washington located with all of its onus of Federal control and supervision.

The savings that are possible through the district Federal Reserve Bank purchases depends upon the ratio of interest rates on taxable and non-taxable bonds before and after the purchasing, the (average) marginal tax rates of potential bond buyers, and the amount of bonds purchased by the district banks. Professor Renshaw and I have calculated these in another paper; with reasonable assumptions the savings to the state-local governments would be \$400 millions.²⁸

The purchase by the district Federal Reserve Banks would both reduce the supply of bonds and the market interest rate on state-local bonds. This double gain should be impressive. Moreover, it substitutes a well known security which is riskless—Treasury bonds—for a security which has a more limited secondary market. And finally, it brings the central banks of the United States directly to the aid of the sovereign states and their local governments.

The third and final adjustment which need be considered is that of already issued bonds. The more than \$100 billions in bonds outstanding are not subject to call and reissue—at least no more than fifteen per cent of them. Thus any decrease in the interest rate leaves interest costs on already issued bonds unaffected and provides the holder of the bond with a capital gain if he sells the bond. The Fitch proposal would tend to solve this problem along with the other problems, but . . . "the Fitch scheme would be administratively difficult. Establishment of differentials [for the supramarginal bond holders] at the time of purchase of exemptions in order to calculate gain . . . would be vexatious and would, at best, provide rough justice."²⁹ Thus the problem of high interest rates on already issued bonds seems to be soluble only by attrition.

CONCLUSION

Between 1966 and 1975 the amount of outstanding state and local bonds is expected to increase to more than \$200 billions—a doubling in ten years. At an average interest rate of 4.5 per cent state and local governments will be spending \$9.5 billions in 1975 on interest. If the interest rate increases 89 basis points by 1975—a rise equal to that between 1956-1965—the interest expenditures will be over \$11 billions.

All of this would be unimportant if state-local governments had sufficient revenues and the tax exemption provision did not tend to destroy the progressivity of the tax system. But these problems exist and solutions which are politically possible are few. Hopefully states will begin to perform their duties properly and provide capital funds to their created local governments. Possibly the selfish interests of subsidy receivers and the reactionary feelings of state-local officials will not prevent district Federal Reserve Banks from obtaining the authority to purchase state-local bonds. For without this or a similar solution state and local and even federal tax payers will find that they are paying more for their capital facilities and providing larger sub-

sidies to higher income tax payers for the privilege.

FOOTNOTES

*The author is associate professor, Department of Economics, State University of New York at Albany, and Regional Economist, Regional Economics Division, Office of Business Economics, United States Department of Commerce. Neither organization is implicated in this paper.

¹ Office of Business Economics, *Survey of Currency Business*, October 1968, Washington, D.C.: Government Printing Office, p. 8-20. Short term debt is defined as "... interesting bearing debt payable within one year from date of issue . . . (and) . . . obligations having no fixed maturity date if payable from a tax levied for collection in the year of their issuance." Long term debt is the residual: obligations whose maturities exceed one year. Bureau of the Census, *Compendium of State Government Finances*, GF No. 11, Washington, D.C.: Government Printing Office, 1967, p. 59.

² Bureau of the Census, *Governmental Finances in 1966-67*, GF 67, No. 3, Washington, D.C.: Government Office, 1968, Table 5.

³ United States Congress, Committee Government Operations, *Unshackling Local Government*, April 1968, Washington, D.C.: Government Printing Office, 1968, pp. 70-71.

⁴ Advisory Commission on Intergovernmental Relations, *State Constitutional and Statutory Restrictions on Local Government Debt*, Washington, D.C.: Government Printing Office, 1961, appendix A. Not all states are included because not all states replied to the questionnaire.

⁵ United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing*, Volume 2, *Public Facility Financing*, Washington, D.C.: Government Printing Office, 1966, pp. 153-55.

⁶ Advisory Commission on Intergovernmental Relations, *State Constitutional and Statutory Restrictions on Local Government Debt*, Washington, D.C.: Government Printing Office, 1961, p. 33; and, Investment Bankers Association, *Bulletin Number 48*, August 1968, Table 8.

⁷ United States Congress, Committee on Ways and Means, *Tax Revision Compendium*, Volume 1, Washington, D.C.: Government Printing Office, 1959, p. 781-2; and, Bureau of the Census, *Census of Governments, Compendium of Government Finances*, Volume 4, No. 4, Washington, D.C.: Government Printing Office, 1964, Table 17.

⁸ Bureau of the Census, *Governmental Finances in 1966-67*, GF 67, No. 3, Washington, D.C.: Government Printing Office, 1968, Table 3.

⁹ *The Weekly Bond Buyer*, August 26, 1968, p. 51; and, Advisory Commission on Intergovernmental Relations, *State Constitutional and Statutory Restrictions on Local Government Debt*, Washington, D.C.: Government Printing Office, 1961, p. 27.

¹⁰ Advisory Commission on Intergovernmental Relations, *State Constitutional and Statutory Restrictions on Local Government Debt*, Washington, D.C.: Government Printing Office, 1961, p. 28.

¹¹ United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing*, Volume 2, *Public Facility Financing*, Washington, D.C.: Government Printing Office, 1966, pp. 153-54.

¹² With well over 4,000 thousand bond issues per year since World War II, there have been but 30 failures, only two of which were more than \$100 million issues. Neither of the larger issues involved loss in the principal amount, but rather delays in interest payments for which interest on the delayed interest is paid. Fourteen of the 28 small issues involved some loss in principal. Several of the smaller issues probably involved fraud. United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing*, Volume 2, Pub-

lie Facility Financing, Washington, D.C.: Government Printing Office, 1966, p. 244.

¹² United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing, Volume 2, Public Facility Financing*, Washington, D.C.: Government Printing Office, 1966, p. 153.

¹³ United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing, Volume 2, Public Facility Financing*, Washington, D.C.: Government Printing Office, 1966, p. 8.

¹⁴ Municipalities includes all active city, village, borough, and town governments in the United States, with the qualifications that towns in the six New England States, New York, and Wisconsin (which are like townships in other States) are excluded from the municipalities data as are the boroughs in Alaska. Bureau of the Census, *Census of Governments, 1967, Governmental Organization Volume 1*, Washington, D.C.: Government Printing Office, 1968, p. 2.

¹⁵ United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing, Volume 2, Public Facility Financing*, Washington, D.C.: Government Printing Office, 1966, pp. 210-12.

¹⁶ Roland I. Robinson, *Post-War Market for State and Local Government Securities*, Princeton: Princeton University Press, 1960, p. 211; and, Advisory Commission on Intergovernmental Relations, *State Technical Assistance to Local Debt Management*, Washington, D.C.: Government Printing Office, 1965, pp. 6-7. Basis points is a commonly used term in the discussion of bonds; there are 100 basis points in each one per cent.

¹⁷ *Federal Reserve Bulletin*, "Financial and Business Statistics," October 1968, p. A-43.

¹⁸ United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing, Volume 2, Public Facility Financing*, Washington, D.C.: Government Printing Office, 1966, Appendix A, pp. 262-65.

¹⁹ The formula for computing the points on the diagonal lines is: $r = C(1-t)$ where r is the after tax interest rate, C is market interest rate on taxable securities, and t is the marginal tax rate. At a t of 0.50 and a C of 0.05 the after tax interest rate is 0.05 $(1.00 - 1.50) = 0.025$ which is point B in Diagram 1. The diagram was suggested by Professor A. Dale Tussing, Department of Economics, Syracuse University.

²⁰ United States Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing, Volume 2, Public Facility Financing*, Washington, D.C.: Government Printing Office, 1966, Appendix B, p. 296.

²¹ Stanley S. Surrey, "The Financing of New Social Programs—and Tax Exemption," Fifth Municipal Conference, Investment Bankers Association, New Orleans, September 27, 1968, pp. 9-11 and Table 1. In 1946 the ratio of total state-local debt to total net debt in the nation was 3.4 per cent. Council of Economic Advisers, *Economic Report of the President*, Washington, D.C.: Government Printing Office, 1968, Table B-58.

²² David J. Ott and Allan H. Meltzer, *Federal Tax Treatment of State and Local Securities*, Washington, D.C.: Brookings Institution, 1963, pp. 14-17.

²³ Lucille Derrick, "Exemption of Security Interest from Income Taxes in the United States," *Journal of Business*, Volume 19, 1946, Pt. 1.

²⁴ A copy of the legislation is printed in United States Congress, Joint Economic Committee, *Hearings on Financing Municipal Facilities, Volume II*, Washington, D.C.: Government Printing Office, 1968, pp. 170-88.

²⁵ Advisory Commission on Intergovernmental Relations, *State Technical Assistance to Local Debt Management*, Washington, D.C.: Government Printing Office, 1965, pp. 55-59.

²⁶ For discussion of the tax exempt provi-

sion and its constitutional vs. statutory basis see the papers by Kirby, Maxwell, Braxer, McGee, and Ely in United States Congress, Committee on Ways and Means, *Tax Revision Compendium, Compendium of Papers on Broadening the Tax Base, Volume 1*, Washington, D.C.: Government Printing Office, 1959, pp. 679-791. The Kirby paper argues that the Alabama vs. King and Boozer case, 314 U.S. 1, with its conclusion that materials used to perform a government contract are subject to the tax, latches the last exit for those who argue that a withdrawal of the tax exemption provision would be unconstitutional. The point remains, though, that the impediment is not the constitution but political agreements forged by those who gain from the existence of the exemption.

²⁷ Edward F. Renshaw and Donald J. Reeb, "A Costless Public Policy: Shared Revenues From State-Local Bonds." The paper also contains estimates of the savings vs. interest earnings losses for the Federal Reserve-Treasury. Their net gain would be some \$200 millions. These data are but estimates since neither the elasticity of the supply of bonds from the state-local governments nor the elasticity of demand for Treasury bonds is known.

²⁸ See Lyle Fitch, *Taxing Municipal Bond Income*, Berkeley: University of California Press, 1950; and James Maxwell, "Exclusion from Income of Interest on State and Local Government Obligations," United States Congress, Committee on Ways and Means, *Tax Revision Compendium, Compendium of Papers on Broadening the Tax Base, Volume 1*, Washington, D.C.: Government Printing Office, 1959, p. 708.

SOME ALTERNATIVE WAYS TO IMPROVE THE MARKET FOR MUNICIPAL BONDS

(By Edward F. Renshaw)

In the six year period from 1962-67 commercial banks absorbed nearly 73 percent of the net increase in municipal securities.¹ Dominance in this market appears to have been related to an unusual growth in bank deposits. In the preceding fifteen year period when the money supply, including time deposits, was growing at a much slower rate, commercial banks were willing to absorb only 27 percent of the increase in municipal debt.

That bank demand can be expected to drop significantly as the money supply is permitted to grow at a less inflationary rate is strongly suggested by recent periods of monetary tightness. During the credit crunch of 1966 bank absorption fell from 82 to only 40 percent of new issues.

The first quarter of 1968 was also a period of restrictive monetary policy, though not nearly as tight as late 1966. Bank absorption during this quarter fell from 89 percent of net new issues to only 46 percent. To find a market for the remaining 54 percent, state and local governments were forced to pay interest amounting to more than 4.5 percent on the highest grade municipal bonds. For persons with marginal incomes taxed at a twenty percent rate, this would have been equivalent to a return of over 5.5 percent on taxable government bonds or savings accounts.

The yields on high grade municipal bonds declined somewhat in mid 1968 but have since risen to new historic highs. On January 9, 1969 Moody's bond survey reported an average yield to maturity of 4.9 percent on its Aaa bond index. Many revenue bonds are now yielding a tax free return of six percent or more. With the Federal Reserve showing every indication of being committed to a policy of permitting the money supply to grow at a more normal rate, it seems clear that ways must be found to broaden and improve the market for municipal securities.

In the remainder of this paper we will present some further statistics on the demand for municipal bonds and then discuss

some alternative ways of providing needed financing for state and local facilities. While few problems in the history of local finance have inspired so many imaginative solutions, most would require either legislation or significant institutional changes to yield the amount of financing that will be required to rebuild our cities and provide a more wholesome environment for the residents of both rural and urban areas.

THE DEMAND FOR MUNICIPALS

About three quarters of the outstanding municipal debt is owned either by individuals in high income tax brackets or by commercial banks. Household demand for municipal securities grew at a fairly steady rate in the early post war period and then reached a state of near saturation in 1955 when additions to total holdings amounted to more than three billion dollars. The growth in household demand has declined in recent years to an average increase of less than two billion dollars.

In 1967, when the total increase in municipal debt amounted to slightly more than ten billion dollars, net household demand was practically zero. About nine billion of this increase was absorbed by commercial banks. This was made possible by a rather unprecedented increase in the money supply, including time deposits, amounting to eleven percent. The average rate of growth in this broader definition of the money supply was only 4.27 percent in the 20 year period from 1947-66.

During this period of time commercial banks absorbed a fraction of net new issues of municipal securities which was about equal, on the average, to eight one-hundredths of the year to year percentage growth in the money supply. If we assume that states and local governments will continue to increase their indebtedness by about ten billion dollars per year and then postulate a world in which the money supply is allowed to grow at about five percent per year, this would imply a willingness on the part of commercial banks to absorb only four billion dollars worth of new municipals.

An even more conservative estimate of bank demand for municipal bonds can be obtained if we examine the composition of bank portfolios over long periods of time and assume that banks will continue to give equal preference to the financial needs of business and government. Bank loans and investments other than U.S. government securities, which are mainly municipal bonds, have increased at about the same rate, on the average, since 1929. In 1929 the ratio of other investments to bank loans was .244 to one. The ratio in 1950 was almost exactly the same, .243 to one. It fell somewhat during the mid 1950's when the money supply was permitted to grow at an abnormally low rate but had recovered to .234 to one by the end of 1963. It remained at this level through the end of 1966 and then jumped to .270 to one at the end of 1967. This, of course, was a rather unusual year characterized by very high growth in bank deposits and a comparatively slack demand for business and consumer loans.

If we assume that commercial banks will continue to maintain a fairly stable balance between loans and municipals, it will not be possible for municipal bondholdings to grow very much more rapidly than the total money supply. Some extra growth, amounting to about one percentage point per year, may be possible, however, if cash outside banks remains fairly stable and banks continue to hold U.S. government securities constant at about 60 billion dollars. If one percent is added to five percent growth in the money supply and then multiplied by the 56 billion in municipals that banks are estimated to have held at the end of 1968 we obtain an implied willingness on the part of commercial banks to absorb only 3.4 billion of new municipals in 1969.

If households can be induced to absorb about two billion of municipals and other in-

Footnotes at end of article.

stitutions one billion this would mean a total volume of new municipal financing which might be as low as six and one-half billion dollars. States and local governments, in other words, may have to either cut back capital expenditures by about three and one-half billion dollars from the 10 billion level of 1967 and early 1968 or else find new markets for a rather large volume of municipal securities.

While some cutback in public facility financing may be inevitable, considering the recent trend toward fiscal conservatism at all levels of government, it doesn't seem likely that 6.5 billion of new financing will come close to meeting existent needs for new facilities. In the compendium on *State and Local Public Facility Needs and Financing* which was published by the Joint Economic Committee in December 1966 it was projected that the supply of net new issues of state and local government obligations would increase from about 9.3 billion in 1969—a figure which was exceeded by nearly one billion in 1967—and then grow to about 11.3 billion by 1975.

The JEC projections are really quite low in comparison to other estimates of public facility needs. In a recent speech before the Investment Bankers Association, Stanley Surrey, Assistant Secretary of the Treasury under the Johnson Administration, suggested that:

"The growth of new programs especially Federally aided ones, the increasing reliance on debt service grants to shift Federal debt to State and local debt, and exploding replacement needs could increase the annual net growth in State and local debt from the present \$9 to \$10 billion to as high as \$30 billion a year in 10 years. This would represent a rate of growth twice as high as the rate of growth of the savings supply."²

Uneasiness about the demand for municipal bonds has been manifest both within and outside government for several years. Some have argued that tax-free bonds are an inefficient subsidy to state and local governments and that tax exemption should be replaced by a more efficient direct subsidy,³ such as that proposed by Lawrence Seltzer in 1941.

The Seltzer proposal would have the Federal government pay state and local governments some fixed proportion of their annual interest payments if they issued taxable bonds.⁴ At least two versions of the Seltzer plan were incorporated into bills presented to the Second Session of the 90th Congress.

The Proxmire Bill, S. 3170, would create a non-profit corporation to guarantee taxable municipal bonds and authorize interest reduction grants up to one-third the annual interest charge payable each year on taxable state and local securities.

The second bill, S. 3206, was sponsored by the Administration to meet its commitment under the Federal Water Pollution Control Act without adding to the budgetary deficit. If states and localities would agree to issue taxable municipal bonds, this bill would have committed the Federal Government to pay the principal and interest on the Federal share, provide a guarantee for the non-Federal share and give states and municipalities an interest subsidy so the net effective interest rate would be reasonably comparable to rates on tax-exempt bonds.

Senate bill 3206 was attacked by Governor Rockefeller of New York and other representatives of state and local governments during the hearings on water pollution facilities on the grounds that the Treasury would be the big gainer and that the program would be an opening wedge "to abolish the tax-exempt authority of State and local government bonds."⁵

While the intent to do away with tax exemption was vigorously denied by the Administration,⁶ it was no doubt one of the

factors which helped to sabotage the principle of direct interest subsidies for pollution control programs. That this principle could be proposed and then discussed in public hearings is an encouraging step forward, however. A relevant question is whether we might not be able to achieve the same objective without creating formidable opposition on the part of state and local governments.

One alternative which has been suggested by Professor Donald Reeb and myself, would be to amend section 14B of the Federal Reserve Act to permit that organization to hold state and local debt as well as obligations of the U.S. government. The Federal Reserve now holds about 50 billion in government debt which is not needed to manage the money supply and could be sold to improve the market for municipal bonds.

We have estimated that the interest savings to state and local governments and the added tax revenues to the U.S. Treasury would eventually amount to more than half a billion dollars per year if the Federal Reserve Act was amended and if the Board of Governors of the Federal Reserve adopted a policy of broad participation in the market for state and local bonds.⁷ Mobilizing the resources of the Federal Reserve to help solve state and local problems would be in keeping with a more general policy of using the resources and procurements of the Department of Defense and other federal agencies to attack social problems.⁸

A similar but slightly different proposal for improving the market for municipal bonds has been prepared by the President's Task Force on Suburban Problems. They have recommended that the Federal government create an Urban Development Bank with powers to issue up to 25 billion in taxable bonds to be guaranteed by the Federal government.⁹ The proceeds from the bond issues would be used to buy state and local government obligations at subsidized rates. It is assumed that the extra tax revenues received by the Treasury on the taxable bonds of the "Urbanbank" would be more than sufficient to compensate for the direct interest subsidy to state and local governments.

A rather different approach to the problem of improving the market for state and local bonds might take the form of innovations proposed by Sidney Horner in his paper on "Factors Determining Municipal Bond Yields":

High bracket private investors do not ordinarily command a large enough new money flow to play a major role in the \$6-\$7 billion municipal market, but the army of medium bracket individuals do command vast and growing sums. Much of it is today flowing into institutions. Savings accounts are very convenient to such people while security purchase programs are mysterious and cumbersome and seem risky. New techniques, such as tax-exempt common trust funds or tax exempt mutual funds (if managed funds were legalized), could ultimately divert a vital \$2 billion or more a year into municipals.¹⁰

One of the main difficulties with Horner's proposal is the lack of an active secondary market for state and local securities.¹¹ Many offerings are held to maturity and never traded in the open market. An inactive secondary market makes it difficult to clearly define the market value of a portfolio of municipal bonds at any point in time. If the SEC can be persuaded to accept an econometric approach to placing a fair and reasonable value on non traded municipals, Horner's proposals would deserve very serious consideration.

Another approach for broadening the market for tax exempt state and local government obligations would be for state governments to emulate the federal government in setting up a non profit corporation to issue

state savings bonds in the same denominations and on the same terms—except for somewhat lower interest rates—as Series E Savings Bonds. The proceeds could be re-invested in securities of state agencies and local governments. The demand for these bonds could probably be increased by permitting individual buyers to choose, within limits, the kinds of securities that would be purchased with the proceeds.

Amounts of state savings bonds up to, say, \$10,000 per person, might be guaranteed by the state or insured through the Federal Deposit Insurance Corporations. Municipal bonds are not very risky. A search of primary sources of default records reveals only four instances in which cities or counties failed to pay interest when due in the post war period.¹² Most, if not all, of these defaults were eventually corrected without loss to bond holders.

SUMMARY

The very high interest rates that state and local governments are now forced to pay to provide financing for public facilities is symptomatic of a marketing mechanism that is now inadequate to meet the needs of society. That improvements can be made in the market for municipal securities is strongly suggested by the large number of imaginative proposals which have been advanced to resolve the impending crisis. The interesting question, it seems to me, is not whether the new administration will be forced to adopt innovations in this area, but which alternative will be considered the most acceptable way for a Republican Administration to maintain an adequate level of private financing for state and local facilities.

FOOTNOTES

¹ These calculations are based on the flow of funds reported in the *Federal Reserve Bulletin*. Data for the period from 1946-65 have been summarized in U.S. Congress, Joint Economic Committee, *State and Local Public Facility Needs and Financing*, Vol. 2, p. 40.

² Remarks before the fifth municipal conference of the Investment Bankers Association, Roosevelt Hotel, New Orleans, Louisiana, September 27, 1968.

³ If income taxes are progressive and if the volume of bonds is too large to be absorbed by persons in the highest tax bracket, tax exempt rates must be raised enough to attract capital from persons in lower brackets, giving bond holders with higher incomes a windfall gain. Most estimates suggest that the interest saving to state and local governments in the postwar period has been less than two thirds of the revenue loss to the Federal government. See David Ott and Allan Meltzer, *Federal Tax Treatment of State and Local Securities* (Washington: The Brookings Institution, 1963), p. 15.

⁴ National Tax Association, *Proceedings* (1941), p. 195.

⁵ U.S. Congress, Subcommittee on Air and Water Pollution of the Committee on Public Works, United States Senate, Ninetieth Congress, Second Session, *Hearings on S. 2525 and S. 3206*, Part 2, p. 509 and p. 542.

⁶ *Ibid.*, p. 548.

⁷ Donald Reeb and Edward Renshaw, "A Costless Public Policy: Shared Revenues from State-Local Bonds," an unpublished research paper that is now being circulated for review.

⁸ See the recent statement by Secretary of Defense Clark Clifford as reported in the *New York Times*, September 27, 1968, p. 1.

⁹ This proposal is discussed in the *Washington Post*, Tuesday, December 24, 1968.

¹⁰ *Public Facility Financing*, op. cit., p. 285.

¹¹ Roland I. Robison, *Postwar Market for State and Local Government Securities*, (Princeton, N.J.: Princeton University Press, 1960), Chapter 5, p. 144.

¹² *Public Facility Financing*, op. cit., pp. 244-45.

ONE CRIME REMEDY: PREVENTIVE DETENTION

HON. CHESTER L. MIZE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. MIZE, Mr. Speaker, on February 5, 1969, I introduced legislation perfecting the Bail Reform Act of 1966. This legislation and similar proposals have been the subject of considerable editorial comment in the national press.

While support of preventive detention in noncapital cases has not been universal, there has been substantial support from responsible commentators on conditions of crime in the Nation's Capital.

I contend that preventive detention in noncapital Federal cases, if properly administered, will safeguard the public while guaranteeing due process to those accused of serious crime.

Because of the widespread interest in crime control, and because perfection of the Bail Reform Act of 1966 is crucial to the full implementation of President Nixon's program for crime control in Washington, I insert a recent editorial from the Washington Sunday Star in the RECORD at this point:

ONE CRIME REMEDY: PREVENTIVE DETENTION

The evidence which has been built up over the past several months makes an overwhelming case for preventive detention—giving federal judges discretionary authority to keep dangerous criminals off the street.

President Nixon called for this in his recent crime message, pointing out that many persons are now being arrested "two, three, even seven times" while free on bond and awaiting trial. Legislation to modify the "bail reform" act of 1966 has been offered in the House and the Senate. Many witnesses appearing in recent days before Senator Ervin's Subcommittee on Constitutional Rights have stressed the urgent need for prompt and effective action in this area.

This view, of course, is not shared by everyone. There are some who say it would be unconstitutional to deny bail to an accused criminal between the time of his arrest or indictment and his trial. Others complain that such a practice would run counter to our traditional presumption of innocence. Their arguments, we think, are flimsy.

What the controversy really comes down to is whether law-abiding citizens are entitled to the maximum protection against crime and criminals which Congress can give them. Of course they are.

No one pretends that preventive detention is the whole answer to the crime problem. Obviously it is not. But it is part of the answer. Nor should anyone suppose that an equitable formula for denial of bail in the public interest will be easy to devise. The criteria by which a judge would determine whether a particular suspect should be denied bail on the ground that his release would endanger the public will be difficult to establish. But they can be established. It will also be necessary to fix a time period, perhaps 60 days, in which an accused man must be brought to trial or released unless excessive delay in trial resulted from dilatory motions filed in his behalf. Perhaps there should be provision for an immediate appeal from denial of bail. Thought should be given to granting money compensation to a person held without bail and subsequently found not guilty. Other difficulties will suggest themselves. But the solutions can—and must—be found.

The argument that denial of bail would be unconstitutional is based on the Eighth Amendment, which forbids "excessive" bail or fines, and "cruel and unusual punishments." But as Senator Byrd of West Virginia pointed out in his excellent statement to the Ervin subcommittee, the very same Congress which promulgated the Eighth Amendment in 1789 also enacted in that year a law regulating bail. That law stipulated that bail "shall" be granted in criminal cases "except where the punishment may be death." In a death-penalty case the statute reserved the decision on granting bail to the discretion of a judge.

Senator Byrd went on to point out, however, that in 1789, when this first bail statute was adopted, "practically all of the more serious crimes carried the death penalty." In this category of crimes, for which there was no right to bail, were such offenses as murder, robbery, stealing a ship or even counterfeiting a United States security.

Where in all this can one find support for the argument that the Constitution requires that bail be granted? Did the Congress of 1789, which promulgated the Eighth Amendment and also the Fifth Amendment, which is sometimes cited, not understand what it was doing when in the same year it passed the bail statute? It may be worth noting that the Supreme Court, in 1952, said this: "The Eighth Amendment has not prevented Congress from defining the classes of cases in which bail shall be allowed in this country. Thus, in criminal cases bail is not compulsory where the punishment may be death."

It is true that Congress in 1892, a century after the first bail act, revised the law to substantially reduce the number of offenses for which the death penalty could be imposed. It is also true that the 1892 Congress, whether from oversight or for whatever reason, did not simultaneously change the bail act.

But what are the sensible conclusions to be drawn from this? If it wanted to do so in order to deny bail, Congress could reinstate the death penalty for robbery or counterfeiting. Surely no one in his right mind would advocate this. And there is no need to do so. For it is quite clear, or so it seems to us, that this matter of a "right" to bail is not a constitutional question, but rather one of statutory law. Congress has always had and still has the authority to prescribe the circumstances under which bail may or may not be granted. If this is not correct, then it is unconstitutional to deny bail in a first-degree murder case. Very few people would argue that this is so.

What about the presumption of innocence? This is fundamental in our system of justice. But it is not a constitutional doctrine. It is, in essence, a rule of evidence which becomes operative at the time of trial. To some degree denial of bail may be said to collide with this presumption. But the same collision is there in the denial of bail in murder cases, for in a murder case the presumption of innocence also prevails.

Is there a need in this Capital City, not to mention other federal jurisdictions, for preventive detention? The need, we think, is especially imperative here, where all violent crimes are covered by federal law—a situation which does not prevail in the states.

Generally speaking, judges under the 1966 bail act can consider but two things in deciding whether to grant or refuse bail. One has to do with the suspect's community ties. The other is whether he can be expected to show up for his trial.

How has this worked in practice? A Star study of 67 arrests made for robberies of financial institutions last year showed that 22 percent of these suspects were out on bail when captured. But this does not give the full picture. Many such robberies last year did not result in arrests, and an unknown

number of those robbers may also have been out on bail. Let's take the case of Larry Duke Perkins. A police study in fiscal 1967 showed that Perkins was arrested four times that year for robbery or attempted robbery, and released each time on bail. When money bail was required, his mother mortgaged her home to raise the cash. In October of last year 46 members of two grand juries who had heard more than 500 cases issued a strong appeal for revision of the 1966 bail act. These grand jurors, 36 of whom were black, said they were "shocked day after day" to hear cases in which dangerous criminals were free on bond. Eddie M. Harrison's case illustrates the point. After his fourth conviction for first-degree murder he was released by order of a panel of the Court of Appeals on personal bond, which means no actual bond, pending his fourth appeal.

One could go on and on—an increase in robberies for example, of 207 percent in the 2½-year period from fiscal 1966 to calendar 1968. This appalling increase in crime, much of it due to heroin addicts walking the streets when they should be in jail or confined for treatment, is intolerable. Revision of the bail act to permit judges to detain suspects who, on their past records, would be a menace to the community if released, would not be a cure-all. But it would help—and this city needs all the help it can get. We hope Congress will act on this matter this year, and let the Supreme Court settle the constitutional question—if there really is one.

A BILL TO AMEND THE TAX LAWS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. BOB WILSON, Mr. Speaker, at this time of year we are all acutely aware of our financial obligations to Uncle Sam and I am today reintroducing legislation to correct a serious inequity in our tax structure. My bill would amend the present tax laws to extend the "head of household" benefits to all unremarried widows and widowers and to all individuals who have attained age 35 and who have never been married or who have been separated or divorced for 1 year or more.

Today the single person bears an unfair burden of our Nation's tax load. In reviewing the tax structure I find that Congress in 1948 legalized "income splitting" for married couples who filed joint returns and then 3 years later, in 1951, enacted a "head of household" provision which granted tax relief to single, divorced, or widowed individuals who supported one or more dependents. Quite frankly, the present laws affecting single, widowed, or divorced individuals with no dependents are quite unrealistic in view of the demands and expenses of present-day living requirements.

According to a study by Joseph A. Pechman, director of economic studies for the Brookings Institution, who conducted the first comprehensive study of the tax system since the tax reduction and reform bill of 1964, the income tax law discriminates heavily against single persons. The present joint return system for married couples assumes, according to Mr. Pechman, "that it costs twice as much for two persons to live as it does

for one. This is not so—studies of family budgets indicate that it costs about three-fourths as much for one person to live as it does for two."

Looking at the problem realistically, the expenses incurred by the adult person alone are not too very different from those incurred by a family or household head with dependents. For example, the single person must also provide housing, furniture, home maintenance, food, insurance, et cetera, just as the family does. It costs no less for him to live, yet he bears an unfair burden of the tax load. To be more specific, the tax differential in income levels between \$6,000 and \$12,000 for single persons and heads of households ranges from \$70 to \$290. One point which emphasizes the need for this legislation is the fact that of the 18 million single persons in the United States 35 and over, 13 million are women. Maintenance of decent and safe living accommodations for them is a must.

For these reasons, I am today reintroducing this bill which I feel is timely in view of the fact that our esteemed colleague, the chairman of the House Ways and Means Committee, is opening hearings tomorrow on tax reform legislation.

DON'T WASTE BRAINS

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. FULTON of Pennsylvania. Mr. Speaker, it is a pleasure to place in the RECORD today an excellent editorial entitled "Don't Waste Brains" written by Mr. John Troan, editor of the Pittsburgh Press newspaper.

It is certainly necessary to broaden the opportunities for higher education in our Nation today, and I believe that this editorial raises many of the discussion points relevant to determining our national policy of how new changes should be accomplished:

DON'T WASTE BRAINS, BUT DON'T SAP COLLEGES, EITHER

(By John Troan)

No one can deny there is a scarcity of Negro students in our colleges.

I mean: If you take into account the number of Negroes there are in America, those who go on to college are pitifully few.

This is bad for black people in particular. And I believe it is bad also for America in general.

For I am convinced this country is overlooking a lot of good black brainpower, a lot of fine black talent. And in a world where the champions of freedom (that includes us, of course) are outnumbered to begin with, we should exert every effort to make up in quality what we lack in quantity.

The problem is to ferret out this hidden talent in our midst and to cultivate it. But how to accomplish this is the real hang-up.

In the first place, it isn't as simple as some student militants insist to find blacks who can qualify for college admission.

I'm not saying this is the fault of the blacks. More likely, it is the fault of the system.

TOUGH QUESTIONS

Because they live in substandard neighborhoods, most blacks wind up going to substandard schools. That makes it difficult,

even impossible, to get the kind of schooling needed to get into college.

There are some who say we should lower college admission requirements for such students. But even if this should become public policy, nagging questions remain:

How much should the standards be lowered? Should they be lowered only for blacks, or for whites too? (After all, a lot of white students get such poor schooling they can't meet current college requirements either.)

How many sub-standard students should a college admit? And how can a college justify turning away applicants with higher credentials to make room for less-qualified people?

These are questions which challenge the mind and churn the soul. For they evoke no quick or easy answers, except among the misinformed.

GUARANTEE DIPLOMAS?

Even if a satisfactory way should be found to open up all colleges to so-called disadvantaged students (whatever their race), a serious question would remain: How many could make the grade?

Special tutoring undoubtedly would help some. But there's a limit to tutors and the money to pay for them.

Of course, we could simply guarantee a diploma to everyone who enters college. That's what some militants in Baltimore are demanding—assurance that every black student admitted to medical school will get his MD degree.

But this is utter nonsense. Even those promoting such fall-safe foolishness wouldn't want to be treated by legalized quacks masquerading as doctors.

Let us, by all means, broaden the opportunities for higher education in America. But let us not transform our colleges from educational institutions to diploma mills. For then nobody's diploma would be worth more than a counterfeit bill.

THE ORGANIZATION FOR THE DEFENSE OF FOUR FREEDOMS FOR THE UKRAINE, INC.

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. BROYHILL of Virginia. Mr. Speaker, during the recent campaign I was approached by a constituent, Mr. Volodymyr Y. Mayewsky, 2111 Jefferson Davis Highway, a constituent of mine, with a request that I include a copy of a letter he wrote to the editors of 75 national newspapers, protesting the activities of the Russians in Czechoslovakia. Mr. Mayewsky is chairman of the Organization for the Defense of Four Freedoms for the Ukraine, Inc.

As I have the fullest sympathy for Mr. Mayewsky's views and for the determined effort his fine organization has made to publicize the plight of the millions living under Soviet domination, I am pleased to include the full text of his letter to the Washington Evening Star at this point in the RECORD:

ORGANIZATION FOR THE DEFENSE OF FOUR FREEDOMS FOR UKRAINIANS, INC.

Washington, D.C., August 27, 1968.
The Editor, THE EVENING STAR,
c/o Mr. NEWBOLD NOYES, Jr.,
Washington, D.C.

DEAR SIR: The Public is aghast at the treacherous aggression of the Russian Communist Empire against sovereign and inde-

pendent Czechoslovakia. This Russian aggression is a flagrant violation of the United Nations charter, the terms of the Warsaw Treaty and all accepted standards of international behavior. By this act, Russia stands guilty before the world of a brutal crime not only against the Czech and Slovak people but against all of humanity.

The tragic events in Czechoslovakia have proved once again that we can never trust the Russians. Russian historical imperialistic interests and not social improvement of the human lot are the primary goals of the communist dictators in the Kremlin. Russia never abandoned her centuries-old imperialistic conquest of other countries and the idea to rule the world.

One should be aware that the members of the U.S.S.R. except for Russia are all subjugated nations. Those subjugated nations are waging a relentless heroic struggle to free themselves from Russian Communist oppression.

Most of the American newsmedia, including The Evening Star responded properly to the act of aggression. We fully agree with the position that this Russian imperialistic aggression should be condemned in the United Nations forum and in every other conceivable forum. World public opinion has already voiced its condemnation of this aggression.

Although condemnation of this act of Russian aggression carries with it great moral weight, it alone provides no solution. The U.S. and all the nations of the Free World should pursue a policy of liberation of Czechoslovakia, Hungary, Ukraine and other captive nations in Eastern Europe and other parts of the world. The World half-free and half-slave cannot survive. Until the last vestige of tyranny is erased from Eastern Europe and wherever else it may exist there can be no peace.

Sincerely,

VOLODYMYR Y. MAYEWSKY,
Chairman.

VOTING PRIVILEGES FOR 18-YEAR-OLDS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. FASCELL. Mr. Speaker, I am today reintroducing legislation which I sponsored in the 90th Congress that would extend the right to vote to all citizens 18 years old or older. I join the many other Members in proposing an amendment to our Constitution which reads:

No citizen of the United States who is eighteen years of age or older shall be denied the right to vote by reason of age.

Today, more than ever before, our youth deserves the right to vote. They are undoubtedly better equipped than before to exercise responsibly the voting privilege. The average 18-year-old has just completed high school studies in American history and civics. In 47 of our 50 States, courses in American government, comparative government, the political process, American history, and related subjects are required of each high school graduate. Thus, an 18-year-old, just out of high school, is well informed and eager to join in the political process. He is prime for civic responsibility, yet by refusing him the vote, we pull the rug from beneath his feet and leave him suspended for 3 years.

There are several concrete arguments in favor of extending the voting privilege

to 18-year-olds. Besides their outstanding scholastic training, many young men are now called on to serve their country in the Armed Forces at age 18. While opponents of my proposal contend there is no correlation between the qualities needed to vote intelligently and those requisite to fighting, I feel that both assume a sense of duty and responsibility.

In addition, young people are legally able to sign job contracts and are required to pay property and income taxes at 18. The ability to assume these legal responsibilities indicates to me the ability to assume the responsibilities of the voting privilege.

Besides these important factors, I feel there is one very important element which I have not emphasized sufficiently, and which was brought out to me just this weekend. Yesterday I had the privilege of speaking at the dedication of a teen center in Key West, Fla. While there I met many fine young people—teenagers keenly interested in my ideas and positions regarding some of the toughest issues before us today. Their questions showed amazing insight into these critical issues—and their own responses to these problems displayed a fresh, new approach, and an urgent, enthusiasm for righting the difficult problems which trouble us all so very much. I have always had a great deal of faith in our young people, but I was again amazed at the depth of their concern and their insight. They urgently desire to have the right to participate in our Government, and we can no longer deny them that right.

Mr. Speaker, I hope that the concerted efforts of all Members who favor lowering the voting age together with the hard work and new ideas of the recently established Youth Franchise Coalition will result in favorable action on this proposal during the 91st Congress, and call on all of our colleagues to work toward that end.

LITHUANIAN INDEPENDENCE DAY

HON. THOMAS J. MESKILL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. MESKILL. Mr. Speaker, February 16 is the day that commemorates the 51st anniversary of the independence of Lithuania. I ask my colleagues to join with me in paying tribute to a people whose courage in the face of great adversity has remained strong and vital—an example for all the peoples of the world.

We in the United States often take our freedom for granted. We forget that not all people throughout the world enjoy the rights and privileges of a free and open society. On a day such as this, we realize that only a minority of the world's population lives under the rule of governments that permit freedom of thought, speech, and expression.

The people of Lithuania, who have throughout their history struggled for these very freedoms, have continually suffered from the cruel repression of one oppressor after another.

It was on February 16, 1918, that Lithuania declared her independence, a goal for which her people had been striving throughout long periods of domination by both Russians and Germans.

As an independent nation Lithuania flourished. Developments were made in agriculture and a comprehensive program of land reform was instituted, shaping Lithuania into a nation of small farmers. During this period industrialization progressed and great strides were made in social legislation. Lithuania began to develop a culture of her own supported by great achievements in music, opera, and literature. This truly was Lithuania's "golden age."

Sadly, though, independence was shortlived as Lithuania fell under the sword of the Russian Army during the Second World War. Declared a constituent republic of the Soviet Union on August 3, 1940, Lithuania was subjected to Nazi rule 10 months later. German occupation augured in a policy of colonization and execution. When the tide turned against the Germans, Lithuania was not to return to independence. Soviet domination followed as the Russian Army again marched West. By the end of 1944, all of Lithuania had fallen prey to the Soviets.

The borders of Lithuania were subsequently sealed and have remained sealed. Those who successfully fled from their native country to seek freedom in a new land report a total absence of freedom and the imposition of totalitarian rule in their mother country. The Lithuania of today is a product of aggression and tyranny wrought upon a small nation by a superpower bent on world domination.

The enslavement of these noble people is a black mark on the history of the world. Today Lithuanians continue to resist domination and alien rule. We here in the United States reassert the right of these people to govern themselves—to again be free and independent. The United States has never recognized the incorporation of Lithuania into the Soviet Union.

As former Secretary of State, Dean Rusk, said in 1967:

United States support of the Lithuanian people's just aspirations for freedom and independence is reflected clearly in our refusal to recognize the forcible incorporation of your country into the Soviet Union and in the warm sympathy manifested by the American people in the Lithuanian cause.

In continuing to look resolutely toward a free and independent existence, the Lithuanian people both here and abroad have established a firm foundation for the hope of free men everywhere that the goal of Lithuanian national self-determination will ultimately be realized.

It is this eternal hope and courage of a people dedicated to the pursuit of freedom that we pay tribute to today.

FROM A MILITARY RETIREE'S POINT OF VIEW

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. DOWNING. Mr. Speaker, on February 4, I introduced a bill in behalf of our military retirees which would amend title 10 of the United States Code to equalize the retirement pay of members of the uniformed services of equal rank and years of service. I have been very interested in rectifying this inequity for some time and I have been conferring with several members of the Retired Officers Association. Comdr. Justus P. White, Coast Guard, retired, recently sent me a copy of his article entitled, "From a Military Retiree's Point of View" which will appear in the January issue of the Coast Guard Academy Alumni Bulletin and in the March issue of the Retired Officer magazine. I am also attaching the article for insertion in the CONGRESSIONAL RECORD.

FROM A MILITARY RETIREES POINT OF VIEW

Persons who entered the uniformed services prior to June 1, 1958 have suffered a serious loss of earned retired pay due to the action of Congress in precipitously suspending the favorable system existing prior to that time and later substituting a less satisfactory system.

At that time and for almost a hundred years before then the U.S. Code contained specific provisions entitling uniformed services personnel to retired pay based upon current active duty rates.

Although such persons had no signed contract with the U.S. Government promising them that this system would be continued after their service was completed, there was certainly a moral obligation on the part of the Government not to reduce the benefit after it was earned.

The more than 500,000 retired career personnel, both regular and reserve, who had served in two World Wars, Korea, and Vietnam, believed that the Government would continue to honor that obligation by preserving their entitlement to those rights and benefits earned under existing law during their active service. Faith in that belief was strengthened by repeated governmental statements concerning the matter.

In 1806, in the case of United States vs. Heth, (7 US 399, 2L. Ed. 479), the Supreme Court stated:

"While it is true that pay is subject to the will of Congress, the presumption is where a person performs service under the prospect of certain emoluments, it is in the interest of the Government to engender a confidence in the minds of its citizens which leaves no room for distrust. . ."

The Military Retirement System was initiated by Congress during the Civil War. It was at this time that the basic principle of keeping retired pay geared to current active duty pay schedules was established. This basic principle apparently was not seriously challenged by successive Congresses until passage of the Joint Services Pay Act of 1922, which denied to those retired prior to the effective date of the Act the right to recompute their retired pay on the basis of the new schedules. The 69th Congress, in passing Public Law 204 in 1926, corrected this injustice and the Senate report, S-364, 69th Congress, contained this statement:

"The 1922 legislation deprives all officers retired prior to that date of said benefits, thereby violating the basic law under which these officers gained their retirement rights. There is no justice in two pay schedules for equal merit and equal service."

In January 1931, a Joint Congressional Committee, after reviewing the overall Military Compensation System, stated in Senate Document 259, 71st Congress, 3rd session:

"The pay of any person on the retired list should be based on the pay of persons of like grade on the active list."

On June 16, 1942, the 77th Congress, in passing Public Law 607, recognized the provisions of existing law relative to computing retired pay when it stated in Section 15 thereof:

"On and after the effective date of this Act, retired officers * * * shall have their retired pay * * * computed as now authorized by law on the basis of pay provided in this Act."

In 1946, in passing Public Law 474, the Congress again adhered to the existing law by permitting those already retired to participate in the new pay schedules.

Career members of the uniformed services, regular and reserve, active and retired, had their faith in the dependability of their earned retirement rights further strengthened in 1949 when the Advisory Commission on Service Pay (The Hook Commission) recommended that the Congress continue to uphold the basic principle of keeping retired pay geared to current active duty pay schedules. The recommendations of this Commission were accepted by the Congress when it enacted Public Law 351 in October 1949. Section 511 of this law reads in part:

"Retired pay shall be computed on the monthly basic pay * * * which such member would be entitled to receive if serving on active duty in such grade."

In 1952 and again in 1955, Congress enacted legislation increasing the pay of the active services and, in each of these laws, continued the time-honored principle of equating retired pay to current active duty pay.

In 1957, the Cordiner Committee, which, like the Hook Commission, had been formed to study the military compensation system concluded:

"* * * that the incentive value of the existing military retirement system depends to a major degree upon its integral relationship with active duty compensation and the confidence which has been built up in the military body that no breach of faith or breach of retirement contract has ever been permitted by Congress and the American people."

"The uniformity of compensation thus achieved is considered appropriate and the inclusion of retired personnel within the new compensation system is considered by the Committee to be a mandatory and essential feature, fully in consonance with the long-established principle that retired compensation must always remain closely related to current active duty pay."

Obviously, the recommendations of the Cordiner Committee fell on deaf ears when the Congress, in enacting Public Law 85-422 on May 20, 1958, chose to ignore these recommendations by denying to those already retired, the right to have their retired pay recomputed on the basis of the active duty pay scales authorized by that law. Such action was taken notwithstanding the fact that existing law (10 USC 1401) clearly provided that "retired pay would be computed at rates applicable on date of retirement and adjusted to reflect later changes in applicable permanent rates."

The reaction was immediate and the national conscience was thoroughly aroused. Hopes ran high, and with good reason, that this injustice would be corrected forthwith. Fifteen State Legislative bodies passed memorializing Resolutions urging Congress to enact remedial legislation; over forty mem-

bers of the House of Representatives and thirty-one Senators introduced bills designed to correct this tragic mistake; dozens of news papers and magazines from coast to coast carried editorials calling upon the Congress to meet its moral obligations. On May 12, 1960, the House of Representatives without a dissenting vote, passed H.R. 11318, which would have restored the historic principles prescribed in Title 10 USC 1401. However, in spite of this overwhelming expression of public opinion, the Senate Armed Services Committee refused to hold hearings on the House passed bill and permitted it to die upon adjournment of the 86th Congress without giving the Senate an opportunity to debate the bill.

It is interesting to note that when the Pay Act of 1958 was enacted, no reference was made to Section 1401, although that is the Section which provided the statutory authority to compute retired pay on active duty rates. Further, in the hearing before the Senate Armed Services Committee on June 7, 1962, Senator Smith of Maine questioned Secretary McNamara relative to the provisions of existing law as it applied to computing retired pay and the Secretary replied:

"I don't recall that the law stated that retired pay would remain a constant, or would continue to have a constant relationship to active duty pay as active duty pay changed subsequent to retirement. I understood that was a practice rather than an action required by law."

Senator Smith requested that this point be checked and the Committee be provided with an appropriate statement. The information subsequently submitted by Secretary McNamara to the Committee established emphatically that authority for recomputation of pay by retired officers in the past had been based on clear provisions of law rather than on mere practice.

The distressing point of this exchange is that it occurred four years after passage of Public Law 85-422, which denied the benefits of Section 1401 to retirees, and the evidence is clear that the Secretary of Defense did not know what it provided. Also, one cannot help wondering how many of the seventeen Senators on this important Committee were fully aware of this important and vital Section of Title 10.

On October 2, 1963, Congress took the final step in destroying the century old

tradition of computing compensation for military retirees. By this time there was a general awareness of the existence and contents of Section 1401 and Congress, in passing P.L. 88-132, specifically repealed that Section. In lieu of the law under which these military retirees had earned their retirement rights, this new Act provided that all retirees would have their retired pay adjusted in the future in accordance with a formula based on the illusive Consumer Price Index. A determined group, ably led by the Honorable L. Mendel Rivers, finally convinced Congress that a gross injustice had been visited upon those persons who had retired prior to June 1, 1958, and had been denied an increase based upon the pay scales authorized by P.L. 85-422. Belatedly, they were authorized the raise that they should have received in 1958.

One of the most tragic consequences of the new system is that merit and length of service are no longer primary factors in determining the compensation a retiree will receive during the inactive phase of his career. On the contrary, it has now become a matter of when the individual was born and how successful he was in manipulating a favorable retirement date. During the brief span of time since June 1, 1958 seven different categories of retirees of equal merit and equal service have been developed. For example, an O-6 (Captain or Colonel) with over 30 years of service retiring on September 1, 1968 receives \$198.84 more per month than his brother officer of the same rank and length of service who retired prior to June 1, 1958.

Millions of words, both spoken and written, have been addressed to this subject during the past ten years in an effort to justify the abrogation by the Government of its moral responsibility. And yet, the hard core fact remains that those members of the Uniformed Services who entered upon their careers prior to June 1, 1958 performed their service under a legally guaranteed formula whereby their retired pay would be determined as a percentage of current active duty pay and the actions of Congress in passing Public Laws 85-422 and 88-132 reduced the guaranteed benefits after they had been fully or partly earned. The fact that such rights are not legally enforceable cannot in any way mitigate the moral responsibility of the Government to provide compensation to retirees in accordance with the laws in effect when the compensation was earned.

MILITARY RETIRED PAY—AMOUNTS OF RETIRED PAY DRAWN BY RETIREES WITH 24 YEARS OF SERVICE, AS AFFECTED BY DATE OF RETIREMENT

	Retired between—						Retired after July 1, 1968
	Retired before June 1, 1958	June 1, 1958, and Mar. 31, 1963	Apr. 1, 1963, and Aug. 31, 1964	Sept. 1, 1964, and Aug. 30, 1965	Sept. 1, 1965, and June 30, 1966	July 1, 1966, and June 30, 1968	
Major.....	\$433	\$446	\$500	\$512	\$520	\$536	\$562
E-7.....	240	248	270	276	294	303	318

The differential in dollars and percentage in each grade between the oldest and youngest group is:

Major, \$129 or 29.7 percent.
Sergeant (pay grade E-7) \$78 or 32.5 percent.

BILL INTRODUCED BY MR. DELANEY TO INCREASE INDIVIDUAL TAX EXEMPTION TO \$1,200

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. DELANEY. Mr. Speaker, many of us have long been urging a comprehensive review of our tax structure to remove

a number of inequities which force our lower- and middle-income families to carry a disproportionate share of the tax burden. Therefore, I am glad to note that the distinguished chairman of the Ways and Means Committee, the Honorable WILBUR MILLS, has announced early hearings on tax reform, with the eventual hope of revising the entire tax structure.

Certainly one of the most unrealistic aspects of this situation is the \$600 personal exemption which was adopted in 1948, and today I am offering a bill to increase the individual exemption to \$1,200.

At the time the present exemption was adopted the median family income, according to the Bureau of Census, was \$3,031. Under these circumstances, each

\$600 deduction represented 20 percent of a family's yearly income. However, today the most recent census statistics place the median family income at \$8,017, which means the current \$600 exemption amounts to only 7.5 percent of the average family income.

While it is true that today's family has greater income than it did in 1948, much of this difference has been the result of the devastating forces of inflation which have increased the cost of living by nearly 40 percent in the last 20 years.

While there are differing views on the purpose of a tax exemption, a common belief is that the deduction should allow the taxpayer sufficient tax-free money to care for the basic needs of his family. This point is emphasized in a 1947 Treasury Department report relative to the purpose of tax exemptions, which states:

It is to be regarded as essential to exempt amounts required to maintain the individual and his family in health and efficiency.

Based on this policy, the present \$600 exemption does not come near covering the modest essential needs of our families today. The Department of Labor informs me that the most recent statistics, which cover the year 1966, show that the money needed for a family of four to live in modest comfort is \$9,283 per year. In this connection, it should be noted that in 1939 the exemption for a single person was \$1,000, and \$2,500 for a married couple without children.

The realities of the above statistics clearly demonstrate that a more realistic tax deduction is needed to reduce the awesome tax burden borne by our low- and middle-income families.

EIGHTEEN-YEAR-OLD VOTE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. FRASER. Mr. Speaker, support continues to grow for proposals to lower the voting age to 18. This is one of the issues being considered by the Minnesota State Legislature. As the following Minnesota poll, published in a recent Minneapolis Tribune, indicates, a majority of Minnesotans—nearly six out of 10—favors the idea:

FIFTY-EIGHT PERCENT FAVOR VOTE AT AGE 18
Minnesotans continue to support lowering the voting age to 18.

In the latest statewide sampling of opinion by The Minneapolis Tribune's Minnesota poll, nearly 6 out of 10 adults state residents (58 per cent) said voting should begin at age 18, instead of 21.

"Young people know as much at age 18 as they do at 21," a Marshall County housewife commented.

Of the balanced cross section of 598 men and women interviewed earlier this month, 40 per cent were opposed to giving 18, 19 and 20-year-olds the right to vote in Minnesota.

"When I think of the way kids are acting on campuses these days, I certainly don't think they should have the vote," a 36-year-old Grant county woman said.

Findings in the current survey are consistent with other recent Minnesota Poll

surveys. But only five years ago, there was a strong vein of opposition to lowering the voting age. That trend of opposition went back 20 years.

The comparison:

	[In percent]			
	May 1964	February 1967	October 1968	Current survey
Favor voting age at 18 years.....	43	59	56	58
Oppose.....	56	38	41	40
Noncommittal.....	1	3	3	2
Total.....	100	100	100	100

Gov. Harold LeVander has endorsed bills which have been introduced in both houses of the Minnesota Legislature calling for a constitutional amendment to lower the voting age from 21 to 18.

If the measure passed at this session of the Legislature, Minnesotans would consider the amendment at the polls in 1970 and, if approved, the change would take effect for the 1972 general election.

This is the question asked of state residents:

"Do you think Minnesota should or should not allow persons 18, 19 and 20 years-old to vote?"

Young persons and older state residents differ markedly on the issue, independent voters are more inclined to support the change than are either Democratic-Farmer Laborites or Republicans:

	[In percent]		
	Favor 18 year voting	Oppose	Noncommittal
All State residents.....	58	40	2
21 to 29 years old.....	68	31	1
60 years and older.....	44	53	3
DFL'ers.....	55	43	2
Republicans.....	54	43	3
Independents.....	67	30	3

Not all of those who opposed 18-year-old voting are against lowering the voting age. "It seems to me that 18 is a bit young but 20 years would be all right," a retired Minneapolis janitor said.

THE 51ST ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF LITHUANIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. DERWINSKI. Mr. Speaker, yesterday we commemorated the 51st anniversary of the Declaration of Independence of Lithuania, that brave nation which has suffered under Russian control for so many years but whose people have never ceased to strive for freedom.

On February 16, 1918, after 123 years of occupation by czarist Russian forces, the Lithuanian people declared their independence and instituted a democratic republic which flourished for 22 years before they were again cruelly oppressed by the Communists and Lithuania was made part of the Soviet Union.

Mr. Speaker, we in the Congress should take positive action to show the courageous people of Lithuania that we support their longing for independence. I

have again this session introduced a resolution requesting the President of the United States to instruct our Ambassador to the United Nations to place the Baltic States question on the U.N. agenda and to have the United Nations request the Soviets to withdraw their troops and controls from Lithuania, Latvia, and Estonia. This resolution would also call upon the U.N. to conduct and supervise free elections in these three Baltic nations so that the historic principle of self-determination of peoples would be legitimately applied there. I urge that this resolution be acted upon during this session.

We must take practical steps, Mr. Speaker, on behalf of the oppressed people of Lithuania. Neither the Voice of America nor Radio Free Europe is doing an effective job of broadcasting behind the Iron Curtain. With the evidence before us in Czechoslovakia of the determination of the tyrants in Moscow not to permit freedom to develop behind the Iron Curtain, we should recognize the futility of a coexistence with international communism. The brave people of Lithuania recognize that they must continue to maintain their unique historic cultural background despite the efforts of the Soviet regime to Russify the people of the Baltic States.

By commemorating the independence of Lithuania, we demonstrate our continuing efforts for the ultimate restoration of freedom to their land and to the other captives of communism.

HUNGER IN AMERICA

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. TIERNAN. Mr. Speaker, I know that many of my colleagues share my concern over the problem of hunger throughout the world. I feel too, however that many of us have been lulled into a false sense of complacency with regard to the proportions of this problem right here in America.

That this Nation, the wealthiest and most powerful the world has ever known, should have hundreds, indeed thousands, of its citizens living at or near the starvation level in 1969 is truly unacceptable.

Yesterday the New York Times began a most penetrating investigation of this crucial problem. Entitled "Hunger in America", the Times and its veteran correspondent Homer Bigart have taken the wraps off of a situation that many Americans will find to be incredulous. I urge all of my colleagues to read the first two installments of this series and I will insert the subsequent articles as they appear.

HUNGER IN AMERICA: STARK DEPRIVATION

HAUNTS A LAND OF PLENTY—I

(By Homer Bigart)

BLUFFTON, S.C.—Hunger is a noun that means, among other things, a compelling desire for food, a nagging emptiness of stomach and guts. Persons old enough to remember the Great Depression may recall go-

ing hungry, but today it is a sensation generally reserved for those mired in poverty.

Chronic hunger seems so remote in this bounteous land that reports of extreme malnutrition among Negroes in the rural South, among migrant farm workers, among Mexican-Americans and reservation Indians have been down as exaggerations and lies, the observers frequently assailed as charlatans or do-gooders who would sap the initiative of the hungry poor of expanding "giveaway" Federal food programs or even conspiring for adoption of a guaranteed minimum wage.

Here in Beaufort County, Donald E. Gatch, an intense youthful-looking country doctor, had been shunned by the white community by insisting that hunger is a daily fact of life among the black families of this mossy tidewater.

He began losing his white patients two years ago after he charged publicly that he had seen children dying of starvation, that most black children of his area were infested with worms, and that families were living in hovels worse than the pigsties of his native Nebraska.

The Beaufort Gazette accused him of "running his mouth." Every other doctor in the country signed a statement deploring his "unsubstantiated allegations," contending that the "rare cases of infant malnutrition" that came to their attention were invariably due to "parental inexperience, indifference or gross neglect." And the County Health Office, Dr. H. Parker Jones, said he had "never seen a case of starvation or extreme malnutrition."

Ostracized by the staff of Beaufort County Memorial Hospital, annoyed by threatening telephone calls, boycotted by white patients, Dr. Gatch closed his Beaufort office, sold his home and moved with his British-born wife and two young sons back to Bluffton (pop. 356), where he had started his practice 10 years ago.

One chilly, overcast day at the tag end of January Dr. Gatch consented to take a visitor on a tour of Negro shanties near Bluffton.

LIKE A MISSIONARY OUTPOST

The doctor, who sometimes appears disconsolate and withdrawn, peered glumly at the scene through horn-rimmed spectacles that kept sliding down his nose. From the clay road the weathered shanties, woodsmoke curling from the chimneys, looked quite charming. But Dr. Gatch, in his low tired voice, spoke only of the overcrowding, the filth and the smell of poverty within.

The Gatches had taken over a group of summer cottages on the bank of a tidal creek, living in one, using another for frequent guests (nutritionists and sociologists from all over are coming to see him) and hoping to convert a third into a clinic. (The doctor maintains a large, well-equipped office in the center of the village.)

The Gatch compound, shaded by live oaks decked in Spanish moss, had the quiet, mournful isolation of a missionary outpost in central Africa. The African connection was further strengthened when Dr. Gatch remarked that he had treated several children for kwashiorkor, a disease generally thought to exist only in underdeveloped countries.

Kwashiorkor is a Ghanaian word meaning literally "the disease that takes the child after it leaves the mother's breast." It is a disease of extreme protein deficiency, a starvation often brought on by a mother's inability to breast-feed an infant.

Down a dirt road Dr. Gatch paused at the decaying stoop of a family named Kinnard. Silent children with skinny legs sat listlessly on floors and beds. Fifteen people lived in the shack, Dr. Gatch said, and there was no privy.

COMFORTABLE WHILE STILL

He went directly to a young woman who was holding a crying, seven-month-old baby girl. He had examined the baby before, he said, and had detected symptoms of both

kwashiorkor and scurvy. He remarked how the baby's hair had thinned, how the hairline had receded about an inch, and how the hair color had changed from black to dirty gray. These were the stigmata of kwashiorkor, he said.

He took the infant girl from the mother's arms and placed her on a sofa. The baby kept her matchstick legs drawn up and raised her arms until the tiny hands were bent close to her head. Then she stopped crying.

"As long as the baby is completely still, she's comfortable," Dr. Gatch said, "but pick her up and she'll start crying again."

He noted the extreme dryness of the skin, the absence of subcutaneous tissue. He said the baby's diet was so deficient in iron that her hemoglobin count was "half of what it should be."

The baby's mother had been out of work since December. Dr. Gatch said the infant was now getting some baby formula food. It would probably live, he said, but he feared it had suffered irreversible damage through growth retardation of bones and brain cells.

As he left, Dr. Gatch noticed a 3-year-old girl sitting on the stoop, staring vacantly at the brown fields. Her legs and face were bloated by edematous swellings, the result probably of Vitamin A deficiency, the physician said, the same deficiency was impairing her vision.

"There's just no excuse for rickets in this country," complained Dr. Gatch as he drove to another shack, hunting this time a whole family that he claimed was rachitic, a mother and five children.

Rickets is a disease of infancy and childhood resulting from a deficiency of Vitamin D and characterized by soft, deformed bones. The rachitic family was not at home, but Dr. Gatch found them on the stoop of a neighboring house.

ALL HAVE MISSHAPEN LEGS

The victims had gotten some relief and were now on a proper diet, Dr. Gatch said. All had misshapen legs. The mother, who seemed stout and cheerful, was very bow-legged; her children were either bowlegged or knock-kneed. Dr. Gatch commented that the legs of the three older children seemed to have straightened somewhat, but the twisted spindly legs of the two youngest remained badly deformed.

Milk is the main source of Vitamin D, Dr. Gatch noted, and the family might never have been blighted with rickets if fortified milk had been available to them.

But the Government's food donation programs for the domestic poor did not provide fortified dry milk until the end of 1968. Dr. Gatch might have been angrier had he known that since 1965, at the insistence of the United States Public Health Service, the Department of Agriculture had been shipping dry milk enriched by Vitamins A and D to American aid programs overseas.

The three-year gap during which fortified milk was sent overseas while being denied to the poor at home came to light last month in testimony before the Senate Select Committee on Nutrition and Human Needs.

Dr. Gatch stopped at an abandoned country store. Inside, two bedridden old ladies had found terminal shelter. One of them, crippled by rheumatoid arthritis, had been rescued from a mouldering shack where the bedding stank of urine and feces. The other was afflicted by Wernicke Syndrome, which Dr. Gatch said was characterized by loss of memory and confabulation (filling in a memory gap by falsifications that the patient accepts as correct).

DIET OF RICE AND GRITS

Dr. Gatch said he believed Wernicke Syndrome could have been induced by lack of thiamine, which is essential for growth, normal function of the nervous system and normal metabolism. Thiamine is found in liver, lean meat, eggs, whole grain or enriched cereal and cereal products. The old

ladies, Dr. Gatch suspected, had been eating little more than rice and grits.

Now they were on Medicare and presumably getting a better diet. The old store was spotlessly clean, neater than most nursing homes.

Dr. Gatch was asked if he had encountered pellagra, one of the more dreaded of the dietary deficiency diseases. This disease, caused mainly by a deficiency of niacin, but also of thiamine, riboflavin, folic acid and other essential nutrients, is marked in its late stages by the classical four D's: dermatitis, diarrhea, dementia and death.

Dr. Gatch said it was not even rare. He produced an old man of about 70 who, he said, had pellagra symptoms including hyperpigmentation of elbows and knees. There the flesh had thickened and roughened until it felt like sandpaper.

How many pellagra victims had he seen? "I would guess 150 to 200 cases," Dr. Gatch replied.

Deaths by starvation, deaths by any of the diseases of malnutrition, were never counted, he said. Too many death certificates simply read "natural causes," Dr. Gatch said, and he intended to campaign for postmortems in those cases.

Over the years Dr. Gatch became convinced that there was close correlation between malnutrition and intestinal parasites. Most of the undernourished children he examined were wormy. Many Negro shacks, he observed, had no privies; people relieved themselves in the fields and woods. Children treated for worms quickly became reinfested by stepping on feces that contained the eggs of parasites.

"If you have 100 or 200 of these foot-long roundworms in your belly they're going to take a lot of food," he said. "They migrate to the stomach and actually get the food before the child does."

Some notion of the extent of infestation in the Negro children of Beaufort County was given a few days later. A study of 178 Negro preschool children showed that nearly three of every four had intestinal parasites either ascaris (roundworm) or trichuris (whipworm) or both.

"Fantastic," said Dr. James P. Carter, nutritionist of the Vanderbilt University School of Medicine, who participated in the survey. "Parasitism in Beaufort County ranks with some Central American countries and with Egypt."

In Nashville, Dr. Carter said the nutritional status of the 178 children was "in most cases inadequate and in all instances minimal." He said that by minimal he meant that the children had a low margin of safety, particularly from pneumonia and diarrhea.

The survey, financed by the Field Foundation, was conducted by researchers from the University of South Carolina, the Meharry Medical College, in Nashville, and Vanderbilt University.

The results were considered so shocking that some even suggested that the data be withheld from general publication. Many white Southerners feel that poverty conditions among the rural blacks have been exploited by civil rights zealots.

Dr. E. John Lease, nutritionist of the University of South Carolina, was among those who feared that the report, if given wide publicity, would anger the white Establishment and perhaps wreck the chances of cooperation on remedial projects.

Dr. Lease wrote to his collaborators suggesting that the distribution of data be restricted and that "none of the work coming from the University of South Carolina should be published or mentioned on radio or television as the results of the university or any of its staff members."

Later, Dr. Lease apparently had a change of heart, for the material was released to the press in Columbia, S.C.

There were other indications that the establishment now wanted the situation exposed. On Jan. 31, to the astonishment and

gratification of Dr. Gatch, Senator Ernest F. Hollings, the former Governor, turned up in Bluffton and made the hunger tour.

FEDERAL DELAYS CHARGED

The Senator saw a near-starving baby, a reputed pellagrin, a rachitic child and another child said to be recovering from scurvy. Deeply impressed, Senator Hollings said he would der--and an end to "Federal roadblocks and redtape," which, he said were frustrating local efforts to help the poor.

The local state Senator, James M. Waddell, also blamed the "Feds." He charged that the Office of Economic Opportunity had refused to fund a project that included privies for the poor.

"We can send a man to the moon," he cried on the floor of the South Carolina Senate, "but we can't build an outhouse."

Senator Hollings plans to testify next week before the Senate Select Committee on Nutrition and Human Needs.

The committee, headed by Senator George McGovern, Democrat of South Dakota, and dominated by liberals, had been planning field trips to suspected areas of hunger in a dozen states.

However last week the Senate Rules Committee, dominated by conservatives, slashed the select committee's \$250,000 budget request by \$100,000. Senator Jacob K. Javits of New York, minority leader of the select committee, said he intended to carry the fight for the full appropriation to the Senate floor. But if the cut remains, the committee will have to curtail its travel plans, visiting perhaps only five or six states.

It means that the committee members will not see Beaufort County.

They still plan to visit the camps of migrant farm workers, like those in Immokalee, Fla., where life seems even more degrading than in the shacks of Beaufort County.

HUNGER IN AMERICA: POVERTY LEAVES MIGRANTS PREY TO DISEASE—II (By Homer Bigart)

IMMOKALEE, FLA.—Ten miles southwest of here, strung out like garbage along the edge of a cypress swamp, is Smith's Camp, a gathering place for some of the migrant farm workers who flock here in winter to pick the vegetable crops.

It consists of a dozen or more windowless plywood shacks, all without toilets or running water, all painted a dull green and all facing a dark slough choked with bottles and trash.

Some distance away there are three smaller shacks, two of them privies, the third a cold-water shower. None shows signs of recent use. Few migrants are hardy enough to take cold showers out of doors in the dead of winter, even in Florida, and the latrines are unspeakably filthy, seats and floors smeared with dried defecation. So the people use the woods.

A spigot planted in the ground provides water for the shacks. But the 20 or 30 migrants who live here say the water is foul smelling and foul tasting. The only apparent amenity is the naked electric light bulb hanging from the ceiling of each shack.

Such a place is Smith's Camp, its condition of poverty far removed from the show affluence of nearby Gulf Coast resorts and its people, during frequent periods of unemployment, vulnerable targets for hunger and disease. A Senate committee investigating hunger will be in the area March 10.

GATHERED IN CANTEN

On a recent Saturday, a visitor found most of the camp's adult population assembled in the canteen. The migrants had just been paid, apparently, and several men and women were finding release from the surrounding squalor by getting themselves suddenly drunk.

One woman, still sober enough to talk, said that in good times she made as much as \$60 for six days work in the fields, picking beans and peppers, but now work was slack because cold weather had retarded the crops.

"We've got to pay \$10 a week for these huts," she said. "Last week the water was up so high we had to wade to the door. I never would've left Carolina, but they told us the rent was free."

Someone had skinned a possum in front of one of the shacks, then left the meat for the flies. The cadaver of another skinned animal floated in the slough.

A man who introduced himself as "Hobo Bob" reeled out of the canteen and proudly produced an old photo that showed him with a wine bottle in one hand and a pistol in the other, a cigarette dangling from his lips creased in a grin. He said he was sending the photo to a cousin in South Carolina, to show the relative what a happy life migrants could lead.

"That's Hobo Bob," he laughed, patting the photo.

Retrieving a cardboard box from his shack, Hobo Bob offered visitors some cold grits mixed with beans and fatback.

Smith's Camp is one of 60 or 70 accommodations for migrants around Immokalee. Other camps seem less appalling in physical appearance but hold a greater potential for human degradation and misery because they swarm with children.

UNEMPLOYMENT HEAVY

Albert Lee, an energetic young Negro who heads the local antipoverty project, the Community Civic Workers, said it was a bad season for migrants, with heavy unemployment.

Immokalee, a town of 3,000 near the northern edge of the Everglades, normally has a midwinter population of 12,000 migrants, he said, but now there were only about 10,000. Many who normally wintered in Immokalee had gone to Texas instead.

Immokalee is in Collier County. Many well-to-do retired people live in Naples, the county's biggest community, and this element, plus the big farm owners, have insured a highly conservative county government.

The county has a long history of snubbing Federal aid, even during the Depression era, and in recent years the county commissioners have stoutly rejected the food distribution programs of the Department of Agriculture.

Today Collier County offers neither direct food distribution nor the food stamp program. Migrants who run out of money here are out of luck.

How do they keep alive Mr. Lee was asked. He said he had received on Christmas Eve \$500 from the Office of Economic Opportunity. The instructions were that the money could be distributed only for emergency food.

PINCHING AND PINCHING

"Now I've got a few dollars left," he said, "but I've been pinching and pinching and pinching."

He explained how he made the money last. He was doling out \$1 a day per person to the most desperately hungry, then cutting them off after 14 days.

"That's it," he said. "After 14 days if they can't get handouts from the neighbors they don't eat."

Two young lawyers from the O.E.O.-financed South Florida Migrant Legal Services Program, T. Michael Foster and William F. Dow 3d, said that their organization had been trying for years to get Federal food sent into Collier County.

Last summer Mr. Foster wrote to the then Secretary of Agriculture, Orville L. Freeman, telling of hunger and malnutrition in the labor camps, reporting the refusal of Collier County to participate, like most Florida counties, in making food surpluses available to the poor, and pleading for intervention.

ATTITUDE OF COUNTY AIDES

Washington did nothing. Congress had authorized the O.E.O. to take over the distribution of food in the poorest counties,

which, for one reason or another, were not participating. But Collier County was not poor enough to qualify; the median annual family income, thanks to the wealthy Gulf Coast resorts, was \$4,673 a year.

"I've seen hunger in Immokalee as bad as in Latin America," said Mr. Dow, a graduate of Yale and Columbia, "yet the Collier County commissioners always say the problem doesn't exist, that the county always looks after its own 'worthy poor'."

Observers noted that the rural admonition, "root hog, or die," seemed to express the commission's attitude toward migrants. They recalled that at a hearing last August Vice Chairman A. C. Hancock warned: "There are those sitting with their hands out waiting to be fed, and that's a situation we won't go for."

Other officials expressed the fear that if migrants were given food they would not work. Others thought that free food would drive the corner grocery into bankruptcy.

Immokalee, which calls itself the "water-melon capital of America," is a flat, sprawling, dusty town where people of different colors, black, brown, red and white, live in strict residential segregation. Smith's Camp, out in the swamp, is all black, but there are several other Negro camps inside the town.

These are in "The Quarters," an area that contains not only the Negroes but "Utopian," of concrete-block huts occupied by Mexican-Americans. Outside "The Quarters," scattered around the rest of the town, are camps for white migrants. A few score Seminole Indians live in grass huts on the eastern edge of the community.

RENT OF \$10 TO \$20 A WEEK

Most of the camps are clusters of wooden shanties, concrete huts, trailers. Rents range from \$10 to \$20 a week, plus utilities. Flush toilets are a rarity, most camps providing a communal latrine. Regardless of the color of the occupants, the camps appear universally mean and squalid.

Mrs. Angela Spencer, 38, and two small palled children occupied a trailer in one of the white camps.

"I was lucky enough to get three days work this week," she said.

She said she had been averaging two and one-half days of work a week, earning \$25, out of which she had to pay a baby sitter \$3. The rent was \$15. That left \$7 for food and all other expenses. She owed \$19 in back rent, she said, and \$100 in doctor's bills.

There was a platter of green beans and hominy on the stove. Clouds of flies wheeled about. The refrigerator was empty except for three sticks of margarine, a partly empty bottle of milk and a box of powdered milk.

She had been helped from Albert Lee's meager allotment of cash, as had Mrs. Caroline Conner, an attractive blonde who lived in another white camp and was 10 days out of the hospital after delivering a baby girl. Her husband had abandoned her.

"We were real desperate," Mrs. Conner said of herself and the baby. "If it weren't for my friends, I wouldn't have been able to make it."

LIKES MICHIGAN BEST

Mrs. Conner said she had been migrating from Florida to the Great Lakes and back for the last four years, following the spring strawberry crop to northern Florida, then Arkansas, Illinois and Michigan; picking Michigan's blueberries, peaches and grapes during late summer and early fall, then going back to Immokalee for winter tomatoes, peppers and "cukes," or cucumbers.

She liked Michigan best, she said, because migrants got free quarters there. In Immokalee her rent was \$20 a week, and she had just about run out of the money she had received from Albert Lee.

"Whether she feels well or not, she's gotta go to work," Mr. Lee said.

"I got to do something," Mrs. Conner agreed.

Down in The Quarters, an elderly black named James Kelley and his yellow dog, Lady, found a way to beat the rent. A tolerant crew leader had let them take over an old abandoned bus.

Mr. Kelley, a diabetic whose fingers were gnarled and disfigured, was wearing two pairs of pants against the cold. An unvented oil heater had been installed near the front of the bus, and he had to keep a window open to avoid suffocation from the fumes.

He and Lady slept on piles of rags near the rear, where there was a little cookstove. The only food visible was a pan of fatback and some pieces of fish heavily salted for preservation. Mr. Kelley said he had not worked in eight months, but he seemed happy. He had just received \$7 from Mr. Lee.

TEN CHILDREN IN HUT

In a black camp near Mr. Kelley's bus, Mrs. Pauline Milton and 10 children were crammed into a two-bedroom-and-kitchen hut.

"Me and two of the little ones sleep in this bed," said Mrs. Milton, "and there are two beds in the other room and one in the kitchen for the rest."

She had worked two days that week, earning \$11.05 each day, and paying \$2 a day for baby sitters.

"I couldn't afford to give them breakfast," she said, surveying the hungry brood, "but we had boiled beans, rice and potatoes for lunch, and I'll give them the same for supper."

Mrs. Milton is one of the comparatively few migrants eligible for county welfare, for she has lived in Immokalee for seven years. She said she had applied, but had been told that her application would take 30 to 45 days to process.

Of all the ethnic groups, the Mexican-Americans probably suffered most during times of hunger, Mr. Dow said, as he drove past "Utopian Homes." Some of the Mexicans had tried to alleviate the bleakness by planting flowers around the huts.

"Mexicans are proud," Mr. Dow explained, "and feel they are violating cultural mores if they ask for help."

Mr. Foster said that the Florida State Board of Health had denied the existence of widespread malnutrition in Collier County.

PARASITIC INFECTION CITED

"People are hungry, no one can quibble about that," he insisted. "And there is a tremendously high incidence of parasitic infection."

Last March the state health board issued a report saying that a team of doctors had "closely observed" some migrant children at play or in schools and clinics and that "none had gross signs of malnutrition."

The report said that pellagra, a severe dietary deficiency disease, had been noted but only in "known chronic alcoholics."

In riposte, friends of the migrants released next day the results of clinical examinations of 23 migrant farm children of Immokalee by the Variety Children's Hospital of Miami.

The sampling uncovered 38 clinical diseases in the 23 children, ranging from pneumonia to worms.

The hospital's executive director, Gerald W. Frawley, described the findings as "rather incredible... a most extraordinary morbidity rate" and concluded: "The migrant population must be about the most underprivileged in the nation, at least in terms of medical attention."

In a few weeks Collier County will feel the spotlight of national publicity. The Senate Select Committee on Nutrition and Human Needs is making this county its first stop on a tour of suspected hunger areas.

The committee is seeking information on the failure of the Federal food programs to reach millions of poor Americans.

CRIME IN THE 13TH CONGRESSIONAL DISTRICT, BROOKLYN, N.Y.

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. PODELL. Mr. Speaker, during the first 8 months of 1968 the people in the 13th Congressional District, Brooklyn, were the victims of a total of 15,213 major crimes in the categories used by the FBI Crime Index.

The following table sets forth the monthly incidence of crime in this district:

January	1,775
February	1,630
March	1,797
April	1,901
May	1,960
June	2,115
July	2,050
August	1,985
Total	15,213

AUGUST 1968 STATISTICS

Precinct	Murder, non-negligent manslaughter	Forcible rape	Robbery	Assault	Burglary	Larceny, \$50 and over	Motor vehicle thefts	Total
60	0	1	18	42	131	118	53	363
61	1	2	9	12	138	290	194	646
66	0	1	4	24	113	83	54	279
67	0	3	12	11	97	112	50	285
70	0	3	13	12	117	141	226	412
Total	1	10	56	101	596	744	477	1,985

CUMULATIVE STATISTICS, JANUARY TO AUGUST 1968

Precinct	Murder, non-negligent manslaughter	Forcible rape	Robbery	Assault	Burglary	Larceny, \$50 and over	Motor vehicle thefts	Total
60	5	12	146	317	1,020	802	455	2,757
61	4	5	99	102	1,319	1,798	1,523	4,850
66	4	3	60	79	797	593	598	2,134
67	0	4	101	81	795	764	501	2,246
70	2	8	98	75	1,147	1,036	860	3,226
Total	15	32	504	654	5,078	4,993	3,937	15,213

CONSUMER AFFAIRS SUBCOMMITTEE TO OPEN HEARINGS ON UNIFORM CONSUMER CODE

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. PATMAN. Mr. Speaker, tomorrow—February 18—the Consumer Affairs Subcommittee of the House Banking and Currency Committee opens hearings on the so-called Uniform Consumer Credit Code and its effect on the Federal Consumer Credit Protection Act passed in the last Congress.

These hearings have been called by our distinguished colleague from Missouri, Mrs. LEONOR K. SULLIVAN, as chairman of the subcommittee.

Mr. Speaker, this will be one of the

During these 8 months, our district was victimized by 5,078 burglaries, 4,993 larcenies of \$50 and over, and by 3,937 motor vehicle thefts. The cumulative total of crimes in the district shows that our people are exposed to more than 60 major crimes every day.

The Crime Index trend for August and for the first 8 months of 1968 shows:

	August 1968	1st 8 months 1968
Crimes against the person:		
Murder and nonnegligent manslaughter	1	15
Forcible rape	10	32
Robbery	56	504
Assault	101	654
Total, crimes against the person	168	1,205
Crimes against property:		
Burglary	596	5,078
Larceny, \$50 and over	744	4,993
Motor vehicle thefts	477	3,937
Total, crimes against property	1,817	14,008

The following tables show the criminal statistics for the 13th Congressional District for August and for the first 8 months of 1968:

most important issues to face the American consumer in 1969. Through this uniform code, attempts are being made to wipe out the hard-earned advances made for the consumer in the Consumer Credit Protection Act—truth-in-lending.

Among other things, this code, which is being pushed in 48 of the 50 State legislatures this year, would raise interest rates on small loans and installment purchases to 36 percent. At the same time it would allow interest charges of 24 percent on revolving credit, which is most commonly used by the large department stores.

Mr. Speaker, consumer groups all over the Nation are opposing this Uniform Consumer Credit Code. I place in the Record a news release recently issued by the Consumer Federation of America, detailing that organization's opposition to the code:

CONSUMER FEDERATION OF AMERICA

WASHINGTON D.C.—In messages to governors and legislative leaders in all 50 states, Consumer Federation of America today declared its "unalterable" opposition to the Uniform Consumer Credit Code.

The national Board of CFA voted its unqualified opposition last Friday night (January 31). Their resolution, a speech of Judge George Brunn of the Berkeley (Calif.) municipal court, and documents prepared for CFA by a special task force of lawyers were forwarded to state leaders today. Previously, CFA members only urged delay until consumers could study the Code's impact on consumers.

CFA is a federation of 136 consumer-oriented organizations in 37 states and the District of Columbia. Robert J. McEwen, S.J., is CFA president and a member of the President's Consumer Advisory Council.

Judge Brunn spoke at Consumer Assembly '69 here last week with members of CFA's legal task force, chaired by Benny Kass, serving as a resource panel. CFA attorneys who analyzed the Code are Edward Berlin and Anthony Rosman of the firm of Berlin, Rosman, and Kessler in Washington.

THE NATIONAL BOARD OF CONSUMER FEDERATION OF AMERICA RESOLUTION, JANUARY 31, 1969

The Consumer Federation of America Board is unalterably opposed to the Uniform Consumer Credit Code. We believe that the credit industry has used the formulation of a Uniform Consumer Credit Code to undermine the Federal Truth-in-Lending bill.

Consumer fought for eight years to get a meaningful Truth-in-Lending bill through Congress. We do not intend to see the benefits of Truth-in-Lending taken away by a state-by-state enactment of an anti-consumer Uniform Consumer Credit Code.

The Board instructs the Executive Director and the officers to give all possible assistance to the constituent state bodies in opposing the Code.

Mr. Speaker, I also place in the RECORD a copy of an editorial which appeared in the February 10 issue of the Washington Post, entitled: "A Code To Legalize Usury":

A CODE TO LEGALIZE USURY

Sometime before July, 48 of the 50 state legislatures will consider bills devised to write into law maximum interest rates of as much as 36 per cent for small loans and installment purchases and as high as 24 per cent for revolving charge accounts. The proposals are the object of heavy lobbying by bankers and small loan companies. But they are also beginning to raise eyebrows on Capitol Hill. Most recently, Rep. Wright Patman denounced them on the floor of the House as proposals to "legalize usury" and warned that if adopted they will codify "some of the highest interest rates ever imposed on the American consumer."

Mr. Patman is dead right. For what the financiers have done is to move quietly but effectively to subvert not only the intent of the truth-in-lending act passed last year by Congress, but to undermine many of the consumer protection statutes already on the books in most of the states. To do this, they have devised a neat legal gimmick called the Uniform Credit Code, which uses to their own advantage provisions in the truth-in-lending act itself.

Their gimmick is this: the new Federal law allows state law to supersede it in cases where the state law is at least as strong on truth in lending as the Federal act. The Federal law requires, among other things, that lenders and creditors disclose interest rates on credit. It does not, however, set ceilings on those rates. The monied interests have drafted language in their Code, therefore,

which carefully meets all the Federal disclosure standards, while at the same time setting outrageously high interest rates, and worse, removing a host of restrictions and responsibilities now imposed on the finance industry by law. The Code, in the guise of protecting the public from disreputable practices, is couched in language so obtuse, so unreadable, as to tax the skill of the keenest lawyer.

Some of the language in the proposed California Code, and like it the codes in the majority of the states, was unraveled into laymen's terms by Judge George Brunn of Berkeley in an address before the Consumer Assembly here last month:

Under present law, Judge Brunn said, small loan companies are scrupulously regulated and subject to suspension or revocation of their licenses for infractions of the law. The Code, however, says that such action can be taken only after "repeated and willful violations."

"Present law forbids the taking of realty as security," Judge Brunn pointed out, but the Code allows it in loans over \$1000. The meaning of this, of course, is that failure to repay a loan can result in the loss of one's home, an occurrence not uncommon to families in urban ghettos.

A partial list of other "protections" to the consumer reads as follows:

Present law forbids charges in addition to interest other than official fees and insurance. The Code would allow a host of other charges, including delinquency charges, deferral charges, and a vaguely worded loophole allowing "charges for other benefits . . . conferred on the debtor."

The present law provides for bonding; the Code does not.

Unlike present law, the Code does not prohibit the loan company from transacting business under a different name.

Unlike present law, there is no requirement to give the borrower a receipt for each payment.

Unlike present law, there is no prohibition against the use of incomplete instruments (blank contracts filled in after they are signed).

And so on and so forth. The catalogue of horrors is equally as long and as disreputable for credit sales. The worst feature of this sleazy attempt to subvert laws, of course, is that it will be the poor, upon whom the financiers can most easily prey, who will suffer the consequences.

This is an issue, therefore, which goes to the very heart of the cycle of poverty gripping inner city ghettos throughout the Nation, and the reaction of the states and the Congress to it will surely indicate whether those in authority intend to attack the problems of the cities with something other than rhetoric. Consumer protection laws are, if anything, in need of strengthening. If the Code proposed by the financiers is adopted in any of the states, however, the poor, and with them the interests of the public, will have suffered a major defeat.

IT'S NOT JUST THEIR LIFE—OTHERS ARE INVOLVED

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. WYMAN. Mr. Speaker, a student publication in a New Hampshire school, as reported editorially in the Manchester, N.H., Union-Leader on Wednesday, February 12, 1969, contends that the use of marihuana is up to the individual, as is the question of whether he wants to go

on to acid, and so forth. It includes the statement:

It's their life and their choice.

Here again, as with the nonnegotiable demands of the student demonstrators at San Francisco State and elsewhere, is a baldfaced untruth if society itself is established pro bono publico. The use of LSD or the equivalent is not a matter of personal free choice. It is against the law. It is even against the law to have it in possession much less manufacture it. The use of LSD makes a person dangerous to himself and dangerous to society both in the use and in the risk of reactivation at the most unpredictable times in the future, to say nothing of probable brain damage and certain genetic defects that can be transmitted to the as yet unborn or unconceived.

No society that calls itself civilized can afford to give to its citizens the individual right of choice as to the use of such substances. There is not nor should there be any such freedom of choice except in the sense that if an individual wishes to commit suicide and can find the means he has his decision.

Those adults who are party to this continued line of garbage with our young ought to be removed from any connection with the educational processes. This is a mission for local school boards across America. If I ever saw a cause that ought to become a crash program, this is it.

The Union-Leader editorial follows:

MARIHUANA BACKED AT MONADNOCK

Parents are not specifically accountable to the public for the quality of instruction they give their children.

However, the citizens of New Hampshire do have some say about the kind of guidance the young receive from the public servants (teachers) who take over this responsibility during most of the waking hours, 180 days a year. We wonder, sometimes, if the public is getting the wise supervision it is paying for.

Take, for example, the "Copper Moth," a high school publication of the Monadnock regional school. The teacher supervisor is listed as a Mrs. Sherman.

Literary wing-stretching is a good thing. No doubt about it. A certain amount of latitude is obviously indicated, else the teacher will find herself writing the whole thing. Yet, there are, or ought to be, boundaries. What appears in print, therefore, is not only youthful expression but also a reflection of the taste and good judgment of the "advisor."

It was on this last count that we were particularly interested in an unsigned editorial printed in the "Moth." It starts out rather importantly: "There is a growing phobia in this area about the use of marihuana. Most people feel that it is a dangerous, habit-forming drug that can only lead to worse things. For this reason, I chose to defend the drug."

In a later paragraph we read: "As far as marihuana leading to something else is concerned, it's all up to the individual. If he wants to go on to acid, S.T.P., or heroine, it's up to him; marihuana will not form the stepping stone. Most kids I speak to are content with grass and are afraid of anything stronger . . . But it's their life and their choice."

It's possible that the fledging author doesn't know that police records show most hard narcotics addicts do start with marihuana. He may not know, also, that a growing body of evidence points to the use of marihuana, hashish (a refined form of marihuana, barbiturates and narcotics among

teenagers as an important cause of youthful vandalism and violence. In a town in California, sixth graders were so hooked they were arranging robberies in each other's homes to get money for the stuff.

It's possible the writer didn't know these things but Mrs. Sherman ought to have known it.

To go on with the student editor's comments: Adults drink, he said, "because it gives them a good feeling. Grass is much the same, only it's much more defined. A tremendous feeling of detachment, like you're not really there; after you say something, you wonder if you really said it. Is this bad?"

Evidently teacher Sherman didn't think it was "bad" enough to supervise out of the script—or, that since what was being defended with curious enthusiasm is actually against federal law, the whole piece had no place in a student publication.

We doubt that even a raise in teachers salaries would improve this kind of supervision and judgment.

OFFICIAL PRAYERS THRILLING OCCASION

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. QUIE. Mr. Speaker, the presidential and congressional prayer breakfasts this year were very inspirational and set the proper tone for the coming year. They continued the practice set in President Nixon's Inauguration with its emphasis on prayer for guidance in leading the Nation through these very difficult days.

David Lawrence wrote a column containing some of the pertinent statements from these two services which appeared in the Washington Evening Star on January 31, 1969. I insert it in the RECORD at this point:

OFFICIAL PRAYERS THRILLING OCCASION (By David Lawrence)

For more than two hours yesterday morning, most of the persons who head up the government of the United States engaged in prayer. First there was a congressional prayer breakfast, at which members of both houses and their friends from different parts of the country were present. Then came the annual presidential prayer breakfast, attended by the Cabinet and members of Congress as well as the governors of several states.

President and Mrs. Nixon and Vice President and Mrs. Agnew were guests at both gatherings. Altogether, nearly 2,000 men and women attended the two functions. It was the largest number to participate in an annual presidential prayer breakfast, which now have been held for 17 years.

Nixon, in his talk, said that recently he had studied the Inaugural Addresses of all preceding presidents, and he pointed out that one theme was common to every one of them. Each President, he declared, "recognized the spiritual heritage of this nation and asked for the blessing of God on this country—in not only its affairs at home, but its affairs abroad."

Nixon said he also found one theme running through the majority of the letters he had been able to read among the thousands which have come to the White House from all over the country since Inauguration day. He commented:

"In these days in which religion is not supposed to be fashionable in many quarters, in

these days when skepticism and even agnosticism seems to be on the upturn, over half of all the letters that have come into our office have indicated that people of all faiths and of all nations in a very simple way are saying:

"We are praying for you Mr. President. We are praying for this country. We are praying for the leadership that this nation may be able to provide for this world."

"As I read those letters, I realized how great was my responsibility and how great was your responsibility, those who share with me these days in government. I realize that people whom we will never meet have this deep religious faith which has run through the destiny of this land from the beginning....

"I am proud to stand here today in the presence of those who, by your being here, indicate that you have not lost faith in this nation. You have not lost faith in the religious background that has sustained us.

"As a matter of fact, we are entering a period when, sustained by that faith, we will be able to meet the challenge which is ours—a challenge which comes to very few people in the history of man. It is America's now. Whether we succeed or we fail will depend or determine whether peace and freedom survive on this world.

"We will meet the challenge... because we will be sustained and inspired by the prayers of millions of people across this world."

Vice President Agnew read a passage from the Bible. There were greetings from the Senate prayer breakfast group by Sen. John Stennis of Mississippi, and from the House prayer breakfast group by Rep. Graham Purcell of Texas, as well as prayers by Sen. Edmund Muskie of Maine and Sen. Mark Hatfield of Oregon.

Dr. Billy Graham, the evangelist, delivered a special message in which he emphasized that, while there is a tendency to be pessimistic about the future, America has dealt with difficult times before. He said:

"I think it is time that we take our eyes off our shortcomings, and off our failures and off our selves, and put them on the Christ who said, 'You must be born again.'"

Dr. Graham called for a new birth of spirit, a new birth of the heart, and a religious awakening throughout America.

It was a thrilling occasion. Not only were portions of the event televised in this country, but it was broadcast overseas to the Armed Forces of the United States in Vietnam and elsewhere. This emphasis on prayer is characteristic of the feeling of dedication that prevails in government nowadays, as the challenges of the era confront members of both parties with a responsibility of unprecedented proportions.

LITHUANIAN INDEPENDENCE

HON. WILLIAM L. ST. ONGE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. ST. ONGE. Mr. Speaker, February 16 marked the 51st anniversary of the declaration of independence of Lithuania. It is with sadness that we observe this occasion while the valiant people of the Lithuanian nation are still oppressed by the yoke of Russian imperialism.

It is hoped that the Soviet Union will come to realize that no nation can be denied its sovereignty, and no people will long tolerate the rejection of their right to self-determination. However, the

events of the past year in Czechoslovakia demonstrate that the Russians are still blind to the fundamental rights of men, and will not hesitate to employ authoritarian repression whenever the spirit of freedom stirs.

The Soviet Union continues its illegal occupation of the Lithuanian nation in direct violation of existing treaties and international law, and against the free will of the people. They have not been content to stop with this, but have engaged in an intensive program of russification designed to destroy the rich and centuries-old culture of the Lithuanian people.

The free world must not rest until the Soviets withdraw their army, police, and ruling apparatus from Lithuania, so the people of Lithuania may freely elect a government of their own choosing.

On this historic occasion, the most fitting commemoration we can offer to the brave citizens of Lithuania, the heroes who have died in quest of Lithuanian liberty, and the countless relatives and friends of Lithuania in the United States, is the reaffirmation that the cause of Lithuanian freedom has not been forgotten and the struggle for it will continue until won.

THE YOUTH REVOLUTION— A POSITIVE RESPONSE

HON. WILLIAM H. AYRES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. AYRES. Mr. Speaker, I know that every Member of the U.S. Congress' greatest concern is with the future welfare of our youth. Never in the history of any nation has there been a greater effort made to improve the education and training of young people.

The House Education and Labor Committee, of which I am privileged to be the ranking Republican member has sat in practically continuous session to bring an ever-improving educational system. The Federal participation in funds for this laudatory purpose has increased manifold in the last few years. Even this early in the session, Chairman PERKINS has been calling a great number of school superintendents before us so that we might learn the results of this legislation and seek improving amendments.

Despite our dedication to an all-out effort to make our education an avenue by which our youth might have a total chance of equality of opportunity, we have strife and riotous discord in many of our schools.

While it is undoubtedly true that some of this is caused by those enemies of our Nation who are working on the principle that "a house divided must fall," I do believe that much of it has been effected by a lack of communication. Some people have seen the term "generation gap" so often that both our young people and those of our generation have come to accept it.

I believe that we must challenge the charge of this so-called "generation gap"

and open up the channels of communications between us. We must know their viewpoints and they must understand our views and purposes. I am confident that if this rapport should be established that we would gradually see an end to the dominance of those who would teach violence as the only method of change.

Today there are over 7 million college students. In some schools, a minute group, by raising their strident voices to a great volume, has led us to believe that they are the voice of all youth. In many cases, they have disenfranchised the great majority of the student body and damaged the reputation of their universities to the extent that industry has lost confidence in its graduates.

I am of the belief that a presidential youth agency could best solve this problem. It should have a dual function to bring to us the suggested programs of the constructive-thinking students and keeping them informed of the strides that we are making to assist them.

I do know that President Nixon has a great concern for our youth. When he was a Member of this body, he devoted a great share of his energies to service on the Education and Labor Committee.

During the past campaign, he created a student coalition. At that time, he said:

The next President of the United States must create new machinery, new ways for these young people to participate in the major questions of the day. I believe that my Student Coalition could be helpful in this area.

Many times during that campaign and since taking office, President Nixon has mentioned the attention that his administration will pay to the "legitimate demands of the young people of America."

There are few people who have devoted more of their time and energies to this problem than John D. Rockefeller 3d. After graduating from college, he began working for an agency for homeless boys. Later he served as chairman of a committee devoted to salvaging juvenile delinquents. In recent years, he has spent much time in communication with our youth and is proof that the generation gap can be closed. I know that we could count on his valuable assistance in the establishment of a presidential youth agency.

Recently Mr. Rockefeller, while accepting the annual award of the Society of Man, made a very comprehensive speech about his findings on the subject. He only did this after months of preparation, traveling to various areas, and discussion with our young people.

These statements later appeared in the Saturday Review—a copy of which follows. I believe that my colleagues will derive a new knowledge of the subject from the words of this great public-service dedicated American. The material follows:

THE YOUTHFUL REVOLUTION: A POSITIVE RESPONSE

(By John D. Rockefeller 3d)

I am very much aware of the purposes and ideals of the Society for the Family of Man. And I am also very much aware of the most distinguished persons who have received your award in the past. For these reasons, I am deeply and humbly grateful for this honor.

There is of course a great deal of familial strife in the Family of Man. One of the strengths of this Society is a healthy sense of realism in its concern for complex human problems. There is recognition that merely uttering lofty ideals is not enough; one must confront the problems directly.

In this spirit, I would like to explore with you a problem that has special relevance to the concept of the Family of Man. For lack of a better term, it has been called the youth revolution. For some months past, I have been embarked on the adventure of trying to understand the world of the young. My trip was not fueled by LSD, but it had its psychedelic moments. I even attended a performance of "Hair"—and I enjoyed it, especially the music. In my encounters with student activists, I found that I have a chronological problem, being somewhat past the age of 30. And for some reason, they also tend to see me as a member of the Establishment.

Although I am sure the students went away thinking of me as more square than groovy, I did feel that we communicated well. When you are really interested in them, young people will not only talk—they will also listen. Similarly, I met with a number of older persons and found the discussions with them equally productive.

When I started on my trip, I assumed that I would end up by directing my remarks to the young. And I worried about this because I did not want to seem paternalistic or to preach. I need not have worried because I quickly came to the conclusion that my thoughts on this subject would be best addressed to that large minority group of persons over the age of 40, my fellow members of the older generation.

Today's youth revolution puzzles many of us. We wonder if it is really new and distinctively different. After all, there is nothing new about youthful idealism and youthful protest. Every generation has had its gap. But it seems to me unmistakably clear that we are experiencing something much more than the age-old rebelliousness of youth. The ferment of today is deep and intense. Although the activists are a minority of young people, it is a larger and more vocal minority than ever before. The youth revolt is a worldwide phenomenon, occurring not only in the United States, but in a dozen other countries such as France, Mexico, Japan and Czechoslovakia. There is a tenacity that was lacking in the past. Young people do not seem to be merely getting something out of their systems. Perhaps it is too early to tell, but I do not believe they will slip easily into the comforts of suburbia and the career, leaving behind their idealism and impulse for change.

How do we explain this phenomenon as it is occurring in the United States? There are many theories and no entirely satisfactory answers. The young people of today were born after the depression and under a nuclear shadow. In an age of affluence and potential Armageddon, they are less concerned about material security and more concerned about basic human values. They feel that time is running out on the great problems—war, racial injustice, poverty. They dislike the impersonalism of large organizations and of rapid technological change. Because of the influence of the mass media and the freedoms of our society young people today learn faster and mature earlier. They become quickly aware—and deeply resentful—of the differences between what older people say and what they do.

In short, the very accomplishments of our generation—in technology, communications, affluence—have served to focus the attention of the young on what we have failed to accomplish.

I want to confess frankly that when I started my inquiry, I was biased. My instincts told me that very much of what young people are doing and saying today basically

makes sense and is good. I found this to be even more true than I had thought.

At the same time I do not ignore the disturbing elements of the youth revolution. There are the far-left extremists who say that present society must be destroyed. Their challenge must be met. There are the truly alienated, the loners and drop-outs. They must be helped. There is the use of dangerous drugs. This must be stopped. Too often, while fighting for their beliefs, young people disregard the basic human values and rights which they are espousing. They frequently lack compassion. They are often contemptuous of those who do not fully agree with them. While crying out to be heard, they will shout down a speaker.

Yes, there is much to irritate and disturb the older generation. But I submit that we have let ourselves be distracted by the colorful fringes to the point where we miss the central meaning of today's youthful protest. I am convinced that not only is there tremendous vitality here, but there is also great potential for good if we can only understand and respond positively. I believe this becomes evident if we examine how the youth revolution is manifested in three of the basic institutions of our society.

There is, first of all, the legal framework of society and its attendant issues of violence, social protest, justice, and respect for the law. A major factor distinguishing the current revolt from the past is the skill of young people in the tactics of social protest. They act in ways that would have been hard to imagine for the rebels of my generation. They have learned well from the civil rights movement of the 1950s and the Vietnam protest of the 1960s.

Yet, for the most part young people attempt to work within normal channels to present their grievances and establish a dialogue. They have tried to work through the political system, with their support of Senator McCarthy as the best example. It is they who have made the Peace Corps, VISTA and the Teachers Corps more than slogans. Many young people are preparing for long-term efforts to change society. For example, the law students of today are concerned less about trusts and estates and corporate law and more about how just the laws are, how poor people and black people can get a better break before the law.

But even as the majority of young people work constructively for change, it remains a fact that severe provocation and even violence have increased as forms of social protest. The protestors are fired by their sense of moral righteousness. They feel they have learned from experience that it is necessary to be loud and demonstrative to get results. It is this behavior that compels attention and strikes fear for the very stability of American society.

The nature of our response is crucial, for it has everything to do with whether there will continue to be violence and whether violence will pay.

We must understand that social protest has an honorable history and has a rightful place in any enlightened society. We have only to remember that it was social protest that brought this nation into being.

At the same time we must recognize that respect for law and the maintenance of order are essential for the protection of everyone in our society. Young people—anyone—who break the law as a form of protest must be prepared to pay the penalty and hope for ultimate vindication.

But if we stop here we will have failed. The concept of law and order is meaningless without justice. We must be ready to re-examine our assumptions—and our laws. To do so, we must open channels of communication. We must have dialogue. If we do not—if we think the only answer is to suppress dissent—then the responsibility for violence hangs as heavily on us as it does on those who protest.

Many persons feel today that another of our fundamental institutions—the family—is in trouble. Much has been written and said about the permissive nature of the American family, which allegedly is responsible for many of the ills of today's youth. Yet criticism of American parents' "overpermissiveness" has been part of our society since the 17th century Puritans. In his penetrating study of our country early in the 19th century, De Tocqueville comments about the domination of youth and their lack of respect for their elders. Even the authoritarian Victorian age was beset with youthful rebellion.

The family provides a framework and a set of guidelines for a child's growth and development toward adulthood. It is the parents' responsibility to give the child love, freely and warmly shared, and discipline, fairly but firmly administered, which in turn means time, attention and interest devoted to the child. In this way, family life plays a major role in determining the stability of the child, and the depth and solidarity of his values.

I cannot stress too strongly my belief that children learn much more from what their parents do than from what they say. Many young people state that while their parents talk about love, integrity, freedom, and fair play, their actions are heavily oriented toward materialistic security, comfort and status. They repeatedly point out that they are not rejecting their parents themselves, but rather what they see as the hypocrisy of their parents' double-standard approach to important social values.

Again, it seems to me that the nature of our response is crucial. If I am right that the ferment of youth is potentially of enormous benefit to society, then we might ask: Would we really rather have apathetic and obedient copies of ourselves? More importantly, we might take the criticisms of young people seriously and re-examine some of our basic assumptions. This of course is not easy. We are used to our children listening to us, not our listening to them. Everyone likes to think that he has done reasonably well in life so that it comes as a shock to find our children believing differently. Change can be very difficult and threatening, especially when the pressure comes from the young. The temptation is to tune them out; it takes much more courage to listen.

When we turn to the third of our basic institutions—the church—we encounter a deep irony. Young people today are committed to values of love, human dignity, individual rights, and trust in one's fellowman. These are precisely the values of our Judeo-Christian heritage. The church has been their proponent for centuries. And yet no institution in our society is today suffering more from the sheer indifference of the young. By and large, they have dismissed the church as archaic, ineffective, and even irrelevant.

One young man told me: "There's a genuine religious revival going on, but the church is missing out on it." Another said: "The church could fill a great need in our society, if it would focus less on the divine and more on how to apply Christian teaching to today's world."

The problem again is that the young people perceive hypocrisy. They know the values the church upholds, but they see too little in the way of action and results. Religion to many of them is Sunday morning tedium instead of a guiding force and an inspiration.

Once again, we must examine our own behavior, we of the older generation. The church is not some impersonal edifice, although all too often it seems that way. The church is what we have made it. Its dilemma is that while its mission should be the righting of wrongs and the active pursuit of the great Judeo-Christian values, we have instead made it for the most part a force for the status quo.

By and large, we are much more conservative as elders of the church than we are as parents. The minister who would remain a minister all too often must please a conservative laity, those who support the church financially. The result is that the church loses some of the finest members of the younger generation.

If we have made this situation, we can also change it. Any dramatic reversal seems improbable. But the young people will come back gradually if the church becomes a place for searching inquiry, for social action, if more of the clergy become involved in today's problems and if the laity support them—and become involved too.

There are common threads that run through all of these basic institutions of our society. The problem is not in our legal system, or the family, or the church. The problem lies in ourselves as people. The crucial issue is not the revolt of youth but the nature of our response to it.

Broadly speaking, it seems to me that there are three possible responses. One is backlash and suppression. We caught frightening glimpses of what this would be like in Chicago and Mexico City. If we choose this route, the only victors will be the small fringe of extremists who want to see our society destroyed. They are playing one of the oldest of political games, that of the provocateur. They want a backlash because they know that repression starts a vicious circle that inevitably leads to greater and greater explosions. If we are foolish enough to fall into this trap, then we will deserve what happens to us.

A much more likely response is apathy or muted hostility. We are resentful over the ingratitude and brashness of the young. We think if we cover our eyes and stop our ears their noise and fervor will go away. They don't understand how really complex everything is, we say. Being older, we believe we are wiser. We know idealism is tempered by time and that realism sets in. Soon the young activists will pass the magic age of 30 and eventually they will be stepping into our vacant shoes. We secretly enjoy thinking about what a tough time they will have explaining to their children why they did not solve all the problems of the world.

This response, or lack of response, basically avoids the issue or yields grudgingly in a kind of tokenism. It is not working very well, and if I am right that the youth revolt of today is something much more than the normal rebelliousness of the young, then it will not work at all in the long run. We will find ourselves constantly pushed toward the brink of backlash.

The greater tragedy will be the opportunity we will have lost. For we know all too well that time is running out on the great problems the world faces. It seems to me that we have a choice. By suppression or apathy, we can make the youth revolution into yet another problem—in which case the burden will become crushing. Or we can respond in positive ways so that the energy and idealism of youth can be a constructive force in helping to solve the world's great problems.

This is the third possible response. It is simply to be responsive—to trust our young people, to listen to them, to understand them, to let them know that we care deeply about them.

Instead of worrying about how to suppress the youth revolution we of the older generation should be worrying about how to sustain it. The student activists are in many ways the elite of our young people. They perform a service in shaking us out of our complacency. We badly need their ability and fervor in these troubled and difficult times.

In my judgment, the key to sustaining the energy and idealism of youth is more direct and effective action on the problems about which young people are concerned—the prob-

lems of our cities, of our environment, of racial injustice, of irrelevant and outmoded teachings, of overpopulation, of poverty, of war.

To achieve such action we of the older generation must re-examine our attitudes, our assumptions and our goals. We must take as seriously as do the young the great Judeo-Christian values of our heritage. We must be as dedicated as they in fighting injustices and improving our laws. We must have a sense of responsibility individually and collectively for resolving the massive problems of our society.

And secondly, we must revitalize our existing institutions whether they be in education, government, religion, business or politics. They must be made more relevant to today's problems, have a greater sense of mission. At the same time, in support of the initiative of the young, new programs and institutions must be developed which can be effective in areas of pressing social need. Fresh approaches to meeting today's problems are essential.

A unique opportunity is before us to bring together our age and experience and money and organization with the energy and idealism and social consciousness of the young. Working together, almost anything is possible.

If we follow this course each of us will be involved personally and positively in the great drama of our times rather than feeling ourselves to be weary and impotent victims of imponderable forces. The antidote to despair is to be involved, to be imbued with the same spirit that fires the imagination and the efforts of the young. There is a VISTA slogan which captures this spirit: "If you're not part of the solution, you're part of the problem."

BETTER GOVERNMENT

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. MORSE. Mr. Speaker, the proper functioning of our Government according to the system of checks and balances set down in the Constitution by our Founding Fathers is the concern of every responsible citizen who seeks to strengthen and improve the mechanisms which insure our democratic way of life.

Such a citizen is Mr. Karl Haartz, of Andover, Mass., a constituent of the Fifth Congressional District of Massachusetts. He has written to Governor Sargent, of Massachusetts, and the New York Times with his recommendation to encourage better government by strengthening its structure, and thus its substance. It is my pleasure to honor his request and share the contents of these letters with my colleagues in the House:

ANDOVER, MASS.,
February 6, 1969.

HIS EXCELLENCY FRANCIS W. SARGENT,
Governor, Commonwealth of Massachusetts,
Boston, Mass.

SIR: Massachusetts' progressive contribution to the design of governments, limited and responsible to the governed, is that of separate and independent parts. However, there remains to be incorporated into its structure a correction that shall secure the substance as well as the form of such government.

It is elementary that "... to lay a due foundation for that separate and distinct

exercise of the different parts of government . . . the members of each should have as little agency as possible in the appointment of the members of the others." In achieving an arrangement that would accomplish this, Massachusetts has an opportunity to improve upon the original and so give another National example for better government.

The efficacious corrective is a Constitutional requirement that no elected or appointed member of the legislative branch may be appointed, or serve in the executive or judicial branch of government until a period of 14 years had passed since last serving in the legislative.

This step, forward, would secure for us the substance as well as the form of a government of separate and independent parts because, as it is now, each time an interbranch appointment is made it cuts asunder the full fabric of the Constitution's purpose. In most respects it is contrary to the substance of the Constitution: state and Federal.

This overdue corrective would cut deep into government by institutionalism, cronyism, political nepotism and political debt paying. All of these are evidence of a government of form but without the substance of separateness and independence of its parts. This correction would also discourage new programs and the expansion of those programs that are mostly without merit.

It is suggested that you consider placing this matter before the General Court as a step toward removing some of the cause of dissatisfaction with our Commonwealth's government. It would also be a step toward placing Massachusetts in the forefront of setting a good example for State governments throughout the Nation as well as for the Federal government.

Turning now to the proposed Constitutional Convention for our State, it is suggested that you consider asking, should that Convention materialize, that it must remove at least 18,000 words from the present Constitution and add not more than 1200 words.

Faithfully yours,

KARL HAARTZ.

ANDOVER, MASS.,
February 6, 1969.

The Editor,
The New York Times,
New York, N.Y.

DEAR SIR: Massachusetts' progressive contribution to the design of governments, limited and responsible to the governed, is that of three parts separate and independent of each other. However, there remains to be incorporated into its structure a correction that shall secure the substance as well as the form of such governments.

It is elementary that . . . to lay a due foundation for that separate and distinct exercise of the different parts of government . . . the members of each should have as little agency as possible in the appointment of the members of the others." In achieving an arrangement that would accomplish that, Massachusetts, any other State, or the Federal government has an opportunity to improve upon the original and so give another National example for better government.

The efficacious corrective is a Constitutional requirement that no elected or appointed member of the legislative branch may be appointed, or serve in the executive or judicial branch of government until a period of 14 years has passed since last serving in the legislative.

This step, forward, would secure for us the substance as well as the form of a government of separate and independent parts because, as it is now, each time an interbranch appointment is made it cuts asunder the full fabric of the Constitution's purpose. In most respects it is contrary to the substance of the Constitution.

This overdue correction would cut deep into government by institutionalism, cronyism, political nepotism, political debt paying. All these are evidence of a government with the form but not the substance. The corrective would also discourage new programs and the expansion of present programs without merit.

With every good wish,

KARL HAARTZ.

LITHUANIAN INDEPENDENCE DAY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. HOWARD. Mr. Speaker, yesterday February 16, was a day of celebration and sorrow. It was the 51st anniversary of Lithuanian independence. It is well that we should remember that day as recognition of all the now captive nations which enjoyed the freedoms that we feel are essential to the basic rights of all mankind, for such a brief moment in history.

The declaration of Lithuanian independence on February 16, 1918, was the culmination of many years of struggle and planning, hope and frustration. The Lithuanian people had been dominated by larger powers from all sides, the Polish, the Germans, and the Russians, continually since the Middle Ages. A union with Poland began in 1386. In 1795, Lithuania was annexed by Russia, during the third partition of Poland. Bravely, the Lithuanian people tried to throw off the Tsarist rule, but were unsuccessful. The Russian domination came to an end in 1915, when Lithuania was overrun by German armies. During the First World War, Lithuania was overrun by both German and Russian armies, which seized or destroyed everything of any value.

At the end of this time, however, conditions were looking more favorable for Lithuanian independence. The defeat of Germany, coupled with the internal revolution in Russia, indicated that the time had now come for the Lithuanians to become the free and independent people they had so long dreamed of being. On February 16, 1918, an independent Lithuanian state was proclaimed, based on democratic principles.

Although their troubles were not yet over, the time had come, and the beginning was made. After settling differences with Soviet Russia and Germany, the Lithuanian people adopted a permanent constitution on August 1, 1922, according to all the people the freedoms of speech, assembly, religion, and communication. Their period of independence, during which time the country progressed in all areas—agriculture, industry, arts, and social legislation—was to last only 22 years. With the coming of World War II, the Lithuanians were again overrun by the German and Russian armies. Finally, in 1940, Lithuania was declared a constituent republic of the U.S.S.R., by the Supreme Soviet in Moscow.

It has always been the policy of our great Nation that those freedoms we hold

so dear, and on which our country was founded, should be the rights of all men. I feel very strongly about the right of sovereignty of all nations. The right to direct their government's course without outside interference. As we commemorate the brief period during which Lithuania enjoyed that sovereignty and those freedoms, we would do well to reaffirm our faith in those ideals.

The memory of the struggles endured by the Lithuanian people; their courage and continued hope for freedom, should inspire us all. We salute them today, and join in their hope for a future in which all men will be free to direct their own lives. We must rededicate ourselves to the realization of these hopes.

MINI-AMNESTIES AND MAXI-PURGES IN GREECE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. FRASER. Mr. Speaker, an article in the February 14 issue of *Commonweal* magazine traces developments in Greece during 1968, a year during which the colonels who staged the coup of April 1967 were, for the first time, totally in charge. The International Year of Human Rights turned out to be, in Greece, "a year of the consistent denial of those rights," the article concludes.

One of the more disturbing features of the year was the friendly attitude of the United States—in contrast to our other European allies—toward the junta. The article states:

In Washington, developments in Greece were followed with a benevolent eye. At the beginning of the year the United States hastened to give the regime full diplomatic recognition in spite of the flight of the King whose presence had theretofore been the State Department's official excuse for accepting the junta as a legitimate government. Toward the end it almost stealthily renewed full military aid, on the pretext that the adoption of the new constitution represented progress toward the restoration of democracy.

The complete article follows:

THE JUNTA'S YEAR

(By Maurice J. Goldbloom)

Although the military junta ruling Greece seized power on April 21, 1967, it had to share some part of its power with the King almost until the end of that year. Only since the failure of the King's attempted counter-coup have the colonels been totally in charge. 1968 was their year of power. And what was supposed to be the "International Year of Human Rights" was in Greece a year of the consistent denial of those rights.

It was a year of mini-amnesties and maxi-purges, of political trials following one another in quick succession while the regime itself faced trial before an international court, of a new constitution imposed through a classic totalitarian plebiscite—and of another unscheduled plebiscite, less to the regime's liking, when 300,000 Athenians turned out for the funeral of the spokesman of Greek democracy, George Papandreou. It was also a year in which Washington's social hesitations in regard to the junta—but not those of this country's European allies—

were gradually eroded in the name of *Realpolitik*.

Much of the regime's verbal activity during the year was concerned with the new constitution. A committee of jurists appointed for this purpose brought in its draft at the end of December 1967; the junta was so little pleased that it postponed publication of the proposals until March 15. Not that the junta objected to the many undemocratic features of the committee draft. But the proposals, drawn up before the King's unsuccessful counter-coup, left more power to the monarch than the junta was willing to give him.

Then the junta announced that there would be a period of absolutely free debate on the constitution, after which the junta would revise it in the light of the discussion. A number of the leading political figures of the country, headed by former Premiers George Papandreou and Panayotis Kanellopoulos, took advantage of the opportunity to express their disapproval of the draft and the procedure which the government proposed to use in adopting the new charter. Their comments were not published, or appeared only in distorted form, and they were imprisoned or placed under house arrest. In contrast, a State Department spokesman "welcomed" the draft and added, "We are further pleased to note that comments from the Greek people and the press on the draft of the constitution are being encouraged." This was one contribution to the discussion the junta was glad to publish.

Although the junta's own draft was promised for the end of June, it actually appeared in mid-July. It differed from the committee version principally in giving no power at all to the King, increasing the authority of the government at the expense of Parliament, and giving the armed forces a major role in the government while making them largely autonomous. Its provisions for the protection of human rights and civil liberties were not only hedged about with all sorts of restrictions; all civic rights and legal protections could be taken away from anyone who "abused" them. The "completely free discussion" of the constitution which the junta had promised continued on the same basis as before; anyone was free to say or write anything he wished about the draft, so long as it was favorable. The government also repeatedly promised that all the imprisoned political leaders would be released in time to participate in the discussion and to oppose the constitution "if they dared."

On September 16 the junta published the revised version of its draft on which the people were to vote on September 29. It included one major change from the July draft. In July the junta had retained the power to decide when the new constitution would go into force, but now it decreed that this would occur immediately after its adoption in the plebiscite—except that the provisions for the protection of civil liberties, the establishment of political parties, elections, and parliamentary rule were to be indefinitely suspended. The new draft also eliminated a provision in the earlier one banning anyone who had ever been a citizen of any other country from participating in Greek civic life. This provision had been aimed at Andreas Papandreou, a former American citizen, but Archbishop Iakovos of the Greek Orthodox diocese of North America protested that the Greek government must not treat Greek-Americans as foreigners, and the provision was eliminated.

On September 23 the promised amnesty for political leaders took place; seven were released, including former Premiers Papandreou and Kanellopoulos. Six days might seem a short time for the freed leaders to participate in the constitutional "debate"—but the government made clear that they were not to use the time in that way. Premier Papadopoulos declared, "I hope they will not make another false step and force me to put them away again."

The plebiscite showed the expected overwhelming "yes" vote; each voter received two ballots, one "yes" and one "no." In the rural areas the fact that the local gendarme might ask to see which ballot the voter had not deposited in the box was enough to assure unanimity. In the Athens-Piraeus area, however, there were foreign observers at many polling places; as a result only 77.3 percent of the voters in the area were officially recorded as voting for the constitution. Even more significant, 22.3 percent of the voters in the country as a whole failed to go to the polls in spite of the fact that voting was compulsory and the government had threatened severe sanctions against non-voters. (Greeks knew that this was not an empty threat; the junta had removed people from their jobs for having failed to vote in the elections of 1946.) All those who failed to vote have now been ordered to submit written explanations; if these are not satisfactory they will be subjected to such civil sanctions as loss of automobile permits and driving licenses, and will also be liable to criminal prosecution and imprisonment.

Andreas Papandreou, freed at the end of December 1967, left Greece shortly thereafter and soon took a leading role in the opposition to the junta outside Greece and to some extent inside the country as well. In February he announced the formation of the Pan-Hellenic Liberation Movement (PAK) to unite all opponents of the junta within Greece and abroad. PAK later made an agreement for cooperation with the Patriotic Front, an organization which was closely related to the pre-coup Union of the Democratic Left (EDA). Nevertheless a number of underground organizations continued to work more or less independently on one another, although in most cases their relations were friendly. There was, however, one exception: the Greek Communist movement split, and a large majority of Communists and Communist sympathizers both in Greece and in exile broke with the Moscow-backed leadership of Kostas Koliannis. (Neither Koliannis nor any member of his Politburo had been in Greece, since 1948.) EDA and the Patriotic Front, through which the Communists had worked, also rejected the Moscow leadership. The Koliannis group attempted, with rather little success, to claim the name of the Patriotic Front for a rival underground group it established under its own control; it had little following in the country. The split originated in differences over policy in Greece, and especially in the demand of those within the country for control over their own organizations and policies. But it soon extended to other issues; EDA, the Patriotic Front, and a number of the leading Communists imprisoned in Greece vigorously protested against the Soviet invasion of Czechoslovakia.

Some small groups worked in isolation from the major political blocs. One such group seems to have been responsible for the unsuccessful attempt of Alexander Panagoulis to assassinate Premier Papadopoulos. The Premier explained the failure of the attempt on theological grounds. "You may be certain," he said, "that as long as God, who is a philhellene, links my life with the interests of Greece, I will be safe. God has always been a philhellene and it is proved that he continues to be so, to the embarrassment of the enemies of Greece."

Panagoulis took the stand at his trial to assert that he had acted entirely alone, and to ask that the death sentence be imposed on him. He also described the extreme tortures to which he had been subjected and asked that they be verified by medical examination. Although he was sentenced to death—not, ostensibly, for the assassination attempt in which nobody was injured but for desertion from the armed forces and plotting to overthrow the government—worldwide pressure led to a commutation of his sentence to life imprisonment. There are reports

that he is being subjected to continuing torture.

The junta continued to maintain itself with almost no support outside the armed forces; with the exception of Panayotis Pipinellis, who had accepted the Foreign Ministry at the time of the Cyprus crisis of 1967, not one major political figure had publicly cast his lot with the colonels. But the underground opposition also failed to achieve active mass support; Greeks on the whole opposed the regime but were effectively isolated by its repressive techniques.

However, the death of George Papandreou served as a catalyst to mass opposition. Papandreou had, at the age of eighty, maintained his intransigent opposition to the junta in spite of repeated periods of house arrest which his friends believe significantly hastened his death. More than any other man he symbolized the desire of the Greek people for the return of democracy and freedom, and in death he rallied them to that cause even more eloquently than in life. Some fifty thousand Athenians crowded the cathedral and the square in front of it for his funeral services; at least a quarter million more lined the route of the funeral cortege to the cemetery. In the cathedral itself political leaders of all groups came to pay their respects or if they—like Mikos Theodorakis, who was under house arrest, and the self-exiled Constantine Karamanlis—were absent, they sent wreaths.

Papandreou's old friend and opponent Panayotis Kanellopoulos told the mourners "I bow before George Papandreou in the name of our past conflicts, all of which took place within the arena of democracy." And from the throng in the square and along the route there were cries of "Democracy" and "You will always be our leader." Others shouted "Today is the day we vote no!" And at the grave some cried out "Papandreou, now you are free!" while several hundred young people took up the shout, "The giant is fallen; he leaves an heir, Andreas! Liberty! Liberty!" Now people knew that they were not alone in their opposition to the junta; there seemed little doubt that far more of them would henceforth be ready to give that opposition an organizational form, in spite of the ever-present danger of imprisonment and torture.

WASHINGTON AND STRASBOURG

In Washington, developments in Greece were followed with a benevolent eye. At the beginning of the year the United States hastened to give the regime full diplomatic recognition in spite of the flight of the King whose presence had theretofore been the State Department's official excuse for accepting the junta as a legitimate government. Toward the end it almost stealthily renewed full military aid, on the pretext that the adoption of the new constitution represented progress toward the restoration of democracy.

In Strasbourg, however, the Council of Europe and the European Commission on Human Rights took a different point of view. The Assembly of the Council of Europe declared on September 26 "that the draft constitution drawn up by the Greek Government does not conform to democratic principles; that the conditions in the months preceding the referendum on the draft constitution have made a free and democratic campaign impossible . . . and that it cannot therefore be considered as a free expression of the popular will." It condemned "the continued refusal of the Greek Government to reestablish human rights and fundamental freedoms and to ensure the rapid return to a democratic parliamentary regime." Expressing "solidarity with the Greek people in its present plight and especially with those who are the victims of repressive measures," it placed the question of possible suspension of Greece from membership in the Council of Europe on its agenda for January 1969.

Meanwhile the Commission on Human Rights took up the charges which had been

brought against the Greek regime in 1967 by the Scandinavian countries; consideration of them had been delayed by the junta's unsuccessful challenge to the Commission's jurisdiction. During December the Commission heard numerous witnesses describe the tortures and other violations of human rights which had taken place in Greece under the junta, while others contradicted the colonels' assertion that their overthrow of Greek democracy and suppression of human rights had been justified by a danger of Communist insurrection. The Commission planned to hold further hearings in January.

Internally, the junta is likely to face increasing difficulties in the coming months. The Greek economy has seriously deteriorated since the coup; not only has there been a sharp drop in the economy's growth rate, but serious balance of payments difficulties have developed and there has been a rise of more than a third in currency in circulation and a quarter in bank credit. Only the depressed state of the economy has prevented this inflation of the money supply from being reflected in higher prices.

Meanwhile a major part of the country's financial reserves have been dissipated; the junta has concealed this by the transfer of funds from the secret gold sovereign internal stabilization fund to the official reserves, by pawning some \$70,000,000 worth of the gold reserve and including both the gold and the money borrowed against it, and by counting in its reserves about \$50,000,000 more borrowed abroad on terms requiring that it be left on deposit with the lenders.

At the same time, the demonstration at the Papandreou funeral has paved the way for the development of a resistance movement which will be able to organize the discontent which the junta's economic malfeasance seems likely to produce. The junta has been rather desperately trying to escape from its economic predicament with the aid of foreign capital. So far its efforts in this direction have been notably unfruitful: the Litton contract, which was ballyhooed as promising an investment of \$850,000,000, has produced less than 1 percent of that amount in its first twenty months. The new Onassis agreement appears to provide for approximately forty million dollars a year investment—but even this relatively small sum is not promised by Mr. Onassis, but is mostly to be raised by him from others. And there is no guarantee that he will be any more successful in luring foreign investors than Litton has been.

Under the circumstances, we may soon see the junta trying to parlay its political ties with Washington into loans and grants. One cannot, of course, tell what Washington's response will be; certainly there will be strong pressures from some State Department and Pentagon circles in favor of playing Santa Claus to the colonels. But one may doubt if the fiscal atmosphere will be congenial to that sort of generosity. The colonels may even find themselves driven to make concessions to their people.

WEST GERMANS TO OPPOSE EEC IMPORT TAX ON SOYBEANS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17 1969

Mr. FINDLEY. Mr. Speaker, American soybean farmers are worried and concerned about the prospects of the European Economic Community—Common Market—imposing a new high excise tax on soybean oil and meal. If put into

effect by the Common Market, the tax would seriously endanger U.S. soybean markets.

On February 3, while I was in Bonn, Germany, I had lunch with Franz Joseph Strauss, the German Finance Minister. During the course of our discussions he pledged his opposition to the proposed tax. He authorized me to state, publicly, his opposition. Because of the interest in this matter by soybean farmers, I submit the text of my statement announcing the German opposition for inclusion in the RECORD at this point:

During a luncheon discussion in Bonn, Germany today, February 3, I received assurances of the German Minister of Finance Franz Joseph Strauss that he will use his influence to oppose the new high excise tax on soybean oil and meal proposed by the European Communities' Commission for Agriculture. If put into effect by the Common Market, of which Germany is a part, the tax would seriously endanger U.S. soybean markets. Last year, the U.S. sold about \$450 million in soybeans, soybean oil, and meal to the Common Market and \$130 million to Germany. I pointed out to the finance minister that the U.S. outcry is already so formidable as to raise the probability of retaliation if the tax is imposed. The retaliation would likely involve higher U.S. tariffs on cars and other items produced in Europe and would also tend to strengthen U.S. demands for a sharp reduction in American troops in Europe. Mr. Strauss told me he favors lower, not higher, barriers to trade between the United States and Germany and authorized me to announce his opposition to the proposed tax. Because of Mr. Strauss's position, I consider his promise to be a big help in keeping the proposed tax on the shelf where it belongs. U.S. Minister to Germany Russell Fessenden was also present at the luncheon.

AFTER MOON FLIGHT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. TEAGUE of Texas. Mr. Speaker, an article in the New York Times of January 6, 1969, by John Noble Wilford, describes his own reactions immediately following the highly successful launch of Apollo 8 and outlines the opportunities for space during the next decade. Mr. Wilford in his article points to the possibility for utilitarian application in space as well as the unbounded frontier of exploration that has been opened. He summarizes well not only the achievements of the first decade in space but the possible returns from our space program in the future and its potential benefit to all mankind. Mr. Wilford in his article probes the practical dreams of such outstanding men as Dr. Wernher von Braun, Dr. Thomas O. Paine, Dr. George E. Mueller, and Dr. William H. Pickering and their views of the challenge in our national space effort. The article follows:

[From the New York Times, Jan. 6, 1969]

AFTER MOON FLIGHT

(By John Noble Wilford)

The earth no longer shook. The air was still, no longer the conveyor of staccato

thunderclaps. The orange cloud of smoke, hugging the ground, drifted out to sea from Launching Pad 39. Apollo 8 was out of sight and on its way to man's first voyage around the moon.

Walking away from the press site at Cape Kennedy, Dr. Wernher von Braun, the rocket pioneer, smiled broadly, brushed back his graying blond hair and recalled something Jules Verne once said. "Anything one man can imagine," said Verne, who a century ago wrote of man flying around the moon, "other men can make real."

Apollo 8 made real the fantasies of Verne and other men. Future Apollo flights in 1969 are expected to take men to the surface of the moon. Such experiences should not only open the moon to on-the-scene exploration, but also expand as never before man's vision of his future.

For if man can fly to the moon, what can't he do?

TRAIL TO THE PLANETS

In the exuberance that followed Apollo 8, Dr. Thomas O. Paine acting administrator of the National Aeronautics and Space Administration, declared:

"We're looking forward to the day there will be manned space stations in the sky, conducting lunar explorations, and in the distant future beyond that, blazing a new trail on out to the planets."

Space engineers and scientists are convinced that in the next 25 years communications and weather satellites will ring the earth, men will be ferrying to and from mammoth hotel-like orbiting spaceships, semi-permanent manned scientific outposts will be established on the moon, instrument-laden spacecraft will be skirting Jupiter, Saturn, Uranus and Neptune, and robots and perhaps even men will be landing to explore Mars.

Astronomers may be studying the stars from telescopes on the airless moon. Geologists should be speeding across the lunar surface in special roving vehicles, picking at rocks, digging into craters in search of clues to the origin of the solar system.

SPATIAL WORKSHOPS

Although space may never replace Pittsburgh, industry may be producing ball bearings, telescope lenses and steel foams in orbiting workshops.

Weightless, a phenomenon regarded with apprehension before the space age, offers such intriguing manufacturing possibilities. Liquid, floating in a weightless environment, takes the shape of a perfect sphere.

Thus it is conceivable that the most nearly perfect metal ball bearings could be cast in space, says Dr. George E. Mueller, NASA's associate administrator for manned flight.

Similar techniques could also be developed to produce steel foams as light as balsa wood but with the strength of solid steel or composite materials made of steel and glass.

This could be economical on a limited scale, according to Dr. Mueller, with the introduction of reusable spacecraft for shuttle service between earth and orbiting laboratories. They could be in service by 1980, delivering payloads in orbit at a cost of about \$5 a pound, compared with the several hundred thousands of dollars a pound today.

Large workshops in orbit are the next big step, predicts Dr. von Braun, who is director of NASA's Marshall Space Flight Center in Huntsville, Ala.

They could be used for surveying earth resources, using current technology in remote sensing and photography to detect crop and forest diseases, track schools of fish, forecast weather weeks in advance, remap the world or spot likely sources of petroleum and minerals.

In the next few decades man will be busy reconnoitering the vast reaches of the solar system beyond the moon.

Dr. William H. Pickering, director of the Jet Propulsion Laboratory in Pasadena, Calif., predicts:

"We will be ranging all over the solar system observing the other planets with unmanned spacecraft. We will be flying to the moons of Jupiter and through the rings of Saturn. We will be landing unmanned probes on some of the planets, certainly Mars and Venus and probably on one of the moons of Jupiter."

One of the most ambitious unmanned voyages could be the "grand tour" of the outer planets. Launched in 1978, a spacecraft could be aimed to fly by Jupiter and on to Saturn, Neptune and Uranus, all of whose orbits would be in proper position.

Using nuclear rocketry, it should be possible to land men on Mars before the century is out, Dr. Pickering said. And on the moon he envisioned large bases to which scientists shuttle from time to time much as they visit outposts on Antarctica.

EXPLORING THE OCEANS

The sophistication of space technology is beginning to pervade the fields of medicine, metallurgy and communications. Microelectronic devices used to monitor astronauts' health in space are being applied experimentally to keep watch over hospital patients. Other space "spin-offs" include the synthesis of diamonds, improved welding techniques and a refined rocket fuel used in treating tuberculosis and mental illness.

Space technology is also spurring explorers to challenge the last remaining frontier on earth—the oceans. Aerospace engineers are leading the way in building new research submarines, deep-diving equipment and undersea laboratories for exploration of the untapped resources on the sea floors.

Not least of the effects of spaceflight on mankind could be spiritual. From far out in space, as the Apollo 8 astronauts observed, the earth is a blue cloud-streaked ball—another planet, beautiful but not particularly large. And when they were flying back from the moon, they spoke of returning to the "good earth," not to the United States.

Thus space offers a new perspective of earth. As Arthur C. Clarke observes in his recent book, "The Promise of Space," "The crossing of space—even though only a handful of men take part in it—may do much to reduce the tensions of our age by turning men's minds outward and away from their tribal conflicts. It may well be that only by acquiring this new sense of boundless frontiers will the earth break free from the ancient cycle of war and peace."

PROTEST AGAINST EXECUTION OF JEWS IN IRAQ

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. SCHEUER. Mr. Speaker, the tragic execution of nine Iraqi Jews is an act which must be deplored by all who strive for peace and understanding in this chaotic world. There is no doubt that this repugnant action is the beginning of a cycle of massive persecution and retaliation against the Jewish community in Iraq.

However, deploring this latest case of genocide against the Jews is not enough. We, as one of the leading legislative bodies of the free peoples of the world, must register in most forceful terms our mortification at this act of butchery.

Toward this end, I have drafted a letter appealing to the world community to use all appropriate channels at its command to prevent this threatened genocide of the Jews in Iraq. This letter signed by 64 Members of the House has been forwarded to the United Nations, heads of states, and the chief officials of the international humanitarian organizations.

The text of the letter and the list of signers follow:

We the undersigned Members of the House of Representatives of the United States of America, appeal to the world community, through all appropriate international agencies and diplomatic channels, to prevent the threatened genocide of the Jewish community of Iraq.

Objective reports from the Middle East make it clear the primary crime of nine Iraqi citizens hung as spies was Jewishness. The promise of Baghdad radio to continue finding scapegoats for domestic problems is frighteningly reminiscent of the start of Hitler's "final solution" to the "Jewish problem."

In the name of humanity, the slaughter of innocent people because of their religion or race must be stopped immediately and not permitted to resume.

Joseph P. Addabbo, of New York; John B. Anderson, of Illinois; Thomas L. Ashley, of Ohio; Alphonzo Bell, of California; John A. Blatnik, of Minnesota; Glenn M. Anderson, of California; Frank Annunzio, of Illinois; William A. Barrett, of Pennsylvania; Mario Biaggi, of New York; Edward P. Boland, of Massachusetts.

Frank J. Brasco, of New York; William S. Broomfield, of Michigan; Phillip Burton, of California; Jeffery Cohelan, of California; Charles C. Diggs, Jr., of Michigan; George H. Fallon, of Maryland; Dante B. Fascell, of Florida; Thomas S. Foley, of Washington; James G. Fulton, of Pennsylvania; Martha W. Griffiths, of Michigan; Seymour Halpern, of New York; Chet Holifield, of California.

W. E. Brock, of Tennessee; J. Herbert Burke, of Florida; Tim Lee Carter, of Kentucky; Emilio Q. Daddario, of Connecticut; Harold D. Donohue, of Massachusetts; Leonard Farberstein, of New York; O. C. Fisher, of Texas; Samuel N. Friedel, of Maryland; Robert N. Gairola, of Connecticut; Gilbert Gude, of Maryland; Henry Helstoski, of New Jersey; Craig Hosmer, of California.

James J. Howard, of New Jersey; Allard K. Lowenstein, of New York; Robert McClory, of Illinois; Robert N. C. Nix, of Pennsylvania; Richard L. Ottinger, of New York; Bertram L. Podell, of New York; Melvin Price, of Illinois; Henry S. Reuss, of Wisconsin; Fred B. Rooney, of Pennsylvania; Edward R. Roybal, of California; James H. Scheuer, of New York.

Edward I. Koch, of New York; Donald E. Lukens, of Ohio; John M. Murphy, of New York; Thomas P. O'Neill, Jr., of Massachusetts; Claude Pepper, of Florida; Howard W. Pollock, of Alaska; Roman C. Pucinski, of Illinois; Peter W. Rodino, Jr., of New Jersey; Benjamin S. Rosenthal, of New York; Charles W. Sandman, Jr., of New Jersey; Garner E. Shriver, of Kansas.

Louis Stokes, of Ohio; Lionel Van Deerlin, of California; Jerome R. Waldie, of California; Lawrence G. Williams, of Pennsylvania; Frank Thompson, Jr., of New Jersey; Joseph P. Vigorito, of Pennsylvania; Charles W. Whalen, Jr., of Ohio; Charles H. Wilson, of California.

SOYBEANS MAY BE HEADING TOWARD COTTON-LIKE DISASTER

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

Mr. FINDLEY. Mr. Speaker, Mr. Clifford Hardin, the Secretary of Agriculture, faces a crucial decision early in his term of office. He must determine the price support levels for soybeans. On February 6, I wired the new Secretary to urge him to lower the support price so that the marketplace system may be allowed to operate once more to bring production of soybeans in line with demand, and so that Government price guarantees will no longer serve to stimulate overplanting. On February 14, I followed up my telegram with a letter comparing the plight of soybean production with that of cotton and calling attention to ominous parallels in the two crops.

Mr. Speaker, under unanimous consent I include the text of my wire and letter to the Secretary as part of my remarks at this point:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 6, 1969.

DEAR MR. SECRETARY: Your forthcoming decision in regard to price supports for soybeans for the coming year is one of crucial importance for American agriculture. By this wire I wish to encourage you, as Former President Johnson might have said, to "bite the bullet" by announcing supports at the level of \$2.05 a bushel, or thereabouts.

Farmers and grain merchants with whom I have communicated tell me this figure would be low enough to permit the marketplace to function to the longterm advantage of farmers. It would reverse the trend of the past two years during which this wondercrop of yesterday has found itself in a surplus problem for the first time.

As a six-year member of the House Agriculture Committee, I know this is a tough decision politically. I am confident, however, that action to cause farmers to produce once more for the marketplace, instead of government bins, will not only pay early dividends to the soybean farmer but will give your administration the best possible send-off. Even those who criticize—and, believe me, these will be vocal—will respect you for the decision.

The alternatives—keeping the support at \$2.50, or dropping it an amount insufficient to influence planting decisions—will compound today's problems: surplus stocks will likely increase; program costs will increase; the interests wishing to protect the status quo will have had a year to dig in; and consequently, a year from now a decision to reduce price supports will be far more difficult than today.

During the past week I have talked with farmers about this problem, and one of them, Harry Pick, Chenoa, Illinois, stopped at my office to urge me to speak out for price support reduction to \$2.05. Mr. Pick was national soybean champion in 1966, and said he had attended several farmer meetings recently in Illinois. Judging by informal surveys, he believes most soybean producers will support the move. Many of them, he said, are outspoken in calling for lower supports. They are convinced, he said, that continued surpluses like those of the past two years mean serious trouble in the future.

Illinois was the top producer of soybeans last year, and the district I represent is one of the foremost producers in the state.

Failure to drop supports substantially at this time may lead to a surplus problem so serious in a few years as to involve mandatory acreage controls.

PAUL FINDLEY,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 14, 1969.

DEAR MR. SECRETARY: In the most welcome luncheon conversation Monday with you and Undersecretary Phil Campbell, we discussed the surplus problem now confronting soybean growers and its relationship to government price supports. I take this opportunity to explain my concern over the soybean outlook and why I feel a substantial reduction in the price support for the 1969 crop is required.

The blame for soybeans' plight may properly be laid squarely at the door of your predecessor, former Secretary Orville L. Freeman, who launched in 1966 an unfortunate drive to increase by government action the production of soybeans. He permitted soybean planting on acres diverted under the cotton and feed grains program, asked publicly for higher soybean production, and opened the gate to serious trouble by raising price supports to \$2.50 a bushel.

At the time I warned that these actions would get soybeans into trouble, and trouble is here. I call it cotton-like trouble because it has the same characteristics as the government-induced problems which have plagued the land of cotton in recent years.

Let me illustrate. Cotton supports were increased. This hurt markets at home and abroad. The artificial pricing served as an umbrella under which synthetic fibers made rapid progress in taking cotton markets at home and in stimulating competitive production abroad. Soon government bins overflowed with cotton. Program costs skyrocketed. In 1967, the program cost exceeded the market value of the entire crop.

Note the grim similarities with soybeans. The high price supports Mr. Freeman started in 1967 have contributed to a shocking carryover. To illustrate the magnitude of the problem as it has already developed, the Commodity Credit Corporation on January 1 showed soybeans in government inventory and under loan at \$961 million, exceeding corn—unbelievably—by \$20 million on that date.

Spurred by the guaranteed \$2.50 price, speculators in the south cleared and planted to soybeans thousands and thousands of acres.

At the same time that government bins were filling up, the competitive position of soybeans was deteriorating at home and abroad.

Last year, the sale of urea, a synthetic competitive with soybeans, reached the equivalent of 150 million bushels of beans. Abroad, the Soviet Union expanded substantially the production of sunflower seeds while Europe expanded rapeseed—another competitor to soybeans. Peruvian fishmeal output increased sharply.

Unquestionably, artificial pricing of U.S. soybeans contributed substantially to these competitive developments.

If high price supports are continued for soybeans it will be cotton all over again, with the prospect in the immediate future of cotton-like restrictions on planting. As the story of cotton amply attests, planting restrictions solve no problems. They just create new ones.

While I regret that you face the discomfort of undoing the mistakes of Mr. Freeman, you alone have the means this year to halt soybeans' plunge to a cotton-like disaster.

Action to drop the support price and to permit the market to function—as you will

recall I have recommended that it go to about \$2.05—will bring an outcry from those who are unaware of cotton's grim fate. Others who are determined to restore soybeans to a sound economic base will be grateful.

Thanks for lunch and for listening.
Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

LITHUANIAN INDEPENDENCE

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

MR. PUCINSKI. Mr. Speaker, yesterday marked the 51st anniversary of the Declaration of Independence of Lithuania. Throughout America and the entire world people of Lithuanian descent paused to reflect on the determination of this country to attain freedom, which today remains the fervent hope of those in Lithuania now under suppression by the Soviet Union.

It is unfortunate to think that at a time when freedom is a living reality in these United States, the people presently confined to the borders of Lithuania itself must hold freedom only as a desire.

We, as citizens of the free world cannot overlook or silently tolerate the bold and continued advances of the Soviet Union to overtake the tiny countries of this world which remain easy prey to Communist clutches.

Mr. Speaker, in commemoration of the 51st anniversary of Lithuania's independence, I am pleased to insert the text of a pro memoria on Lithuania's independence, prepared by the Lithuanian American Council, Inc., in the RECORD today, as follows:

PRO MEMORIA ON LITHUANIA'S INDEPENDENCE
BY THE LITHUANIAN AMERICAN COUNCIL,
INC.

Soviet Russia's invasion and occupation of Czechoslovakia in 1968 was a dramatic reminder to the free world of the identical Soviet invasion and occupation of Lithuania and the other two Baltic States in 1940. In both instances the Soviet aggression was unprovoked, in flagrant violation of existing treaties and international law, and against the free will of the people.

The United States Government sternly denounced this wanton Soviet aggression in July 1940 and has steadfastly refused to recognize the illegal annexation of Lithuania by the Soviet communists. This just and honorable position, a basic tenet of United States policy, has been maintained by all succeeding administrations.

Despite the condemnations of the occupation by the free world, the Soviet Union still forces Lithuania and its people to suffer oppression and exploitation under despotic communist rule. Lithuanian national culture is gradually being destroyed and russification of the country and its people is being brought about. Yet, even though their country has been converted into a colony of the Soviet empire, the people of Lithuania—and the patriotic Americans of Lithuanian descent—demand freedom and independence for Lithuania!

We are sincerely grateful to the United

States Government for its continued firm refusal to recognize the consequence of Soviet aggression. However, this stand in itself is not sufficient to bring about the liberation of presently-subjugated nations.

It is our firm conviction that strong and steady pressure must be exerted upon the rulers of Soviet Union by the governments and peoples of the free world to effect the liberation of Soviet-captive nations. We demand, and ask the free world to join us in demanding, that the Soviets withdraw their army, police and ruling apparatus from Lithuania, so the people of Lithuania could freely elect a government of their own choosing, in accord with the Atlantic and United Nations Charters and the principle of self-determination which the Soviets demand for the peoples of Asia, Africa and Latin American countries.

As citizens of the United States, we Americans of Lithuanian descent appeal to you to urge the United States Government to take all possible peaceable means to restore the freedom and independence of Lithuania, Latvia, Estonia, and all other captive nations.

APOLLO STATUS SUMMARY

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1969

MR. FULTON of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report on the progress of the Apollo manned space flight program:

APOLLO STATUS SUMMARY

With the launch of the Apollo 9 mission 11 days off, the Apollo 9 countdown demonstration test reaches the first of two simulated blast offs on Tuesday 18 February. The test began on Wednesday February 12, and it includes the entire countdown operation.

The astronauts do not participate in the fueling exercises which constitute the first part of the countdown demonstration test. Once the fueling test is completed, the astronauts actually board the spacecraft and the countdown is repeated, simulating the fueling operations.

These practice runs are essential to the success of the precision countdown which climaxes on February 28, Friday, at 11:00 a.m. Eastern Standard Time, in the ignition of the boosters to launch the three Apollo 9 astronauts into earth orbit.

For the Apollo 9 mission, the astronauts are: Colonel James M. McDivitt, U.S. Air Force; Colonel David R. Scott, U.S. Air Force and Russell L. Schweickart. They will orbit the earth in a mission lasting 9 days and 22 hours. The mission is designed to test and evaluate the lunar excursion module which will transfer two astronauts from lunar orbit down onto the lunar surface and return them safely to the mother capsule.

The Apollo 10 space vehicle is undergoing fluid systems tests at the Kennedy Space Center's Vehicle Assembly building this week. The space vehicle has been mated to the launch vehicle and is being prepared for the Apollo 10 mission in May of 1969.

The Apollo 11 booster is also under construction at Cape Kennedy. The second stage of the Apollo 11 launch vehicle is undergoing receiving inspection at the Vehicle Assembly Building. Other components and stages of the Apollo 11, 12 and 13 boosters are arriving daily at Cape Kennedy, by air and by barge and by truck.