But I don't see any possibility of achieving it." We don't either, as socialism and decentralization are direct opposites Socialism cannot be "achieved," it must be "imposed," requiring complete centralization. As the wife of a U.S. diplomat Miss McCarthy is in a position to spread her anti-American views in important places.

While appeasers talk and "dissenters" protest and untouchables influence policy, American boys are dying by the hundreds each week in Vietnam. Have American hearts been broken and American blood shed for politicians who are playing games or for the reason they have been told—to prevent the spread of Communism? Pity the poor American boy who has given his life in vain and his family who will always miss him.

HOUSE OF REPRESENTATIVES—*Wednesday, March 19, 1969*

The House met at 12 o'clock noon.

Rev. Father John F. O'Donoghue, secretary to His Eminence Patrick Cardinal O'Boyle, vice chancellor of the Archdiocese of Washington, offered the following prayer:

Almighty and Eternal God, You have created man in Your own image and likeness. You have endowed him with an intellect, whose object is truth and with a free will, whose object is good. You, who are the source of all law and authority, look down with favor on these lawgivers who represent Your people in civil society. Make them aware of their responsibilities to You and to all whom they serve. Do not allow human weakness to cause them to stray from seeking the good and the true in all their deliberations.

On those occasions, when their duty to You and to their constituents may appear as an austere and exacting master, and when they may be tempted to mitigate its stern commands by interpreting them in a manner better suited to their own desires, give them the generosity to obey its orders and to shoulder it without hesitation.

Make them aware that their love of duty is but one form of their love for You, and it is the best, since duty is the expression of Your will in our regard and we cannot better love You than by submitting ourselves entirely to Your holy will.

We ask You, Almighty God, to bless them and to give them the courage and the fortitude which the right exercise of their office requires so that they may better serve You and the people whom You have entrusted to their care. Amen.

THE JOURNAL

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

PERU SEIZES TWO MORE FISHING BOATS

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

Mr. VAN DEERLIN. Mr. Speaker, it is with deep regret that I must report the seizure by Peru this morning of two more U.S. fishing boats, the *San Juan* and the *Cape Ann*.

At last report, the vessels were being escorted to the Peruvian port of Talara. They were intercepted at a point 23 miles off the Peru coast—or 11 miles outside the generally recognized limit for territorial fishing rights.

It was barely a month ago—last February 14—that a Peruvian warship fired extensively on the same *San Juan*, causing major damages. In part, as a result of the public outrage over that unprovoked attack, Peru agreed to accept a special emissary of President Nixon for talks on this and other problems straining relations between the two countries.

The emissary, John Irwin, is in Peru today.

In view of his presence, at the invitation of the Peruvian Government, this morning's seizure can only be viewed as an act of complete cynicism by his Peruvian hosts.

Either that, or else President Velasco has simply lost all pretense of control over his own armed forces.

I have joined today with my colleagues, Congressman BOB WILSON and Senators ALAN CRANSTON and GEORGE MURPHY, in appealing to the President for "appropriate action" to halt these outrages.

Last month, I called on the President to assign military guards to U.S. fishing boats bound for the hostile waters off Central and South America.

I reasoned that the presence of such guards would serve as a powerful deterrent to would-be attackers. For they would then have to recognize that any action against our fishermen would also be an act of aggression against the United States itself. I believe the case for assigning such protection to our embattled fishing fleet is stronger than ever today.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VAN DEERLIN. I yield to the gentlemen from Iowa.

Mr. GROSS. Mr. Speaker, would this not be a good time for President Nixon to recall the emissary that he has sent to Peru?

Mr. VAN DEERLIN. If I may answer the gentleman, I think it is always right to go on talking, but I think there are times when one has to act as well as talk.

PERU CONTINUES GUNBOAT DIPLOMACY BY SEIZING TWO AMERICAN VESSELS

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

Mr. PELLY. Mr. Speaker, it is with regret that I inform my colleagues that Peru this morning seized two more U.S. fishing boats and their crews. One of the vessels grabbed by a Peruvian gunboat, 23 miles northwest of the Point Sal today, was the *San Juan*, the same vessel which sustained $50,000 damage February 14 from an armed attack on the high seas by Peru.

The regret I expressed is twofold. One that no progress apparently is being made with Peru and, second, that this provocation should occur while Presidential Emissary John Irwin is in Peru attempting to reach a solution to the problem.

I fear the Peruvian conduct in this matter today indicates a lack of sincerity on their part to achieve negotiations aiming at ending these unlawful seizures.

I find this military action against Americans on the high seas this morning, at a time when our honest efforts at solution are being sought, an insult to our Emissary, to the American President, and to the American people.

Mr. Speaker, our State Department so far has not been able to achieve success with the Peruvians, and our American fishermen should not be expected to live constantly with these threats to their lives. I will be most anxious to receive a report from Mr. Irwin relative to today's armed seizure on his return to the United States.

SMALL BUSINESS ADMINISTRATION LENT MONEY TO MAFIA-CONTROLLED COMPANY

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

Mr. GROSS. Mr. Speaker, yesterday I called attention to the incredible fact that the Small Business Administration, under the Johnson administration, had been lending hundreds of thousands of dollars of the public's money to a company controlled by the Mafia.

The company is the ANR Leasing Corp., of New York City, which is controlled by Cosa Nostra member John Masiello, Sr., a well-known loan shark and, I am told, a convicted smuggler as well.

Another member of that firm is Thomas A. McKeever, who has a Federal and State criminal record as long as your arm.

A third official of the company is John Masiello, Jr., who also possesses a criminal record.

On yesterday, I requested Attorney General John Mitchell to initiate an immediate and full investigation of this company and the SBA's part in its financing.

Today, I wish to call attention to the fact that ANR Leasing Corp. has been doing business with yet another agency of the Federal Government.

They are in the business of leasing vehicles to the Post Office Department.

I regret to say that I have, so far, been unable to obtain the specifics of this lease arrangement from Post Office Department officials despite repeated calls from my office for it.

I can only say at this point, Mr. Speaker, that I find it sickening and almost unbelievable that the U.S. Government is leasing mail delivery vehicles from a firm controlled by the Mafia.

Any investigation of this firm's dealing with the United States must, of necessity, include this Post Office contract, and I urge in the strongest possible manner that the Attorney General give it his most prompt attention.

PERMISSION FOR SUBCOMMITTEE NO. 1 AND SUBCOMMITTEE NO. 3 OF COMMITTEE ON EDUCATION AND LABOR TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for Subcommittee No. 1 of the Committee on Education and Labor and for Subcommittee No. 3 of the Committee on Education and Labor to sit during general debate today.

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

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

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

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

There was no objection.

PUBLIC DEBT

Mr. SISK. Mr. Speaker, by direction of the Committe on Rules, I call up House Resolution 325 and ask for its immediate consideration.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 26]

Anderson, Tenn.	Fraser	O'Neal, Ga.
Annunzio	Gallagher	O'Neill, Mass.
Ashley	Gettys	Powell
Bates	Giaimo	Rivers
Bell, Calif.	Gilbert	Ronan
Blackburn	Gray	Rooney, Pa.
Burton, Utah	Gubser	St. Onge
Carey	Hanna	Sandman
Celler	Hébert	Scheuer
Clark	Jonas	Schwengel
Collier	Kirwan	Smith, Iowa
Cramer	Langen	Stephens
Cunningham	Lowenstein	Teague, Calif.
Daddario	McCarthy	Teague, Tex.
Davis, Ga.	McEwen	Tunney
Dingell	McMillan	Vander Jagt
Eckhardt	Miller, Calif.	Vanik
Fallon	Morse	Williams
Ford, William D.	Murphy, N.Y.	Wilson, Bob
	O'Hara	
	O'Konski	

The SPEAKER. On this rollcall 371 Members have answered to their names, a quorum.

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

PUBLIC DEBT

The SPEAKER. The gentleman from California (Mr. SISK), has offered a resolution. The Clerk will read the resolution.

The Clerk read the resolution, as follows:

H. RES. 325

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8508) to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. SISK), is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. SMITH) and pending that I yield myself 8 minutes.

Mr. Speaker, today we begin an annual, and sometimes a semiannual, ritual which the Congress for many, many years has been indulging in.

Let me say first, Mr. Speaker, that as the reading of the resolution indicated, it provides for a closed rule waiving all points of order, with 4 hours of general debate for the consideration of H.R. 8508, to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act.

I know of no specific reason, I might say, for the waiver of points of order in this instance, but it is customarily done in the consideration of debt limit bills and was granted upon the request of the distinguished chairman of the Committee on Ways and Means (Mr. MILLS) of Arkansas.

Under present law the debt limitation is $365 billion except that on the last day of each fiscal year the limitation reverts to $358 billion.

On June 30, 1969, with a $3 billion leeway for contingencies, the debt is expected to amount to approximately $358 billion and on June 30, 1970, to nearly $365 billion. On April 15, 1969, even without any allowance for contingencies, the debt is expected to exceed the present limitation unless the cash balance is reduced to less than $2 billion. In fiscal year 1970, with the $3 billion allowance for contingencies, the debt is expected to reach the level of $377 billion.

H.R. 8508 provides a permanent debt limitation of $365 billion effective on date of enactment. It also provides, for the period from date of enactment through June 30, 1970, for a temporary additional increase of $12 billion, providing for this period an overall limit of $377 billion. After June 30, 1970, the overall debt limitation will revert to $365 billion. The additional temporary allowance for the fiscal year 1970 is provided in recognition of the seasonal fluctuations in the level of the debt subject to limitation. The debt normally reaches a peak in the late spring and then recedes to a lower yearend level.

Mr. Speaker, the bill will be gone into and explained thoroughly during debate and I urge the adoption of House Resolution 325 in order that H.R. 8508 may be considered.

Mr. Speaker, I am looking forward with some anticipation to what I expect to see and observe here on this floor today. It has been interesting to read the RECORD for the past 15 years as to what has happened in connection with meeting what I believe to be are our responsibilities. Let me hasten to say that I respect every Member of Congress in his right to take any position that he desires and in his own conscience on legislation pending before the House. I know that in many instances Members of this House on both sides of the aisle have consistently and regularly voted against such legislation as is proposed here. On the other hand, I know there are those who have voted on both sides of the issue. This, again, of course, is a matter of their own choosing and one for which they themselves are responsible. Certainly, I do not charge any irresponsibility.

Let me say that to vote against this legislation today, as I understand and interpret the situation, would be to me the height of irresponsibility. This does not mean that those of us who may face this situation differently or interpret it differently from exactly the same light as I have are precluded from expressing their position and vote pro or con.

But, as I say, I anticipate with some interest what may happen here today in the light of the record of the votes by the two great political parties during the Eisenhower years, the Kennedy years, the Johnson years and now the Nixon years. So, it is with some anticipation that I look forward to what is going to happen today, because I am going to expect, and I am sure we can all here expect that the members of the President's party here on the floor today will meet their responsibility and will carry the ball for what the President has expressed as a need for this legislation. And, as I say, I am somewhat interested in the outcome. I certainly understand and sympathize with the embarrassing dilemma of my good friend GERRY FORD—and I do not see him on the floor at the moment, although he was here a little earlier—but I can well sympathize with the embarrassing dilemma in which he found himself yesterday with reference to having

to have a bill of this type, based upon some of the votes over the years and particularly with reference to two votes that occurred last year in which my dear friends on the Republican side were in lock step against this particular kind and type of legislation.

Let me say to my friends on the Democratic side of the aisle that I think this legislation is necessary. I think the administration has made a good case. I think, certainly, because of my great respect and appreciation for the distinguished chairman of the Committee on Ways and Means and the members of that committee, a vote in favor of this legislation is the proper vote.

But I would urge my Democrat colleagues that in line with your actions throughout the Eisenhower days, the Kennedy days, the Johnson days, and now the Nixon days, that we go along and meet our responsibility to make it possible for the administration to pay its bills.

I know some of the Members may not have given it a great deal of thought, but, you see, the Republican Party has not won a campaign or election in this country in 40 years.

Now, I am merely quoting a rather distinguished Republican, and some comments he made not too long ago on the floor. 1928 was really the last time that the American people have really entrusted this Government to the Republican Party.

Now, why is it that throughout this 40-plus years that the American people have entrusted control of all or a part of our Government in the hands of the Democratic Party? I believe it is basically because we have met our responsibilities, because we have done the things that were necessary to be done when it became necessary in the best interests of national security and in the best interests of programs which we as Members of Congress have voted for.

And so today I say I would urge my friends on the Democrat side of the House to support this legislation because of the necessity of having the increased ceiling in order for proper debt management.

I for one have long advocated elimination of the debt ceiling.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I definitely believe, as I say, that sometimes this is truly an exercise in futility because in the final analysis we as Members of the Congress are responsible for our actions when we authorize programs and when we vote for appropriations to fund those programs. In the final analysis it is our responsibility, if we are going to restrain ourselves and retain any limitation, that is where the limitation should be placed. This whole business of artificial limitations really amounts to no more than an exercise which we go through annually, as I say, or semiannually, and I believe in some cases maybe three times in 1 year, to discuss some of the problems that exist.

So, Mr. Speaker, in conclusion I believe that the proper position for the House today is to support this extension. I am inclined to believe that we will be back next year doing exactly the same thing, because I might say as warning, that tomorrow, according to my understanding, we will be called upon to act upon a piece of legislation in which the new administration is proposing an increase of over $100 million in a present ongoing program. Frankly, I happen to be for that program, but I must say to the Members that I want it understood that as I and others attempt to share our responsibility in this area, and to try to go along and cooperate with the new administration, as I believe most of us have a desire to do, that I am going to expect sharing equally on both sides of the aisle.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I will be glad to yield to my friend from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding. I appreciate the statement made by the gentleman at the outset of his remarks when he said that he could see no good reason for a closed rule in considering this bill.

Why, then, is there a closed rule? Is it because it is fashionable to bring legislation of this type to the House floor under a closed rule under which the Members cannot work their will? Is that the point the gentleman is making?

Mr. SISK. Let me say to my good friend that I am inclined to believe perhaps he has put it rather well. It has been traditional, as I know my good friend from Iowa knows, for the Committee on Ways and Means to ask for closed rules, and in most cases waivers of points of order.

Now, there was some consideration given in the Committee on Rules to at least modify or to open up this rule to permit the offering of possibly one or two amendments.

But the final consensus of opinion of the Committee on Rules was to go along with the request of the Committee on Ways and Means for a closed rule.

Let me say to my good friend, and I am not going to make any firm commitment, but we are supposed to have a tax reform bill here one of these days. I may say that never in history have Americans been concerned about taxes and tax reform as they are today. So I am going to reserve at least for the present the position I may take on that particular legislation as regards a closed rule or an open rule.

I might say, while I go along with the committee, because I do have great respect for the gentleman from Arkansas, I wonder sometimes if this House might spend a couple of months this year debating and discussing in depth taxes and our present tax system. Maybe we would be better put to spend 2 months in that area than doing some other things that we may do otherwise.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Missouri.

Mr. ICHORD. I will say to the distinguished gentleman from California, I am one of those who voted on both sides of the question. I have voted against the increase in the debt limit as a matter of protest against the failure to balance the budget; at the same time I have recognized the financial chaos that could very well result if the Government were not able to meet its obligations as they become due. The place for action is on the appropriation bills themselves. This is why I have voted against many measures which I may have voted for if the money had been available. Every effort must be made to balance the budget, and this I have tried to do by my individual votes.

I recognize, as does the gentleman in the well, that not only the executive department must shoulder the responsibility, but also the Congress itself.

Of course, it is very difficult for a legislative body to resist additional spending because of failure to balance the budget and the pressure of high spending in recent years has come from the executive. Also, a legislative body is not economy minded by nature—such is not the nature of the beast.

I have decided this time to support the increase, but I want to serve notice that this is the last time I am voting for an increase in the debt ceiling unless emergency conditions do arise. We may have to experience a little chaos in order to avoid still greater chaos in the more distant future.

Mr. SISK. Let me say to my good friend, the gentleman from Missouri, I appreciate very much his statement and, as I say, I respect every Member's right to take his position and I understand the reasons. I think we have to consider these issues, but in the final analysis a case basically has been made when we look at the budget. I am inclined to think even if the present ceiling were projected of the apparently anticipated expenditures for 1970, we will be right back here next year on this same course of action. We will see what happens at that time.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from California has consumed 13 minutes.

The Chair recognizes the gentleman from California (Mr. SMITH).

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

Mr. Speaker, as stated by the distinguished gentleman from California (Mr. SISK), the pending resolution, House Resolution 325, does provide for 4 hours of general debate for the consideration of the bill (H.R. 8508) to increase the public debt ceiling. It is a closed rule and all points of order are waived.

The purpose of the bill is twofold: First, to increase the permanent debt ceiling to $365 billion, and, second, to permit a temporary additional increase of $12 billion—to a total of $377 billion—through June 30, 1970, the end of fiscal 1970.

The bill provides that the permanent ceiling be increased from $358 billion to $365 billion for this and future fiscal years. This figure does not make any allowances for increases in expenditures in fiscal 1970 above the budget submitted in January. Tight fiscal and monetary con-

trol will have to be continually exercised. Current Treasury projections indicate that on or about April 15 the current ceiling will be exceeded unless the operating cash-on-hand balance of the Government is reduced below the $4 billion level which is deemed necessary and is the usual minimum.

In addition, a temporary 1-year debt limit is provided for the rest of this year and throughout fiscal 1970. This temporary figure is $377 billion or $12 billion over the permanent ceiling provided by the bill. The figure of $377 billion was reached based upon the most recent Treasury projections. To the projections was added a total of $3 billion for meeting contingency expenditures during the next fiscal year.

The gentleman from Ohio (Mr. VANIK) and the gentleman from Florida (Mr. GIBBONS) have filed supplemental views supporting the bill but opposing the continuation of the 10-percent surtax beyond June 30. They favor closing the tax loopholes which they believe will make up for the revenue lost by the lapsing of the surtax.

The administration supports the bill.

So far as the measure is concerned, personally—and speaking only for myself and not in any way attempting to influence any other Member—I well realize the Congress of the United States over the past several years has started new programs which have been costly and has expanded existing programs which have been costly. Accordingly, we are in an extremely difficult fiscal situation at the present time but, as I have said, speaking only for myself, I have never voted for any of these bills. I have not voted for the debt increase. I have not voted for foreign aid and many of the other measures, and I would consider myself personally irresponsible if I turned around now and voted for this, when I did not vote for the programs which placed us into the position in which we find ourselves.

However, Mr. Speaker, I do urge adoption of the rule. I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. MCCORMACK) the distinguished Speaker of the House.

Mr. MCCORMACK. Mr. Speaker, I have a letter from President Nixon which I shall read to the Members of the House. I know it will be of interest to all Members, and I hope it will be of particular interest to our Republican colleagues, in view of the rollcall history on legislation of this kind going back through quite a few years. The letter is dated March 17, 1969, and reads as follows:

DEAR MR. SPEAKER: In the interest of responsible management—

Get those words now—"responsible management"—

I am compelled to advise that prompt approval of the Ways and Means Committee's recommendation for a temporary increase of $12 billion in the debt ceiling is of the highest importance.

And mark the words "of the highest importance."

In light of the Budget submitted in January and according to latest estimates—and, of course, barring unforeseeable contingencies—the level of debt under the proposed temporary ceiling will be sufficient to meet financing needs for the remainder of this calendar year.

But present projections, as well as the proposed expiration of the temporary ceiling on June 30, 1970, make it clear that the question will have to be reconsidered next year, thus offering full opportunity for careful review of intervening budgetary and spending actions. It is plain that a temporary ceiling of $377 billion—$5 billion lower than my request under existing debt definitions—will impose great restraint in these areas on both the Congress and executive branch.

If the present ceiling of $365 billion were not raised we would be extremely hard pressed to meet the Government's obligations in April, and in the last quarter of this calendar year the projected resources, in the light of seasonal peaking of financial obligations, would be patently inadequate. Accordingly, I must respectfully solicit your assistance—

And, Mr. President, I am assisting you here now, and I am glad to assist the President of the United States—

I must respectfully solicit your assistance not only in obtaining approval of the temporary ceiling but also in doing so as promptly as possible.

Because of the importance and urgency of this matter, I am sending this same communication to the Republican leader, Congressman GERALD R. FORD.

With warm regard,

Sincerely,

RICHARD NIXON.

I think that letter provides plenty of justification. I am not going into a discussion of past votes. We have to look forward from today to tomorrow. There will be time for that.

We know the history and the record. But I respectfully submit to my friend from California and to others on the Republican side that we all constantly reconsider our views. We are always constantly undergoing reflection on our part. I know, speaking for myself, when in the past I have found that in good faith I have voted a certain way and then the following year or two I have had additional evidence which caused me to believe I would have voted the other way if I had that evidence, when the matter came up again I had the courage and the responsibility and I assumed the responsibility of changing my vote.

In my case, that has very rarely happened, because I have been pretty consistent throughout the years.

So if I might try to assist my Republican leader in getting votes on his side, I simply say to my Republican friends, this is now 1969, not 1968 or 1967. We will twit our friends about those years later on, as soon as justifiable.

The President of the United States has sent this letter to me and to my friend, the gentleman from Michigan (Mr. GERALD R. FORD). I always give full consideration to the views of the President of the United States, no matter what party he might be a member of.

I urge my side of the House to be consistent with our great record. Even during President Eisenhower's 8 years, the Democratic membership, whenever this question came up, overwhelmingly voted to increase the debt ceiling, and our voting record even during those years was much better than the voting record of my Republican friends, but during those years the Republican record was fairly satisfactory.

I am urging my Republican friends today to come back, to bring themselves back to the record of the Eisenhower days and be fairly satisfactory and give an overwhelming vote to this bill.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. SISK. Mr. Speaker, I yield 3 additional minutes to the gentleman from Massachusetts.

Mr. MCCORMACK. Mr. Speaker, does the gentleman from Michigan wish me to yield?

Mr. GERALD R. FORD. Mr. Speaker, I would be grateful if the distinguished Speaker will yield.

Mr. MCCORMACK. Mr. Speaker, I am happy to yield to the gentleman from Michigan, because I am doing everything I can to cooperate with my friend.

Mr. GERALD R. FORD. Mr. Speaker, as the Speaker has indicated, both he and I have received a communication from the President of the United States asking for our help in getting favorable consideration of this legislation this afternoon.

Before receiving this letter, I had indicated to the President that I intended to support it, and I have contacted the Republican Members on our side urging their favorable support for the Presidential request.

I think the President will be pleased with the Republican response on this very important matter. I think the Speaker will be pleasantly pleased as well.

Mr. MCCORMACK. Mr. Speaker, may I also say I hope the country as well will be pleased, because we Democrats are pretty consistent. The gentleman from Michigan knows that.

Mr. GERALD R. FORD. Mr. Speaker, let me say I had some suspicion that perhaps some time during the discussion today the question might be raised—and the Speaker has not raised it—perhaps by some other Members on the other side about my attitude or voting pattern the last several years in reference to this matter of the debt limitation. Always liking to be armed with the facts, I had my staff check to see what the voting record had been in my case. I have in my hand the record of the votes taken early in the administration that followed President Eisenhower—votes on this same issue.

On June 26, 1961, and again on February 20, 1962, I supported a Democratic President who was faced with the same crisis that our new President is faced with at the present time. I voted to increase the debt limitation. I had no apologies at that time because the crisis was serious.

It is true that in subsequent years I did change.

Mr. MCCORMACK. The gentleman strayed from the fold.

Mr. GERALD R. FORD. I did it for what I thought was good reason. During these last few years I voted against increases in the debt limitation for good reasons, as I saw the whole picture.

I think the votes we had at that time, from 1962 on to the present, where some of us expressed our opposition to an increase in the debt limitation, were actually helpful in trying to make certain that we would achieve a fiscal responsibility that would be for the benefit of all Americans. The net result was, because of these votes and because of other actions, last spring the Congress did get together with the then President and we did take affirmative action to impose a spending limitation and to raise additional taxes. The consequence of that is that the United States today is infinitely stronger fiscally than it has been for a long time. It was a bipartisan effort, but it was apparently not sufficient to avoid the crisis that we have at the moment. For that reason I feel fully justified in supporting the President's request today for an increase in the debt limitation so that the United States can pay its bills and can avoid an economic and fiscal catastrophe. If we do not do it, I would fear the consequences.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. SISK. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Oklahoma, the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I am pleased that the Speaker yielded to me.

The distinguished minority leader has been quoted in certain press releases as having said that he has changed because, if I understood it right, he had more confidence in the fiscal responsibility of the White House. In fact, I think this is the exact quote as given:

> Republican reaction is different because of the fact that we now have faith in the administration concerning fiscal responsibility.

Were there any political implications at all in that statement, I would like to ask the distinguished minority leader?

Mr. GERALD R. FORD. Will the distinguished Speaker yield to me?

Mr. McCORMACK. I yield to the minority leader.

Mr. GERALD R. FORD. I do not think there were any political implications. I personally do, in good conscience, feel that the new administration will make a maximum effort in the area of fiscal responsibility. I will be sorely disappointed if they do not. Therefore, I am going to vote this way for the reason, among others, that I do not want this country to be faced with a catastrophe fiscally or a disaster economically. I will say to my distinguished friend from Oklahoma, the majority leader, and to the distinguished Speaker, that the President and I and those of us in the minority in this Chamber are grateful for their assistance on this very critical vote.

Mr. McCORMACK. One thing is certain. On June 30, unless we pass this bill, the debt ceiling will go back to the permanent debt ceiling of $358 billion. That, my friends, would be a catastrophe. Never mind our party affiliation. This would be a catastrophe for our country. We are elected by our constituents and we are elected to assume responsibility. This is one vote where I think the question of responsibility is uppermost, and I urge all of my colleagues, no matter how they may have voted in the past, to vote for the passage of this bill.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. I thank the gentleman for yielding this time to me.

Mr. Speaker, I have listened to the very statesmanlike speech of the distinguished Speaker of the House of Representatives and the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD).

On at least two occasions recently I have risen above the level of partisanship and supported the President of the United States, Mr. Nixon. But I think we ought to be taking a little look at the record.

In the last 10 votes involving the increase of the debt limit the Republican side of the aisle contributed 21 affirmative votes, two votes in support of the issue for each time it has been voted upon. And, there are votes against the issue that run all the way from 122 to 176 in two instances, 154, 158, and 172 in one instance.

Now, Mr. Speaker, there are a lot of Members of my party on my side of the aisle who have been talking to me about this and have said, "Well, what are the Republicans going to do; are they going to rise above partisanship and become statesmen?"

Today I think they are going to be looking and watching the rollcall and checking it off. I would say in the best interest of the country I want to support my Speaker and I want to support the distinguished minority leader on this issue. I want to be consistent, because I have voted every time to raise the debt limit as a measure of my own responsibility, and I hope the response of my Republican friends will be on the side of rising to a position of statesmanship which will enable me to vote with them on this matter.

We are going to watch the vote on this matter, however.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the Committee on Rules, the gentleman from Mississippi (Mr. COLMER).

Mr. COLMER. Mr. Speaker, I too have listened here with great interest to this debate and particularly to the two leaders of our respective parties, as well as to my good friend, the gentleman from California (Mr. SISK).

We have heard a lot here about consistency and fiscal responsibility. If I had a little more time and were a little more capable, I would like to develop those two thoughts a little bit further. I do not have anything against anyone. I adopt the statement that was made here that I respect each man's right to vote as he sees fit as he approaches these developing problems.

But I want to repeat what I said in the well of this House on previous occasions and that is this: I am not nearly as concerned about the future of the Democratic Party or the Republican Party as I am about the future of the Communist Party or the "party of the man on the horse" that is going to take over this Government if we continue this reckless and irresponsible spending which results in the continuous increasing of our national debt and accelerates our travel down the ruinous path of inflation.

Mr. Speaker, we have a dollar today of 39 cents as compared with the dollar of 1939. The value of the dollar has gone down 13 cents in the last 4 years. Now, what does this mean? It means ruinous inflation, and I remind you—although I am not lecturing anyone—but I want to remind my friends that in addition to being consistent I want to do what is for the best interest of my country.

I voted against all of these debt increases on the theory that we had to slow down this landslide or else we were going to lose the cherished institutions of this Republic. On the other hand, I have voted for every tax bill that we have had since I have been here and against most of these well-intentioned programs that bring about this money crisis.

I wonder sometimes whether it would not be a good idea to let one of these financial crises that we constantly face develop and let the country itself realize that we cannot go on indefinitely with this depreciation of the value of our currency. Once the value of the credit and the faith of the United States is destroyed, then everything is destroyed. The wheels of industry stop, and everything is gone.

We are told that if we do not meet this crisis—and there will be another one along before too long—then everything will be in chaos. Well, as this humble person sees this thing, it might be better to let the country be shocked into a realization of the excessive burden that is being added each year on a so-called temporary basis rather than to wait until the complete faith and credit of the Government is gone, and when the Communists or the man on the horse move in.

So, Mr. Speaker, with all due deference to you, for whom I have a very high regard, and to my good friend from Michigan (Mr. FORD), and for the man who sits in the White House, I am going to be consistent, too, although I dislike very much to differ with you. I might add to my friend from Arkansas, the very able gentleman who is chairman of this powerful committee, I just wish that I could see it the same way he does, but I cannot.

My opposition in the past to most of the extreme, and extensive and expensive programs is consistent with this position today. After all, the time and place to be most effective is when each individual program is being debated and voted upon. It is not pleasant to fight some of the programs that are well motivated, but it is a fact of life that the Government cannot do everything for all of the people, all of the time.

Mr. Speaker. In conclusion, I wish to thank my colleague on the committee, the gentleman from California (Mr. SISK), for yielding this time to me. I debated with myself at some length whether I should attempt to again dis-

cuss this important matter. I labor under no delusion that anything that I say here will bring about any material change in the picture. Politics being what it is, I know that the stage is all set to pass this bill. But, recognizing my responsibility as a Member of this body, I cannot refrain from again raising the storm signals of impending disaster unless the Congress and the country realize the true situation that confronts this cherished young republic.

The chart below illustrates just what I have been talking about:

Public debt at end of fiscal years 1930–68

[In millions of dollars]

1930	16,185
1931	16,801
1932	19,487
1933	22,539
1934	27,734
1935	32,824
1936	38,497
1937	41,089
1938	42,018
1939	45,890
1940	48,497
1941	55,332
1942	76,991
1943	140,796
1944	202,626
1945	259,115
1946	269,898
1947	258,376
1948	252,366
1949	252,798
1950	257,377
1951	255,251
1952	259,151
1953	266,123
1954	271,341
1955	274,418
1956	272,825
1957	270,634
1958	276,444
1959	284,817
1960	286,471
1961	289,211
1962	298,645
1963	306,466
1964	312,526
1965	317,364
1966	320,369
1967	341,309
1968	358,000

Mr. SISK. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8508) to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas (Mr. MILLS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8508, with Mr. FASCELL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas (Mr. MILLS) will be recognized for 2 hours and the gentleman from Wisconsin (Mr. BYRNES) will be recognized for 2 hours.

The Chair recognizes the gentleman from Arkansas (Mr. MILLS).

Mr. MILLS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the gentleman from California in presenting the resolution making in order the consideration of this bill pointed out we are again going through the annual or semiannual process of considering a debt ceiling bill.

I believe this is the 16th or 17th such proposition that I have been called upon to sponsor as chairman of the Committee on Ways and Means in the period of time that I have been chairman of that committee.

I do not look forward to it. I do not relish it. I know that the membership of the House would hope, perhaps, that we could seek some better way to arrive at our decision as to the rate of spending within a fiscal year, than try to do it by reining in spending through the debt ceiling. I want to talk a little later on today about a way I think we can actually do what we want to do without trying to use the debt ceiling in this manner.

Briefly, the bill before us provides a permanent debt limitation of $365 billion but provides a temporary additional limitation of $12 billion that will expire on June 30, 1970. In other words, under this bill the aggregate debt limitation will be $377 billion until June 30, 1970, at which time the limitation will drop to $365 billion.

I will explain why we need this limitation in a few minutes, but first let me give you the figures applicable under present law so you can compare the present and proposed limitations. Under present law, for 364 days out of the year, the limitation is $365 billion—the same limitation which applies under this bill after June 30, 1970. On the one day of each year—namely, June 30—the present limitation is $358 billion.

One of the first questions which one is likely to ask is why is any debt limitation increase needed at all when we are operating under a balanced budget. The budget shows, for example, that we will have a surplus of almost $2.4 billion in the fiscal year 1969 and a surplus of slightly over $3.4 billion in the fiscal year 1970—the years in which the proposed debt limitation increase will be effective.

While it is perfectly true that the unified budget—which is the budget which everyone speaks about—is expected to be balanced for these 2 years, what we used to call the administrative budget, or what the budget document now calls the Federal funds, are not in balance for the fiscal years 1969 and 1970. The Federal fund budget is expected, according to the official budget estimates, to show a deficit of approximately $7 billion for the fiscal year 1969 and a deficit of $6.8 billion for the fiscal year 1970.

The reason the unified budget shows a surplus even though the Federal funds or administrative budget does not, is because the unified budget shows only the Government's transactions with the public. As a result, a surplus in the various trust funds—such as the old-age and survivors and disability insurance trust fund—offsets a deficit in the administrative budget, if it is large enough. The trust funds surplus in 1969 according to the budget document is estimated at $9.4 billion, and in the fiscal year 1970 it is estimated at $10.3 billion. It is these surpluses which, combined with the deficits in the administrative budget, result in the surpluses in the unified budget with which all of us are familiar. You will find this set forth on page 3 of the committee report.

The present public debt limitation—with the exception of certain agency debt—reflects the total debt of the Federal Government including both that held by the public and that held by the trust funds. As a result the deficits in the Federal funds, or administrative budget, makes it necessary for us to consider an increase in the debt limitation at this time.

Before we get down to the details of the proposed debt limitation, I would like to discuss briefly with you one other matter which I believe needs to be explained.

At the time the House acted on the conference report on the Revenue and Expenditure Control Act of 1968 last year, I said that if we passed that bill "There is every chance unless some unforeseen contingency develops that we will not have to tinker with the debt ceiling for the fiscal year 1969."

Yet here we are still in the fiscal year 1969—albeit relatively late in the fiscal year 1969—tinkering with the debt limitation. At the time of the passage of the Revenue and Expenditure Control Act of 1968, I thought that the additional revenue provided by that act, together with the $6 billion expenditure reduction required by it, would make any further adjustment in the debt limit unnecessary for this fiscal year.

The reason we are here today to consider the debt limit is because Congress provided additional exceptions to the $6 billion spending limit, which were not provided in that act. You can see this if you examine table 3 on page 7 of the committee report. This table shows that the expenditure programs subject to the $6 billion limit actually were decreased by $8.3 billion—well in excess of the requirement of that act.

What occurred, however, was that there were sizable increases in programs excepted from the $6 billion spending limit. These excepted expenditure programs were left out of the ceiling because it was felt that in the short run they could not be controlled. The Revenue and Expenditure Control Act contained four exceptions; one for Vietnam spending, one for interest, one for veterans' benefits and services, and one for the social security trust funds. As shown in table 3, the spending in these four categories of items increased $4.5 billion.

What occurred was that Congress, in subsequent actions, provided additional exceptions to the $6 billion spending limit for the TVA program financed from power proceeds, the Commodity Credit Corporation, the public assistance grants to States, and aid to schools in federally

impacted areas. I am not quarreling with these actions but I am noting that Congress took these actions after we finished action on the Revenue and Expenditure Control Act and I made that statement.

These additional exceptions, as indicated in table 3, show further increases of $1.6 billion above the old budget level for these items. Were it not for these additional increases, it would not be necessary to ask for an increase before the beginning of the fiscal year 1970 on July 1, 1969.

I want to make it clear, however, that I view the $6 billion expenditure limit as a success. Without such a limit there would have been all of the uncontrollable increases which have occurred in excepted expenditure categories. At the same time, much of the $6 billion reduction would not have been made had there not been the review of programs and the impetus for finding items which could be cut. I have also been assured by the Budget Director that the $6 billion expenditure reductions will be complied with throughout the remainder of this year.

Unfortunately, however, the increased spending which occurred as a result of the exceptions made to the $6 billion limit will cause the cash balance in the Treasury to fall to a dangerously low level on April 15 of this year just before the income tax returns come in.

At that time if the $365 billion limitation still applied, the Treasury would have to reduce its cash balance to $1.8 billion. This is substantially below the safe working level of $4 billion which is generally assumed in debt limit considerations and even further below the $5.1 billion which was the average cash working balance in the Treasury last year. The situation may be even more perilous during the 2 or 3 days before April 15 when the debt tends to be even higher than these monthly midpoints.

Not only is a $1.8 billion cash balance inadequate for management purposes, but, more important, it makes no allowance for various contingencies which may arise. These include the slower collection of receipts than estimated and the spending of funds faster than anticipated.

During the first half of April of this year, if this ceiling is retained, we would be forcing the present Secretary of the Treasury into practices that were required back in the fall of 1957, during the period from October to December, I believe, when because of a downturn in business conditions our revenues fell off so greatly as almost to push our debt over the ceiling then applicable.

In fact, at that time the Secretary of the Treasury had to use indirect means of financing debt—at a cost to the Treasury of the United States in additional interest of approximately $18 million—because he could not issue securities in the ordinary, customary way as a part of the public debt. This is not the kind of strait jacket in which we should place the Secretary of the Treasury. It is for that reason that I am before you now, rather than at the end of the fiscal year, asking for an increase in the debt limitation.

The committee also thought that since we had to act on the debt limit for the remainder of this fiscal year, we might well look down the road just one more fiscal year to see what the requirements would be for fiscal 1970. This avoids the necessity of acting upon the measure here in the House in March and then having to come back in May or the early part of June and acting again. What we did was to develop in the committee the method of debt ceiling approach that we have used historically. We did not take on the new suggestions that came from the Secretary of the Treasury. We proceeded in the same identical way that we have ever since I have been on the committee. We look to the needs for the next fiscal year based on a $4 billion cash balance and allowing an additional $3 billion for contingencies.

In this connection it might be worthwhile for the Members to turn to table 2 shown on page 4 of the committee report. This table prepared by the Treasury Department indicates the minimum debt limitation believed to be required on the 15th day and the last day of each month in the current and coming fiscal years. We were informed this table is calculated on the basis of the administration's best estimates of budget receipts and expenditures for these years. It assumes a constant minimum operating cash balance of $4 billion which, as I said a few moments ago, is below the average cash balance we maintained last year of $5.1 billion. This table shows the debt limitation with and without a $3 billion contingency allowance.

A $3 billion contingency allowance has traditionally been provided because receipts and expenditures even with the best intentions in making estimates can vary appreciably from the budget figures. In part this may occur as a result of changes in business conditions. Military expenditures have also been a difficult item to forecast. I should also point out that the Budget Director in his appearance before your committee listed various expenditure items which he believes could well cause increases in the 1970 Federal funds deficit. He pointed out, for example, that $1.2 billion of expenditure increases above the budget level can be expected if congressional action is not taken on a series of items, such as the proposed increased postal rates. He also stated that interest costs may be higher than shown in the budget. In addition, there are $400 million of user charges reflected in the budget which if not enacted will result in a lowering of receipts by this amount.

All of these items taken together indicate that the $3 billion contingency allowance is conservative indeed. The last time we allowed $12 billion for contingencies because we thought that we could foresee that much in the way of contingencies. The Secretary of the Treasury asked us to allow him as much as $8 billion for contingencies, and we have cut that this time from $8 billion to $3 billion.

Let me go back now to table 2 on page 4 of the committee report. If you will look at the last line on that table—the figure for June 30, 1970—you will see that with a $3 billion contingency allowance, with present budget estimates of receipts and expenditures, and with a $4 billion cash balance, the debt on that date is expected to be $364.4 billion, or within less than a billion dollars of the debt limitation which your committee's bill makes applicable after the close of business on that day.

I believe this demonstrates fully the need for the permanent limitation of $365 billion which this bill provides.

Now let me go to the second issue; why we need a supplementary allowance of $12 billion, up to the end of the fiscal year 1970.

In recent years the House has become acquainted with the fact that we need a higher limit during the year than we do at the end of a year because of the difference in the revenue and expenditure patterns which occur during a fiscal year. Expenditures for the most part are spread relatively evenly throughout the entire year but receipts flow into the Treasury with periodic peaks, depending upon various tax collection dates.

Withheld income taxes flow in relatively evenly throughout the year but corporate income tax collections which are paid on a quarterly basis, and also declarations of individuals which are paid on a quarterly basis, result in periodic peaks throughout the year. The two biggest of all the peaks in collections, of course, occur shortly after the due date for corporate and individual income tax returns on March 15, and April 15, respectively.

All of this means that we tend to run a higher deficit throughout the first part of the year than the last part of the fiscal year. As a result debt requirements build up each year until about March 15 or April 15 and then fall off again. This explains why we need the additional $12 billion leeway during the fiscal year 1970 as well as before April 15 of the current fiscal year.

If you will again turn to table 2 on page 4 of the committee report, you will see that on March 15, 1970, it is estimated that the debt subject to limitation on that date will amount to $377 billion if a $3 billion contingency allowance is taken into account. This is exactly what the supplemental allowance would provide for the fiscal year 1970—and not $1 more. The peak on April 15 according to the estimates is only slightly less—$376.7 billion.

I do not see how, given the present budget, we can get by on anything less than this bill provides. It certainly is a tight limitation, and one which will require review of the budget again this next year after the new administration has had an opportunity to more thoroughly acquaint itself with budgetary matters.

I am sure some of my Republican colleagues on the floor of the House will echo the words I am saying now—that it is a tight ceiling. In fact, we may have drawn it too tight to enable the administration and the Secretary of the Treasury to have the flexibility for the fiscal year 1970 that it may need in that period. Only future events will tell us this.

I said earlier that there is a way—in my opinion an effective way—to restrict spending during the course of the

fiscal year. I am not criticizing anyone as I make these statements. These are simply my own views as to what I think we can and should do. I have worked on it a long time and I have given a great deal of thought to this process that we now follow of ending a fiscal year with unspent obligational authority—at the end of fiscal 1969 this is expected to amount to $226 billion—which will be available for expenditure without any further action by Congress in the next and later years. Then, as in the 1970 budget presently being considered by the Congress, there are requests for $210 billion more in new obligational authority. That means a total of $436 billion of obligational authority is in the pipeline for ultimate expenditure if we follow these recommendations.

Where do we get the idea, then, that when we pass appropriation bills we are saying how much can be spent within a fiscal year? Actually we do not say anything of the kind. We make funds available in amounts much greater than there is any possibility of spending in a fiscal year, and the administration, operating usually through the Director of the Budget, will tell us, "Out of the largesse which the Congress has provided we are not going to spend $435 billion; instead we intend to spend $195 billion."

To me expenditure control is the function of the Congress of the United States. If we will attach in the Committee on Appropriations this second concept; namely, a figure representing out of the grant of authority contained in the bill what can be spent in a fiscal year, and not have to go to the shotgun approach that we used in the Revenue and Expenditure Control Act of 1968, then I think we will have accomplished what we want and what we have been striving for years to get—a tight ceiling on expenditures. But the debt ceiling will not do that.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I think the gentleman from Arkansas knows that I listened with great interest the other day when he engaged in conversation of this kind with the gentleman from Missouri (Mr. BOLLING). I drew from that conversation, as I do today from the remarks in this Chamber, that what is proposed is in effect that we have an expenditure ceiling item by item in each appropriation bill that passes this Congress.

Mr. MILLS. Yes; an expenditure ceiling, department by department.

Mr. ANDERSON of Illinois. Mr. Chairman, does the distinguished gentleman from Arkansas, with all his years of experience in the Congress, feel that the Congress is presently so organized and so equipped with staff and personnel and otherwise that we could really effectively at the present time discharge that kind of obligation?

Mr. MILLS. I do not know whether we are or not, but if we are not, we should be.

As you can see from what I have said I am concerned about the trend in spending. This budget we are working on provides for between $11 billion and $12 billion more spending than the budget says we will spend in the fiscal year 1969.

I am getting reports through the papers that it looks downtown like it is impossible to bring about much reduction—that actually it may be necessary to exceed that $11 or $12 billion increase.

Finally, a decision will have to be made somewhere in the Government as to whether or not the 10-percent surcharge has to be carried on for another 12 months beyond June 30—or some part of it.

If there were to be no reductions in the $195 billion, and the Ways and Means Committee were to be asked to continue the 10-percent surcharge—which will not amount to as much as the expenditure increase—would we not in effect be asked to continue the surcharge to meet the increased costs of Government between fiscal year 1969 and 1970—even though it would not be large enough to fully do the job?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLS. Mr. Chairman, I yield myself 5 additional minutes.

If this were to occur, I could not hold out the thought any longer to my own constituency that the 10-percent surcharge under those circumstances was temporary for a period of 1 or 2 years. I say this because once we get into that pattern, once we get into the pattern of not controlling expenditures, and they go higher and higher one fiscal year after another, then we can see that we will need to extend the surcharge on June 30, 1970, just as much as we are going to need to extend it on June 30, 1969. I would have a great problem, frankly, in bringing myself around to the sponsorship, as chairman of the committee with jurisdiction in this field, of a continuation of the surcharge if that is going to be the record and if that is the way it is going to be used.

I, too, am interested, as all of you are, in trying to get better control over expenditures. However, I want to repeat what I said earlier: You do not effectively control spending through a debt limit. You cannot control it through this device. We are now in the same type of situation as we would be in if we told the merchants downtown to entertain every requested expenditure and purchase that our wives wanted to make, but then when the monthly bills came in, and the goods were delivered, we found out that they had spent more in total than we thought they should have spent, so we would not issue the checks. It is just as simple as that.

I cannot for the life of me see how anyone can conceive, if he is aware of the situation, of allowing this great Government of ours to be placed in the position that during the early days of the depression some of our States were in; namely, not being able to meet its bills when they come due. Think of what word would go out, not only to our people but throughout the world. It would be said that this great demonstration in democracy and free enterprise has finally come to its knees and is broken. What Khrushchev and others had said years ago they would do to us would have been accomplished. Do we want any such message as this to go out to the world; namely, that this Government is so hog tied that it cannot pay its own bills when they come due?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. GROSS. Does not the gentleman think that some attention ought to be given the other 364 days of the year to what will happen on such a day as this unless there are drastic reductions in spending?

Mr. MILLS. Absolutely. That is true. There is no question about it. You start programs that cost money, and there are built-in increases in those programs. I have already suggested that there is a better way Congress can make its own determination about how much it wants spent out of what is in the pipeline.

Mr. GROSS. When Congress makes a determination that it is going to spend far beyond its means, it is bound to come to a day like this, is it not?

Mr. MILLS. You just cannot go on forever spending more than you take in. At some point in time your interest gets so heavy that it will place an undue burden on taxpayers. However, I do not think we have come to that point.

Mr. GROSS. Did we not have the assurance a year or 2 years ago, when the surtax was approved by the House——

Mr. MILLS. A year ago.

Mr. GROSS. Did we not have assurance at that time that an increase in the debt ceiling in 1969 would not be necessary?

Mr. MILLS. I said, "There is every chance unless some unforeseen contingency develops that we will not have to tinker with the debt ceiling for the fiscal year 1969." However, after the 1968 act was passed more exceptions were added to the $6 billion expenditure reduction. It is these extra exceptions which make action necessary now.

Mr. GROSS. Let me ask the gentleman this question: Has the gentleman seen any restraints thus far in this session of Congress with respect to spending?

Mr. MILLS. I do not want to be critical of the new administration.

Mr. GROSS. Neither do I, but I am asking the gentleman. Personally, I am unaware of any restraint.

Mr. MILLS. I always thought that any new President was entitled to a honeymoon of at least 90 days.

Mr. GROSS. Does that honeymoon include such measures as increasing the pumping out of additional money to a foreign aid handout agency to the extent of $480 million, or a $180 million increase?

Mr. MILLS. It depends upon how the President likes the marriage that he has with the Congress.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. MIZE).

Mr. MIZE. Mr. Chairman, I urge all Members to give careful consideration to the proposition before us today.

Under the unified budget concept adopted upon recommendation of a bipartisan Presidential Commission established early in 1967, the Federal Government will achieve a surplus during fiscal years 1969 and 1970. Borrowing from the public will decline, according to the best estimates before us today. The surtax has accomplished this much of its mission it now appears clear.

INCREASED DEBT IN TIMES OF SURPLUS?

Mr. Chairman, many Americans do not understand why the President has requested an increase in the public debt limit in a time of surplus. I think it is essential that the Congress provide a forum for better public understanding of this seeming paradox. The increase requested today is essential for two basic reasons.

First. No surplus would be achieved in fiscal year 1969, or in fiscal year 1970, without the major contribution of various trust funds held by the Federal Government. During fiscal year 1969, the trust fund surplus is projected to be nearly $9.4 billion. That surplus should increase to $10.3 billion for fiscal year 1970. Current law requires all trust fund surpluses to be invested—for the public good—in special issue Federal bonds

Mr. Chairman, in order for the Federal Government to borrow this surplus, as required by law, the public debt limit, as set by statute, must be increased before the end of the current fiscal year

I might also point out that the operations of the Federal Government would sustain a deficit of some $7 billion without the trust fund surplus, if old administrative budget procedures were still being followed.

Second. The Federal Government is currently dangerously close to the statutory limit for the public debt. Traditionally, between March 15 and April 15, Government borrowing is at a seasonal high-water mark. This temporary situation is annually relieved in mid-April by the income tax returns of millions of American taxpayers.

This year, seasonal demands threaten to exceed current borrowing limitations. We have come too close to the debt limit for prudent operation of the administrative machinery of government and the war in Vietnam. The debt, most regrettably, must be increased.

ADMINISTRATION DESERVES A CHANCE

Mr. Chairman, constitutional and statutory procedures in the United States provide that an incoming President should inherit the budgetary proposals of his predecessor for the following fiscal year. These procedures are proper, for clearly no President can be expected to prepare and recommend an entirely new and unique budget for his first full fiscal year in office in a matter of a few months.

Mr. Nixon has committed his administration to the cooling of inflationary pressures, reduced cost of government, and priorities in Federal spending. Throughout the Nation, most Americans have shown confidence in his leadership. and have every right to expect a critical redefinition of the role of government in American society. But these things take time.

Mr. Chairman, the new administration must have enough flexibility to establish its priorities in a careful, deliberate manner. To deny the President a statutory debt limit increase would be to deny him the time and the atmosphere for proper analysis and prudent action in fiscal reform.

The pressures of Vietnam are inherited pressures, but pressures nonetheless. The fiscal year 1970 budget projects Southeast Asia costs to approach $26 billion during that year. An arbitrary debt limit would force hasty reductions in domestic programs without time for study of the impact or it would improperly impair our effort to bring the war to an honorable conclusion. Both alternatives are intolerable.

Mr. Chairman, those of us who have voted against increases in the public debt limit in recent years have voted as a protest against the spending programs and priorities of an administration long in power—such a protest would be improper today, for the debt limit increase proposed today reflects conditions which were inevitable on Inauguration Day.

Hopefully, in years ahead, Government spending can be arrested to provide some relief to the American taxpayer without attendant disruption of essential foreign and domestic programs.

I urge all Members to vote in favor of the bill before this Chamber today.

I am changing my vote and I am going to support this legislation.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, first of all I would like to commend the gentleman from Arkansas, the chairman of the Committee on Ways and Means, for the statement he has made today, and the statement that he made yesterday before the Committee on Rules, when he was requesting a rule on the bill. He pointed out something to us that I want to point out to the Members of the House today. It is this. In the 1970 budget there are built-in increases—built-in increases—of between $7.5 billion and $10 billion over and above the 1969 budget. This is something that the Nixon administration has inherited from the 90th Congress, and from the outgoing Johnson administration.

Many of the Members realize they did not vote for many of the bills which caused these built-in increases, and this includes the gentleman in the well, but neither did the new administration. The new administration had absolutely nothing to do with these $7.5 billion to $10 billion worth of new costs included in the 1970 budget over the 1969 budget. Yet, it is only asking for an increase of $7 billion in the debt ceiling. By reason of this fact, and by reason of this fact alone, I feel compelled to support the administration in this initial request as it has not been in office long enough to do anything about these built-in increases which it has inherited.

In making this exception, let me be quick to point out that I am not changing my position on deficit financing as I believe we should certainly "pay as we go" in times of high prosperity.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield to the gentleman from Iowa (Mr. GROSS), such time as he may consume.

Mr. GROSS. Mr. Chairman, I am laboring under no illusions about the fate of this bill. It will be approved by the House by an overwhelming margin. Many of those who have opposed increasing the debt ceiling in the past will yield to political expediency and wilt like lettuce under a July sun.

I have consistently opposed increasing debt ceilings for the reasons that there is no other way to protest the irresponsible spending programs that pile ever higher the staggering debt that is being passed on to the generations to come, and there is apparently no other way to point up the necessity for the financial restraints that are necessary if sanity is to be restored to the conduct of the fiscal affairs of the Federal Government.

Thus far, the new administration, I regret to say, has evidenced no restraint in the legislation that has come before the House. A few days ago there was a bill, supported by the administration, to increase the capital of the International Development Association which dispenses handouts to foreigners. That bill authorized an outlay of $480,000,000—an increase of $180,000,000 over the previous appropriation for the same purpose.

In the interests of restraint, President Nixon should have withdrawn President Johnson's recommendation to Congress for outrageous pay increases to Members of Congress, the judiciary, and the executive branch—pay increases that will cost a minimum of $25,000,000 and help accelerate the already spiraling inflation. Already the millions of Federal employees and military personnel, who will get pay increases on July 1, 1969, have noted the unconscionable increases given to top officials and employees and are demanding that their pay be increased far beyond previously planned levels. And the Federal surtax on the incomes of all citizens, enacted a year ago as a temporary measure to obviate the necessity for a debt ceiling increase in 1969, will be continued. Even with the $10,000,000,000 in annual additional revenue from this tax there is no contention that the budget will be balanced.

The gentleman from Mississippi (Mr. COLMER) properly points out that ruinous inflation has overtaken this Nation. He replies to those who say there will be a crisis unless the debt ceiling is increased by saying that perhaps this is the time for a showdown before the situation becomes any worse.

There is much substance to the statement of the gentleman from Mississippi for it is utterly meaningless to raise the debt ceiling in the absence of evidence that mindless spending is not to be halted.

I cannot conscientiously do anything but vote against the pending bill.

(Mr. COLLIER (at the request of Mr. BYRNES of Wisconsin) to extend his remarks at this point in the RECORD.)

Mr. COLLIER. Mr. Chairman, the measure before us, H.R. 8508, provides for a permanent ceiling for the national debt of $365,000,000,000, as well as additional temporary borrowing authority of $12,000,000,000. Such temporary au-

thority would make the ceiling $377,000,000,000 for fiscal 1970. The permanent limit at present stands at $358,000,000,000, while the temporary ceiling permitted within each fiscal year is $365,000,000,000.

This legislation which was recommended unanimously by those of us who are privileged to serve on the Committee on Ways and Means, is sponsored by the distinguished chairman of that committee, the able gentleman from Arkansas (Mr. MILLS), and cosponsored by its distinguished ranking minority member, the able gentleman from Wisconsin (Mr. BYRNES).

In offering this bill, which would escalate the permanent ceiling by $7,000,000,000 and the temporary ceiling by $12,000,000,000, the committee is not abandoning fiscal responsibility—it is merely recognizing the fiscal facts of life. We must pay the bills of the Federal Government as they fall due. To blame the Committee on Ways and Means for the debt would be as ridiculous as it would be to blame the thermometer for the heat of August or the cold of January.

We are hoping and praying that the war in Vietnam will soon be over, but until it does end, it will continue to cost us over $2 billion per month. Even if it ended tomorrow, even if we were to abandon Southeast Asia to the forces of communism, we would still have to find the wherewithal for twice that amount of money allocated for military spending by the Department of Defense.

Despite the huge outlays that are required for the conflict in Vietnam and an adequate preparedness program for a world that is in constant turmoil and crisis, we could still have avoided an elevation of the debt ceiling if the budgets for the past few years had been balanced. At the end of fiscal 1960, the last year that the budget showed a surplus, the debt was $290,799,000,000. An unbroken series of eight deficits since then brought the debt to $369,724,000,000 last June 30.

Although President Johnson, in the budget that he submitted 6 days before he left office, optimistically predicted surpluses of $2,391,000,000 and $3,414,000,000 for the fiscal years 1969 and 1970, respectively, it will be very difficult for his successor, President Nixon, to achieve any sort of balance for either of those 2 years.

Mr. Johnson told the Congress, in his budget message:

> As a result of the unusually large increase in special Treasury issues to Government trust funds for investment of their surplus receipts in the latter half of the fiscal year, the direct Treasury debt will be relatively high, even though a budget surplus is in prospect and borrowing from the public will decline. It may be necessary, therefore, within the next few months, to revise the present debt limit. Even if this does not prove necessary at that time, the need for such action will, in all probability, arise next fall, when budget receipts will be seasonally low.

There is an urgent need for raising both the permanent and temporary debt ceilings, but Mr. Johnson did not tell the entire story. The need for new ceilings arises because of certain discrepancies that will be found between the rosy picture he painted and the dark realities that we might as well face now as later.

The budget for fiscal 1969, which will expire 109 days from now, will not have a surplus of $2,391,000,000, but a deficit of $6,962,000,000. This $9,353,000,000 discrepancy is due to the elimination of the trust funds' accumulated surplus of $9,353,000,000—$52,390,000,000 receipts less $43,037,000,000 expenditures.

These trust funds cannot be diverted to defray the Government's operating expenses. While they must be invested only in bonds of the U.S. Government, they cannot be commingled with other Government funds.

The budget for fiscal 1970, which will begin July 1, will not have a surplus of $3,414,000,000, as predicted by Mr. Johnson; instead it will show a deficit of $10,751,000,000. The main reason for the discrepancy of $14,165,000,000 is the inclusion of the $10,262,000,000 accumulated trust funds reserve—$58,693,000,000 receipts less $48,431,000,000 expenditures. This reserve is based upon the enactment of Mr. Johnson's request for a $1,700,000,000 increase in social security taxes, effective next January 1; such enactment may not be forthcoming.

The anticipated surplus is based in part upon a manipulation of $2,684,000,000 in the Commodity Credit Corporation account. Another $519,000,000 would be added to the red ink if Congress does not agree to President Johnson's request for an increase in first-class postage from 6 to 7 cents, effective July 1.

If we do not increase transportation user charges, another $400,000,000 will be added to the deficit. The remaining $300,000,000 discrepancy between make believe and reality would come about if Congress does not enact legislation that would advance payment of Federal unemployment taxes from annual to quarterly.

Mr. Chairman, my remarks regarding the budget for fiscal 1970 have been predicated upon the assumption that the 10-percent income surtax will be extended for another year. If Congress fails to extend it, in whole or in part—and we cannot assume that it will extend it—we will be in even more serious trouble financially.

No matter what we do regarding surtax extension, a refusal to raise the debt ceiling would be an act of fiscal irresponsibility. Even though I have, during my seven terms in this body, voted against the numerous spending proposals that have come before us, I still feel that the bills for profligate spending must be paid. We cannot shrug off responsibility for these debts, like the husband who runs an advertisement in the newspapers in which he disclaims responsibility for the bills that have been run up by a spendthrift wife. Even though many of those who voted for just about every spending measure that came up during the Kennedy and Johnson administrations are no longer among us, those of us who sit here today must pay for their prodigality, just as the ex-husband must pay alimony long after his former spouse has left his bed and board.

Mr. Nixon has been in office for less than two months, so it is obvious that he and his administration have had little time in which to go over the fine print in the budget. The new President can, of course, find plenty of places in which to economize before the time comes to submit the budget for fiscal 1971. Many economies can be put into effect through administrative action and I hope that the heads of the Departments and other agencies of the executive branch work as hard finding places to save money as their predecessors have done finding places to squander money.

By instituting all the economies possible, President Nixon can reduce unnecessary spending for the remaining 3 months of fiscal 1969 and all of fiscal 1970 and present a balanced budget for fiscal 1971, thus obviating the necessity for another escalation of the debt ceiling. He ought to use every possible weapon, a meat-ax on the wildest of the Great Society nightmares and a surgeon's knife on the programs that can be operated to advantage with fewer employees, more efficiency and less money.

While the executive branch can accomplish a great deal in the field of economy, we in the Congress can do even more. As the authorization and appropriation bills come before the various subcommittees and committees and eventually to the floor of the House, we can go over them with fine-tooth combs and search out places to save money. When programs that are about to expire come up for extension, we ought to ask ourselves, "Is this program really necessary? If it is necessary, can it be operated more efficiently and with less money at the State and local levels? If it is a proper responsibility of the National Government, can it get along without such huge authorizations and appropriations as it received in past years?"

If we are going to exercise prudence in fiscal matters, we must set up a schedule of priorities. Which programs are imperative, which can be deferred until the financial picture brightens, which can be shifted to other levels of government, which ought to be abandoned completely? The House of Representatives, where appropriation bills traditionally originate, has a unique opportunity to start the drive for economy.

We must get our fiscal house in order and bring inflation under control. We simply cannot permit the cost of living to increase by leaps and bounds year after year without having an inevitable day of reckoning. Inflation is hardest on the poor, for whom the demagogs save their bitterest tears.

A most effective battle in the war on poverty will be won if we curtail governmental extravagance, balance the budget, and prevent further inflation. We frequently hear it said that we cannot eliminate budgetary deficits without increasing unemployment. In response to that argument I will say that if we continue on our present course, with deficit piled upon deficit, with the cost-of-living increasing month after month, our economic house of cards will finally come tumbling down and the great depression of 1929 to 1940 will look like a picnic.

Mr. Chairman, if there were no other reason for exercising fiscal restraint, the

interest on the public debt would be a sufficient reason for avoiding another hike in the debt ceiling later on. The following table shows how the annual bill for interest has doubled since fiscal 1959:

[In millions of dollars]

Fiscal year:	
1959	7,070
1960	8,299
1961	8,108
1962	8,321
1963	9,215
1964	9,810
1965	10,357
1966	11,285
1967	12,588
1968	13,744
1969 (estimated)	15,171
1970 (estimated)	15,958

If we were to exactly balance the budgets for the next 24 years, with neither surpluses nor deficits, and with no changes in interest rates, the interest for that period would total almost $383,000,000,000. This would be more than the proposed ceiling that we are considering today would permit—and we would still owe the debt.

We have, of course, no assurance that interest rates will remain constant, in fact, they will probably go up as time goes on if spending is not brought under control. With large portions of the debt falling due at frequent intervals, the Department of the Treasury will be forced to pay higher interest rates, especially for short-term borrowing.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman is recognized.

Mr. BYRNES of Wisconsin. Mr. Chairman, we have today before us an item that has been before us on all too many occasions.

It seems we face this distasteful task almost on an annual basis, if not on a biannual one. It is not pleasant for anyone, and I think the repetitious nature of this legislation should give us cause for concern as to what is happening in our expenditure levels and certainly every President, no matter of what party he might be, in these days must have to be concerned about that factor.

But let me add one other point. We have heard talk today of people who are going to do this to support the President. I do not look at this as a matter necessarily of supporting the President of the United States by what we do on this particular issue.

It seems to me it is in support of the country—that is paramount. Certainly, the Congress of the United States as a body has a great deal to do with what the levels of expenditures are from year to year. I am not, mind you, trying to absolve the executive branch from responsibility because they do have a great responsibility in the executive branch in what they propose and what they encourage and what they put pressure on the Congress to do by way of new programs and new expenditures.

I would share with my chairman his word of caution that we have to get spending under control because it is not under control as of today. There is no question about what this Congress has to do. It is not a matter that has to do with supporting the President, but rather it is a matter that has to do for the country in view of the fiscal situation that we face at this time.

Mr. Chairman, I could very well make the same statement that I made back in 1961 during the first increase in the debt ceiling under the then Kennedy administration; that is, on June 26, 1961. I said at that time:

> Mr. Chairman, this matter of the debt ceiling is becoming, I believe, an annual exercise in frustration. At this late date there is no alternative available except to grant a further increase in the temporary debt ceiling.

I supported that ceiling at that time.

I could repeat the remarks I made to the 87th Congress on February 20, 1962, during the early stages of the Kennedy administration, when I assured this House on that day that I would vote for the increase that had been reported by the committee.

Now I am not standing here before you suggesting that I have not voted against legislation that has been reported by the committee to increase the debt ceiling. Yes, I have opposed it. But I would never take a position that would put any administration or any Congress in a situation where it had to default on paying its bills. The issue always—and I think the chairman of the committee will bear me out—was not the question of whether the debt ceiling had to be increased, and not the question of whether we had to provide borrowing authority. The issue was that the amount granted by the committee in a particular instance was not conducive to expenditure control.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. MILLS. I would certainly like to confirm what the gentleman has said. We have worked together on the committee for many years and I do not recall that the gentleman ever said that the debt ceiling would not have to be increased. Generally, we got into discussion on what the figures should be.

Mr. BYRNES of Wisconsin. That is right. It was a matter of whether the leeway granted was too much and whether the debt ceiling should act as more of a restraint rather than the committee might have provided in the bill. I think that that probably really is the only issue that there should be today—if there is any issue at all.

So, Mr. Chairman, I would like to address myself just briefly to the question of how much leeway does the administration really have in the ceiling that is imposed by this legislation reported by the committee.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I say to my colleagues that I have listened with great and avid interest to the debate here, and I find myself in a difficult position. I have never voted for an increase in the debt ceiling. But the statement of the gentleman from Wisconsin and the statements of others on both sides of the aisle have been very persuasive. In the words of the old song, "I am almost persuaded."

Mr. BYRNES of Wisconsin. Give me a couple more minutes and perhaps I can persuade you.

Mr. SCHWENGEL. If I am persuaded, it will be because I will feel that now, more than at any other recent time, maybe we are acting more responsibly. I make that statement because I have assurances from downtown, the Chief Executive and prominent officials, which indicate that they are going to work harder for this proposition of setting priorities and finding better answers and solutions to problems.

Mr. Chairman, there are occasions when a Congressman is forced to be responsible because others have been irresponsible. Mr. Chairman, I repeat that never before in my political life have I cast a vote to increase the debt limit. My voting of previous occasions on the debt limit has been at a time when I felt we had an opportunity to set priorities to adopt programs that were more economical and/or to act upon the tax question so that we would have the additional revenue necessary to balance the budget. This time this is not the case. So, reluctantly, I will vote for the proposed debt increase.

Mr. Chairman, the proposal before us is a request for a temporary increase in the Federal debt ceiling. My vote for an increase of the debt limit is made reluctantly but with the assurance that this administration will be responsible and will set priorities and will deal with tax loopholes and inequities. If this does not prove to be the case, then in the future I shall again oppose debt ceiling increases. It is clear, of course, that the facts are and, this is a persuasive argument for any increase, that many important Government activities will be severely curtailed within a few weeks and before the President has a chance to make the changes needed to remain within the present ceiling on the Government debt.

Further, it should be noted that the present fiscal situation was not created by the present occupant of the White House. It was inherited from the previous administration, which in my opinion, did not exercise fiscal restraint.

It is only fair President Nixon will have and should have an opportunity to make further increases of the debt ceiling unnecessary. Further, we know that a reevalation of the Federal budget is underway for the purpose of effecting significant economies. It is my hope that the reevaluation will provide substantial reduction in Federal spending.

One other point and problem, the resolution of which would aid greatly in obtaining a fiscal balance, is the Vietnam war. It has been costly—very costly—and, hopefully, this administration will be successful in resolving that—then the money going for that war can go for reduction of the debt and the needed programs; and so, Mr. Chairman, the end of the war, combined with meaningful tax reform, is necessary to make

our tax burdens more equitable. In addition, some fiscal restraint will help stem the tide of inflation.

Therefore, I will cast my vote today for an increase in the debt ceiling. It is the only reasonable alternative. President Nixon must have a chance to deal effectively with the problems surrounding our fiscal situation. To deny him the opportunity to do so would be the height of folly and would work against what we fought for during the campaign of 1968.

Mr. Chairman, it may serve the public interest to present the pros and cons of the debt limit. This is the result of special studies I have used to come to the conclusion I have reached on which I base my vote today.

THE PROS AND CONS OF DEBT LIMIT

Mr. Chairman, on June 24, 1966, President Johnson signed into law H.R. 15202, which had been passed by the Congress to raise the public debt limit to a level of $330 billion through fiscal year 1967. For the past decade "to raise or not to raise" the public debt limit has become an almost annually recurring problem confronting the Congress and the American people. This question generates much discussion each time it comes up for consideration. There have been four bills before the Congress to raise the public debt limit during the past two yaars.

For the first 128 years of our national existence, there was no statutory debt limit as such on the number of Federal securities that could be outstanding. There was, however, statutory authorization for each issue of securities. A statutory limitation on the amount of debt outstanding was started in 1917 when really large-scale borrowing became necessary in World War I. Borrowing since the first limitation was established has increased the debt by more than $300 billion—over 100 times its pre-1917 amount. Many upward adjustments of the debt limit have been made to accommodate or to control the World War II and postwar financing of the Federal Government.

In the light of these facts, is there justification for a national debt limit? Should the Congress establish a permanent debt limit and refuse to adjust it upward except in case of a national emergency? What would happen if Congress simply refused to raise the debt ceiling of the Federal debt? Does the debt ceiling exercise any influence on the level of the public debt? Is the raising of the debt ceiling a cause of an increase in the national debt or rather is it the effect of an increase? Some people have termed the public debt limit as a hallmark of fiscal integrity and the last hope for control of Federal expenditures. Others have gone to the opposite extreme and have dubbed it an invitation to costly and misleading fiscal maneuvers. Some contend that it is ineffectual as a limitation on the Federal debt and only serves to create inefficiency in management of the national debt.

DEFINITION AND HISTORY OF PUBLIC DEBT LIMIT

The public debt limit is a statutory ceiling or maximum limit established by legislation on the total amount of Federal Government securities that may be outstanding at any one time. The Constitution grants to the Congress the authority to control Federal indebtedness, to appropriate moneys and to provide for the collection of revenues. It provides that:

The Congress shall have Power to lay and collect Taxes, Duties, Imposts, and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States.

To borrow Money on the credit of the United States . . . (art. 1, sec. 8).

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of Receipts and Expenditures of all public Money shall be published from time to time . . . (art. 1, sec. 9).

Prior to World War I, the Congress took an active role in the management of the public debt by establishing the interest rates to be paid and specifying the type and often the maturity dates of Federal Government securities to be issued. However, due to the large-scale financing and the increasingly complex financial structure of the economy and, in general, to simplify matters, Congress enacted the Second Liberty Bond Act of 1917. This was the original legislative base of our present debt limit statutes. This law pulled together some of the unused borrowing authorities from previous acts and authorized the Treasury to issue bonds "not exceeding in the aggregate $7,538,945,460." In addition, Congress authorized the Treasury to issue certificates of indebtedness up to the amount of $4 billion at any one time.

During World War I, as Government expenditures exceeded Government revenues and substantial deficits were incurred, the Congress followed the simple procedure of amending the Second Liberty Bond Act whenever new debt authority was needed. This authorized the Treasury to issue whatever securities were deemed necessary to provide the funds to finance the war effort. Through this means the authorized debt limit increased with each amendment and the debt of the U.S. Government grew to $26.9 billion before the end of World War I. This amendment procedure has been followed ever since.

However, until 1941 the Congress authorized a public debt limit in various amounts specified for bonds, for bills, certificates, notes, and so forth. On February 19, 1941 the public debt limit authority was consolidated in one total figure for all types of Government securities outstanding. This was set at $65 billion. That has been the procedure followed since—to place a ceiling on all securities that may be outstanding at any given time. The public debt limit was raised to $300 billion on April 3, 1945. On June 26, 1946 it was decreased to $275 billion. This was considered a permanent debt ceiling. However, two upward adjustments have been made and the permanent debt limit now stands at $285 billion. Other increases in recent years have been termed "temporary" increases as they have been authorized for a specific period of time only. In fact, our present public debt limit is a $285 billion permanent ceiling plus a temporary additional limit of $45 billion for the fiscal year 1967. Thus, if no other action is taken, as of June 30, 1967, the public debt limit will drop from $330 billion to the permanent level of $285 billion. For a complete list of public debt limit legislation, see table below:

Public debt limit legislation, 1917–1966 [1]

Legislation and date approved:	*Millions*
Sept. 24, 1917:	
40 Stat. 288, sec. 1, authorized bonds in amount of	[2] $7,539
40 Stat. 290, sec. 5, authorized certificates outstanding revolving authority in the amount of	4,000
Apr. 4, 1918:	
40 Stat. 502, increased bond authority to	[2] 12,000
40 Stat. 504, increased authority for outstanding certificates to	8,000
July 9, 1918:	
40 Stat. 844, increased bond authority to	[2] 20,000
Mar. 3, 1919:	
40 Stat. 1311, increased authority for outstanding certificates to	10,000
40 Stat. 1309, authorized notes in the amount of	[2] 7,000
Nov. 23, 1921:	
42 Stat. 321, established revolving authority for notes and increased note authorization to	7,500
June 17, 1929:	
46 Stat. 19, authorized bills in lieu of certificates; no change in limitation for amount outstanding	10,000
Mar. 3, 1931:	
46 Stat. 1506, increased bond authority to	[2] 28,000
Jan. 30, 1934:	
48 Stat. 343, increased authority for notes outstanding to	10,000
Feb. 4, 1935:	
49 Stat. 20, established revolving authority on bonds and limited outstanding amount to	25,000
49 Stat. 21, consolidated authority for certification, bills, and notes for an aggregate amount outstanding of (49 Stat. 21, new sec. 22 added, authorization for U.S. savings bonds within authority of the bond limitation)	20,000
May 26, 1938:	
52 Stat. 447, consolidated authority for bonds, certificates, bills, and notes (outstanding bonds limited to $30,000,000,000) and authorized an aggregate total outstanding of	45,000
July 20, 1939:	
53 Stat. 1071, removed limitation of $30 billion on bonds without changing total authorized securities outstanding	45,000
June 25, 1940:	
54 Stat. 526, authorized issuance of federal securities, known as "National Defense Series," not to exceed $4,000,000,000	[3] 4,000
Feb. 19, 1941:	
55 Stat. 7, established limitation on the face amount of obligations outstanding at any one time. Separate authorization for $4,000,000,000 of national defense series obligations was eliminated	65,000
Mar. 28, 1942:	
56 Stat. 189, increased limitation to	125,000

Public debt limit legislation—Continued

Legislation and date approved:	*Millions*
Apr. 11, 1943:	
57 Stat. 63, increased limitation to	$210,000
June 9, 1944:	
58 Stat. 272, increased limitation to	260,000
Apr. 3, 1945:	
59 Stat. 47, increased limitation to	300,000
June 26, 1946:	
60 Stat. 316, decreased limitation to	275,000
Aug. 28, 1954:	
68 Stat. 895, effective Aug. 28, 1954, and ending June 30, 1955, temporarily increased limitation by $6 billion, to	281,000
June 30, 1955:	
69 Stat. 241, extended temporarily increased limitation of $6 billion to June 30, 1956 to	281,000
July 9, 1956:	
70 Stat. 519, temporarily increased limitation by $3 billion for period beginning July 1, 1956, and ending June 30, 1957 (effective July 1, 1957, temporary increase terminated and limitation reverted to permanent limit, under act of June 26, 1946, to $275 billion)	278,000
Feb. 26, 1958:	
72 Stat. 27, effective Feb. 26, 1958, and ending June 30, 1959, temporarily increased limitation by $5 billion to	280,000
Sept. 2, 1958:	
72 Stat. 1758, increased permanent limitation by $8 billion to $283 billion, which, with the temporary increase of Feb. 26, 1958, made total limitation	288,000
June 30, 1959:	
73 Stat. 156, increased permanent limitation by $2 billion to $285 billion, and authorized an additional temporary increase of $10 billion for period July 1, 1959 through June 30, 1960, for a total limitation of	295,000
June 30, 1960:	
74 Stat. 290, authorized temporary increase of $8 billion for period July 1, 1960 through June 30, 1961 for a total limitation of	293,000
June 30, 1961:	
75 Stat. 148, authorized temporary increase of $13 billion for period July 1, 1961 through June 30, 1962 for a total limitation of	298,000
Mar. 13, 1962:	
76 Stat. 23, authorized additional temporary increase of $2 billion for the period Mar. 13, 1962 through June 30, 1962 for a total limitation of	300,000
July 1, 1962:	
76 Stat. 124, as amended by 77 Stat. 50, approved total limitations as follows:	
Beginning July 1, 1962 and ending Mar. 31, 1963	308,000
Beginning Apr. 1, 1963 and ending May 28, 1963	305,000
Beginning May 29, 1963 and ending June 30, 1963	307,000
July 1, 1963:	
77 Stat. 50, approved a total limitation for the period of July 1, 1963, through Aug. 31, 1963, of	309,000
Sept. 1, 1963:	
77 Stat. 131, approved a total limitation for the period of Sept. 1, 1963 through Nov. 30, 1963, of	309,000

Public debt limit legislation—Continued

Legislation and date approved:	*Millions*
Nov. 26, 1963:	
77 Stat. 342, approved total limitations as follows:	
Beginning Dec. 1, 1963 and ing June 29, 1964	$315,000
For the day of June 30, 1964	309,000
June 29, 1964:	
Public Law 88-327 authorized a temporary increase of $39 billion for period June 30, 1964 through June 30, 1965, for a total limitation of	324,000
June 24, 1965:	
Public Law 89-49 authorized a temporary increase of $43 billion in the public debt limit from July 1, 1965 through June 30, 1966, for a total limitation of	328,000
June 24, 1966:	
Public Law 89-472 authorized a temporary increase of $45 billion in the public debt limit from July 1, 1966 through June 30, 1967, for a total limitation of	330,000

[1] Maximum amount authorized to be outstanding at any one time.
[2] Limitation on amount to be issued.
[3] Limitation on issues less retirements.

Therefore, Mr. Chairman, what started out as a simple measure to permit the Treasury the authority to borrow the sufficient funds necessary to meet expenditures authorized for the national security, defense, and other purposes of World War I, has now grown into a definite and well-entrenched part of our Federal fiscal system. It has become a rallying point for those who hope to restrain the growth of Government expenditures and the influence of the Federal Government over the private affairs of the people. It is regarded by some as virtually the law of the land that expresses the national devotion to the idea of thrift and to economical management of the fiscal affairs of the Federal Government. Others consider it wasteful and at the very least insist that it should be high enough to permit the most efficient management of the public debt.

TRENDS IN NATIONAL DEBT

Government spending and the level of the national debt are objects of the debt limit statute. Let us take a brief look at the historical pattern of the U.S. Federal Government debt.

Our Federal Government started off with a national debt of $78 million when it was formed in 1789. Primarily, these were unpaid costs of waging the Revolutionary War. Generally this debt was reduced on a very gradual basis to a point of $53 million by 1810. The War of 1812 led to another increase in our public debt. After that war the debt was gradually reduced until it reached the low point of $37,500 outstanding in 1835. Actually, the entire public debt was paid off, except for those securities which were not presented for payment, and there was a surplus of several million in the Treasury—much more than would have been needed to pay off all indebtedness. However, the financial panic of 1837 led to an increase in the public debt to more than $10 million by 1838. Thereafter, the debt increased to a level of $65 million by the beginning of the Civil War. The demands of the war caused Government expenditures to increase rapidly and the United States accumulated an outstanding debt of $2,756 million by 1866. After the Civil War, the Government followed a policy of gradually reducing the debt through surpluses in most of the years.

Debt reductions created economic problems; it reduced the national bank note circulation while many geographic areas were complaining of the scarcity of money. Proposals to reduce the Treasury surplus by lowering tariffs—the principal source of Federal revenue—induced protectionists to counter with demands for higher rates and to publicize the concept of permanent protection of American industry. By 1893 the debt was down to $961 million. It has never been that low since, the depression of the 1890's, which resulted in reduced Federal Government revenue plus the demands of the War with Spain, increased our national debt to nearly $1.5 billion. This was gradually reduced to $1.2 billion in 1915. However, with our entry into World War I Federal expenditures shot up rapidly and we proceeded to reach the level of $26.9 billion. After World War I, there was a sustained effort on the part of the Federal Government, especially under the leadership of Secretary of the Treasury Mellon, to reduce the national debt. In this period, income tax effective rates were reduced four times. There was a reduction in the national debt each year until 1930 when it reached a low point of $16.2 billion. However, since 1930 there has been an increase in the Federal debt at the fiscal yearend for every year except 1947, 1948, 1951, 1956, and 1957. Our present debt amounts to approximately $315 billion, the greatest portion of which resulted from the financial burden of World War II, during which time we spent more than $211 billion in excess of what we took in. Naturally, our public debt limit had to be raised substantially during this period. It went up from $45 billion at the beginning of 1941 to $300 billion by April 1945.

ARGUMENTS IN FAVOR OF A PUBLIC DEBT LIMIT

In view of the fact that since we have had the debt limit in operation our national debt has increased by one hundred times, the question naturally arises: Should we have a public debt ceiling or not? Does it serve a useful purpose? What are some of the arguments in favor of maintaining a statutory public debt limit?

Supporters of a public debt limit contend that Federal expenditures have become so large and the Government so complex that removing the debt limit would open the door to wasteful and nonessential expenditures. These people feel that maintaining a statutory debt limit is essential if we hope to maintain fiscal integrity of the Federal Government.

Some claim that Congress has lost much of its legal control over various types of Federal spending, and that annual control over expenditures is practically impossible. Appropriations carried over from 1 year to another give the executive department a wide latitude in expenditures. Under the present legislative procedure on appropriation bills Congress

exercises relatively little control over annual expenditures. It acts only on new appropriations, a large part of which are for expenditures in future years. It cannot control expenditures from the balances remaining in prior years' appropriations. Using fiscal year 1963 as an example, our Government started the year with unexpended balances from prior years' appropriations of nearly $80 billion. During the year new obligational authority was granted amounting to more than $102 billion. This brought a total of funds or authority available for expenditures of approximately $182 billion. However, expenditures amounted to $92 billion. Thus, nearly $90 billion in unexpended balances was left to be carried over to future years. The supporters of the public debt limit contend that it restricts the administration to expenditures comparable in amount to those proposed in the budget and authorized by the Congress whereas appropriation acts do not effectively impose such restrictions on the total of expenditures.

Another method by which congressional control has been weakened is the procedure of giving Federal agencies the authority to spend what are called public debt receipts. This has been commonly referred to as backdoor financing. Under this arrangement an agency or program is authorized to finance itself by borrowing, sometimes from the public but more commonly from the Treasury. Thereby money can be obtained from the Treasury without reference to the Appropriations Committees, and the Appropriations Committees cannot develop a balanced program of spending authority.

It is also contended that due to the size and complexity of the Federal budget Congress does not consider the budget as a whole. Once the President's budget is submitted in January of each year, it is broken down into many appropriation requests and these individual bills are then considered separately over a period of many months by the different subcommittees of the House and Senate Appropritions Committees, before consideration by the respective Houses. Under this procedure there is no opportunity in Congress to consider all appropriation bills combined in terms of annual expenditures as opposed to the estimated revenues for the period. Yet such an overall view was the intent of the Budget and Accounting Act of 1921 requiring the Chief Executive to submit an annual budget.

The supporters of a public debt limit see as a basic problem the need for controlling Federal expenditure if we are to get relief from the high taxes of today and additionally if we are going to make any reduction in our national debt. The interest charges on the national debt for fiscal year 1964 amounted to $10,673,000,000. This was more than total Federal Government expenditures in any given year prior to 1941, with the exception of World War I fiscal years 1918 and 1919. It exceeded total Federal Government receipts for any year in our history prior to 1942.

In addition to using the public debt limit as a means of trying to force the executive branch of the Government to find places to cut out some spending for which funds have been appropriated by the Congress, the debt limit is considered to focus public attention on Government finances. It is thought of by some as a stoplight against further spending which is effective both with officeholders and with the public. This idea was expressed by former Secretary of the Treasury, George M. Humphrey, in hearings before the Senate Committee on Finance of the 85th Congress, first session. Mr. Humphrey said:

> I have fought to hold to the present debt ceiling because I think the restraint of the present debt ceiling gives to the Executive, to the Congress, to everyone concerned, is a wholesome thing to have and I think it is like breaking through a sound barrier. There is an explosion when you go through it and there ought to be one. It has weight with public sentiment and I think as a deterrent to spending over and above that amount so I am in favor of it.

An editorial in the Wall Street Journal of June 2, 1964, made the point that debate on the public debt limit focuses the public's attention on the Government's financial conditions, it said:

BALLOONS

> Though Congress long has been carefully allowing the Administration to overspend its income, the law makers have usually fought tooth-and-nail over increases in the debt limit. That's a bit like forbidding a balloon to expand while you go on blowing it up.
>
> Nonetheless, we find it a little disheartening that no real opposition arose when the House Ways and Means Committee voted the other day to lift the Federal debt ceiling yet another $9 billion higher. An increase of that size is needed, the Treasury says in its traditional argument, to permit "flexibility" in its financing. And the committee gave in, apparently too tired of the subject to do otherwise.
>
> At least the erstwhile carping in Congress called public attention to loose fiscal living. It served as a reminder that the most flexible balloons develop weaknesses as they expand and, in fact, have even been known to break.

The supporters of the public debt limit consider it to be a deterrent to increased Federal spending. They argue that the national debt is already dangerously high and that any further increases will be harmful to the U.S. Government and to the American people. It is considered costly to the American people for, at the present rate, the interest charges on the national debt in 10 years would amount to well over $100 billion. The interest charge on the national debt is the second largest item of our Federal Government expenditures. It represents nearly 12 percent of the total expenditures of the Federal Government. It is surpassed only by defense expenditures. Many people contend that deficit financing by the Federal Government is one of the great factors supporting inflationary conditions and therefore that it has been the chief factor in reducing the value of the American currency since the 1930's. From 1939 to present the purchasing power of the dollar, based on the consumer price index has been reduced to approximately 44 cents, that is a 1964 dollar will purchase about the same as 44 cents in 1939. These people point out that public debt is not like private debt. If private debt is not paid it can be ended by liquidation. But if the public debt is not paid with taxes, liquidation takes the form of disastrous inflation or national repudiation. Either would be destructive of our form of government.

Even the stanchest supporters of a rigid public debt limit probably would not insist that the public debt ceiling should never be raised. In wartime or other periods of national emergency most, if not all, would agree that the Government may be forced to borrow to meet the demands placed upon it. They argue that such emergencies are rare, that all efforts to label each new spending program as such an emergency should be strenuously resisted, that we should so manage our national finances as to be able to meet any true emergencies that may arise.

In conclusion, the argument for a rigid public debt limit center on the theory that taxation is the focal point of fiscal discipline. These supporters of a tight public debt limit contend that financed through borrowing, the burden is shifted to the future and therefore the fact is not impressed on the public that government services can be provided only at a cost.

The argument continues that the public must decide whether it wants more Government services or not. If more services are desired, then the public must be willing to pay for them through increased taxation. Without this discipline, Congress and the administration may be tempted and influenced to undertake programs for which the public is not willing to pay. Therefore, if a rigid public debt ceiling were maintained, it would force the Congress, the administration, and the public more fully to evaluate all governmental programs. They would have to face the question: Is the program desirable in view of the increased taxes necessary to finance it?

SOME ARGUMENTS AGAINST A PUBLIC DEBT LIMIT

Many persons contend that the public debt limit serves little or no useful purpose. These critics contend that it does not effectively control expenditures, and that it hampers the Treasury management of the debt by forcing uneconomical financing procedures to be adopted when the public debt ceiling is pressing hard on the debt. Individuals opposed to the public debt limit point out that when the public debt limit statute was originated in 1917 we had a public debt of approximately $3 billion and established a public debt limit of $11 billion. Now, almost 47 years later, we have a public debt of over $315 billion and a public debt limit of $324 billion. The conclusion is apparent that the public debt limit does not hold down the public debt. The argument that the public debt limit holds down the public debt has been characterized as follows—"trying to stop the debt rise by holding down the legal ceiling seems about like trying to stop an elevator by grabbing the indicator arrow."

Those who are opposed to a rigid public debt limit contend either that there should be no debt limit at all, or, that the

debt limit should at least be high enough to permit the Treasury adequate working room for the most effective management of the public debt.

The national debt includes a variety of evidences of debts, each maturing at a certain time. The Treasury is constantly refinancing the debt. The Treasury offers new securities for old ones as they come due or in advance of their maturity.

At present the Treasury automatically offers $2 billion or more of 3- to 6-months bills each week, about $2½ billion of 1-year bills once per quarter year, and in 6 months of 1964, sold $1 billion of notes for cash and exchanged $30.4 billion of notes and marketable bonds. In addition, savings bonds increased by $400 million, and nonmarketables special issues to Government trust fund, and so forth, increased by $3 billion.

When the debt is very near to the debt limit the refinancing and new financing of billions of dollars of Government debt is a very delicate and not infrequently a costly affair. The terms on the new securities must be so attractive as to make their sale a certainty. The Treasury cannot take chances on saving interest costs—it has to offer top prices. A tight debt limit does not permit the Treasury the leeway to await the most opportune moment in the finance market to sell Government securities.

Critics of a tight debt limit point out that the Congress passes on all obligations and expenditures of the Federal Government. Also, Congress establishes the tax rates and votes all laws affecting Federal revenues.

Under the established allocation of congressional committee jurisdictions, the committees which report tax laws for approval of the whole Congress also report debt limit legislation. The tax committee can in effect veto temporarily the work of the Appropriations Committees.

The debt limit acts less as a restraint on the growth of spending over the years than as an interference with spending during the course of a year. The debt fluctuates considerably during a year, even when it does not increase from yearend to yearend, because tax receipts are large in some months and small in others, resulting in seasonal deficits and surpluses. A tight debt limit thus forces the Government to adjust its spending not to the needs of authorized and funded programs, but to the accidents of the pattern of tax receipts. Changes in economic activity, producing unexpectedly large or unexpectedly small Federal revenues, intensify the problems of managing finances under a tight debt limit.

The opponents to a public debt limit stress that the executive branch of the Government spends what is authorized by Congress just as it collects what is authorized by Congress. Therefore, budgetary deficits or surpluses result from congressional action as modified by economic developments or by executive withholding of appropriated funds. Then, these opponents ask, what purposeful effect can debt limit legislation have on the control of expenditures and the level of the national debt?

It has been charged by some that the debt limit works against the purpose of controlling expenditures by permitting Congressmen to register their economy-mindedness through voting for a limit on the public debt and then voting for various spending proposals. The New York Times in an editorial on May 12, 1963, said:

> There is no need for a ceiling on the public debt if Congress practiced what it preaches. Without such a ceiling the Treasury could do a more effective and cheaper job of debt management. But in continuing to throw up a smoke screen Congressional economizers are indulging in hypocrisy. They are increasing the costs of government while diverting attention from their own failures to reduce spending.

Those who oppose a strict debt limit contend that if Congress passes on and authorizes the amount of expenditures through appropriations and also authorizes the taxes and revenues to be collected, the debt limit serves no useful purpose in the control of expenditures and the level of the national debt. This has given rise to the question: "How many times does Congress have to pass on the same thing?"

The position of those who oppose a strict public debt limit is that efforts of Congress in limiting expenditures must be primarily through the appropriation process. In this respect, the Secretary of the Treasury, C. Douglas Dillon, had this to say in testimony before the House Ways and Means Committee on raising the public debt limit:

> No one is more dedicated to responsible finance and strict expenditure control than I am. But effective control of federal spending cannot be achieved by restriction at the tag-end of the appropriations process when the bills come due and must be paid if the credit of the United States is to be maintained.
>
> The proper place to control expenditures is in the appropriations process and in the Federal agencies which spend the money.

A strict debt limit neither restricts the total of Federal expenditures other than through changing their timing within a year or causing a shift from one to another fiscal year; nor diminishes the economic impact of Federal spending. When the limit is tight, it is adjusted by legislation only after the stimulus of Government orders has sustained or expanded the productive activities of manufactures, trade, traffic, et cetera, and after it has been found that tax collections will not be sufficient, in the period when the bills come due, to meet the required expenditures. At that time, borrowing could be deflationary as taxes would have been. Federal borrowing to meet the obligations—the debts—of the Government to employees, suppliers, and holders of maturing securities, only offsets the economic stimulus—the potentially inflationary pressure—of the hiring, the contracts for goods, et cetera, by withdrawing enough from the money market to meet the deficiency in tax receipts.

If the Government is indebted for services rendered and commodities supplied, and such indebtedness exceeds currently available tax receipts, then there are but two alternatives available to the Government: First, remain in debt to the suppliers, et cetera; or second, pay those debts with money borrowed from businesses and individuals who are seeking to lend their money. A tight debt limit leads either to paying bills by borrowing through means that are not covered in the definitions of the debt that is subject to statutory limitation, or it will require making the Government suppliers, et cetera, act as its creditors after they have used their money in performing the productive functions which they contracted to undertake. The latter event imposes localized financial burdens that are injurious to productive enterprises; borrowing in the money market, on the other hand, would have secured funds from persons or institutions that offered them for Government use.

Critics of the public debt limit claim that a restrictive or unrealistically low debt ceiling leads to budgetary subterfuge. It is pointed out in this argument that in late 1953 and early 1954 in order to preclude exceeding the debt limit, the Federal Government borrowed funds through the Commodity Credit Corporation. These funds were not subject to the statutory debt limit and therefore were not covered by the Second Liberty Bond Act. They were obtained legally when needed; but they were costly. The funds borrowed through the Commodity Credit Corporation necessitated paying a higher interest rate than the Government would have had to pay through issuance of regular Treasury securities. A study published in 1959 by the Brookings Institution shows that the extra cost in this case ran to an estimated $10 million. Again, in October 1957 and early 1958 when the debt limit was too restrictive, the Federal National Mortgage Association sold some of its notes to provide money for the Federal Government. The effective interest paid on these notes was 4.87 percent compared to normal Treasury financing at that time of 3.91 percent. The additional interest cost resulting from the sale of these notes in October 1957 and January 1958 added an estimated $8.5 million extra interest charge to expenditures. In these two instances the unnecessary interest cost to the Federal Government amounted to more than $18.5 million which, of necessity, had to be added to the national debt when the debt ceiling was raised and these securities refinanced. On this additional debt the taxpayers must pay interest every year. Thus, the critics of the public debt limit contend this is the type of false economies that cannot be afforded if economical management of the Federal Government is a national goal.

Another charge of the critics of a tight public debt limit is that the debt ceiling can play havoc with carefully planned Government progrems. They cite, for example, the curtailment of the defense program in the summer of 1957 when the administration decided to hold the public debt limit down. Therefore, it was the debt limit and not a change in defense strategy that brought about the arms "cutback and stretchout" at the very moment that the Russians launched their first sputnik.

An article in the Economist of October

19, 1957, entitled "Up Against the Debt Ceiling," stated:

A unique fiscal limitation, sneered at by economists and deplored by generals, is imposing a form of unilateral disarmament upon the United States. Unbelievable as it may seem, the single most important reason for the recent cutbacks in defense spending—which incidently reduced outlays on research just as the Soviet satellite began to whirl overhead—is the legal ceiling above which the national debt may not rise. The device appears to be peculiar to the United States; moreover, it actually has meaning.

The critics of the tight debt limit point to the reduced defense force in the 1957–58 period when the Army was reduced from 900,000 to 870,000 and the Marine Corps from 190,000 to 175,000, even though Congress had specifically approved appropriations to maintain the military strength at the higher figures. This reduction in force was necessary because the debt ceiling would not allow spending the money the Congress had appropriated to maintain the armed strength of the United States. In testimony before the House Committee on Armed Services, Assistant Secretary of Defense, W. J. McNeill, testified to the effect that plans had to be spread out so that the debt could remain within the limit. He stated that Congress had appropriated sufficient funds, but if they had been used quickly it would have forced Government over the debt limit.

There are many who charge that the Government's action at this time not only reduced the military strength of the United States but also contributed to economic recession. Mr. Alfred C. Neal, President of the Committee for Economic Development, on April 24, 1959, in an address to the Business Economists Conference, Graduate School of Business, University of Chicago, stated:

The statutory limit on the size of the Federal debt is peculiarly unsuited to the performance of a stabilizing role by the Federal Government. To avoid violating the debt ceiling in a recession it would be necessary to reduce expenditures or raise taxes. Either step would tend to reduce income and employment and to make the deficit larger rather than smaller.

On June 28, 1958, Business Week stated in an editorial:

In the next few weeks before Congress adjourns the administration will have to make its recommendations for raising the debt ceiling. As a matter of common sense it should ask for enough leeway to make sure that the ceiling will not act as a ruinous and arbitrary determinent of Government policies as it sometimes has in the past.

In the second half of 1957 the debt ceiling forced the administration to cut back programs needed for long-term national security. And the resultant slash in defense expenditures was an important contributing cause of the recession.

Critics of the tight public debt limit point to the recession period of 1957–1958, when a tight debt limit was pressing hard on the debt, where Government expenditures were curtailed, where payments to some contractors were delayed, and military forces were reduced as forcing unwise governmental actions merely to stay within the public debt limit. They further contend that these actions contributed substantially to the largest budgetary deficit for any year in the peacetime history of our country, $12.4 billion for fiscal year 1959. Furthermore, these critics contend that these artificial efforts to economize create more waste and inefficiency and thus are more costly in the end. They claim that these economies usually result in crash programs in an effort to try to catch up and that these crash programs generally encompass more waste than a stable, well-planned, long-range program.

Another criticism of a tight, or overly restrictive debt limit is that it would force the Treasury to reduce its cash balance to such a low figure, in order to remain within the debt limit, that it would lead to the elimination of accounts in most of the more than 11,000 commercial banks where the Treasury now operates deposit accounts. This withdrawal of U.S. Government accounts in most of these commercial banks scattered throughout the country could be expected to have a serious impact on credit and in turn would effect business activity throughout the Nation.

Another criticism of a tight debt limit is that it would force the Treasury probably to reduce substantially the amount of weekly bills that are rolled-over that come up for refunding. This reduction and refinancing of short-term Treasury securities would in turn affect the short-term rate. This would result in substantial short-term investment funds flowing abroad where higher interest rates would be available. This would greatly add to and substantially aggravate our balance-of-payments problem and in turn would increase the drain on our gold reserves.

The critics of a tight public debt limit argue that it does not limit Government spending; at most, it only delays the expenditures and the net result would probably be increased spending. They contend that the time to determine whether or not money should be spent, whether or not a program is desirable, is at the time that it is considered and the time that the money is appropriated for it. They insist that the time to fully evaluate any program is when Congress authorizes the program and at the time funds are appropriated for it and not when the bills become due.

In conclusion, the opponents of a public debt limit argue that long-range programs decided upon by the Government should not be subject to the determination of whether or not it will force an adjustment in the public debt limit. The public debt limit does not in any way control the imbalance between expenditures and revenues of the Federal Government. Therefore, it cannot control the debt level. The debt is increased whenever expenditures exceed revenues and it can be reduced only when revenues are more than expenses. Thus, if Federal spending and the level of the national debt is to be properly controlled, it will come through full examination and evaluation of all appropriations and authorizations requested. The determination should be made then on whether or not a proposed program will benefit the country more than the costs it requires. Therefore, these critics contend that there should be no public debt limit or at the least that it should be sufficiently high to avoid forcing unwise and uneconomical decisions in the administration of our governmental affairs.

Mr. BYRNES of Wisconsin. I thank the gentleman. Even with the new authority provided in the legislation before us today, an authority which provides a permanent borrowing authority of $365 billion and a $12 billion temporary authority which expires a year from June 30, this administration and this Congress cannot go their merry way as far as spending plans are concerned. There must be a retrenchment by the executive department. There must be retrenchment exercised here in the Congress, because this is an extremely tight limitation that we put on their borrowing authority.

Mr. Chairman, one need only look at page 4 of the committee report to see the levels of potential borrowing and what the debt will be in the months ahead. You will see that not only do we have to provide more borrowing authority than presently exists, but we have to provide the authority granted by the bill reported out by the committee.

I would point out that the bill does provide for some contingencies, but the situations that are called contingencies I am afraid have already occurred. We had one yesterday which will remain unless the Congress reverses the action of one of our committees. My information is that the Education and Labor Committee turned down the provision in the budget which would have placed limitations and restraints on our expenditures in the field of education in impacted areas. That is one of the contingencies included in the borrowing level, that the reductions that were recommended by the Johnson administration would be carried through and thus reduce to some degree the demands on the expenditure side of our budget.

But if I read the newspaper correctly only yesterday or the day before, a committee of the Congress turned down that restraint. So some of the contingencies may have already occurred.

In this legislation we provide $3 billion for contingencies.

Let me call attention to the fact that the last time we had the legislation before the Congress, we had some very serious situations existing in the country that could not be judged completely by the administration, but we allowed them $12 billion in contingencies. Frankly, I thought that was too much. This year we are allowing $3 billion. Yet some of the very same factors that existed then exist today.

Let me point this up: We have used, as a general rule of thumb, very often in the committee the idea of $3 billion of contingencies. But when we had an administrative budget of $100 billion, that provided for a margin of error of about 3 percent plus or minus.

With an administrative budget of approximately $150 billion, that $3 billion contingency is providing for a margin of only 2 percent. So it is tighter today than

it has ever been as far as what the committee has done in imposing a restraint on the operations of our fiscal affairs. So I cannot quarrel and I do not quarrel today with the latitude that is given.

I shall, Mr. Chairman, support this legislation and urge that all of my colleagues do likewise.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, if the gentleman will permit me, I would like to ask the chairman of the committee a question. It has been impossible to get a vote on anything pertaining to pay increases, which, as the gentleman well knows, will cost the Federal Government approximately $25 million for the Members of Congress, the executive branch, and the judiciary alone. It is triggering much higher increase demands in other areas of the Government and in private employment throughout the country, and therefore contributing to inflation. Will it be possible here today to get a rollcall vote on this bill, so we may know who is doing what to who and why?

Mr. MILLS. Mr. Chairman, will the gentleman from Wisconsin yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Chairman, I will join my friend from Iowa in asking for a record vote.

Mr. GROSS. Mr. Chairman, I trust we will today have an opportunity to vote on the record on this issue. We never have had a chance on the other issue.

Mr. MILLS. Mr. Chairman, if the gentleman will yield further, before the gentleman from Wisconsin concludes his remarks, I think it would be well if he, too, would point out why, with a budget surplus as indicated in the budget both for 1969 and 1970 fiscal years, it is necessary to have a debt ceiling increase.

Mr. BYRNES of Wisconsin. Mr. Chairman, I would be glad to reiterate. Frankly, I was willing to let the record stand on the discussion of my chairman of the need for this bill and his support of it, because I think he did a masterful job. I do not feel I have added anything to this debate that he did not already cover.

There is a situation, however, where I think the country has been misled as to what our situation is in terms of our need to borrow money rather than to pay our bills through current income. That comes from the adoption last year of what we called the unified budget, which includes additions to the trust funds as an offset to the day-to-day obligations of the Government. Thus, so far as a unified budget is concerned, the Government as an entity, including the trust funds, is operating at a surplus.

According to the projections, the surplus for fiscal year 1969 will be $2,391,000,000. But we should look at the operations of the Government outside the trust funds, then we find the budget shows a deficit in fiscal year 1969 of $6,962,000,000.

The funds that are in those trust accounts are committed funds. The social security trust fund, for instance, provides a major amount of this surplus, and those funds are dedicated to the benefits of our older people, which will be growing in future years. Unless we accumulate that surplus today, we will have difficulty in meeting the needs of our older people. So that is not free money.

In fiscal 1970, excluding the trust funds, there is a deficit of $6.848 billion. These are the things that cause this borrowing. There is not a surplus as far as our borrowing needs are concerned.

Mr. MILLS. And that rounded out for 1969 is a deficit of about $7 billion, and that is the exact amount contained in this bill in the way of a permanent debt increase. We have done that historically in the past; have we not?

Mr. BYRNES of Wisconsin. We have.

Mr. BUSH. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Texas.

Mr. BUSH. I would like to identify myself with the remarks of our ranking minority member and those of the chairman of the committee on this issue. I hope in the future we can give some consideration to the concept that President Nixon sent up in his message in line with what the gentleman just said, because I think the public is confused about what is in the debt ceiling. I would like to see our committee and the Congress fully consider the concept, perhaps, of a two-tier system so that we could separate out the debt owed to the public. As I try to explain this to the people in my district it is very confusing when we have the trust funds considered in.

I support the gentleman's position and his comments. I will vote with him on it and only hope that he and our distinguished chairman could in the future perhaps come up with some two-tier system that would make this more comprehensible to the public.

I thank the gentleman for yielding.

Mr. BYRNES of Wisconsin. I thank the gentleman from Texas.

There is no question but what we have today confusion. Part of it is as a result of the shift in our regular budgetary process to the unified budget from the administrative budget. Also, in terms of what we are really talking about when we talk about where we borrow, how much we borrow, and from whom we borrow there is confusion.

I yield to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I congratulate both the chairman of the committee, the gentleman from Arkansas (Mr. MILLS), and the distinguished gentleman from Wisconsin in the well (Mr. BYRNES) for the statements that they have made.

I shall support H.R. 8508.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Ohio.

Mr. VANIK. In the discussion which just preceded the present one on the two-tier system, I would like to ask the gentleman the difference between the position that was taken in 1967 of including participation certificates in and the concept of the two-tier suggestion of excluding trust funds. What is the difference between them? There was a great effort to put participation certificates in. Now it is argued that we ought to take out the trust funds. I cannot reconcile those.

Mr. BYRNES of Wisconsin. I think there is a big difference between them. I do not know whether I want to get too far into this, because we may add more confusion to the situation. However, there is a big difference between the question of whether the sale of participation certificates reduces your debt and the question of whether you have a fundamental obligation in the trust fund and whether even the surpluses that go into the trust funds in any given year are already dedicated funds. The integrity of that trust fund, in my judgment, may be one of the problems that would result if we had pursued the new concept in terms of what we used as the debt limit, so we only considered the debt to be what we borrowed from the public. I think it only led to confusion until we can get the thing resolved and have something in the nature of a two-tier system such as suggested by the gentleman from Texas (Mr. BUSH).

Mr. VANIK. They are both obligations of the Government, are they not, and should be listed as debts? I am quoting from the gentleman's own statement.

Mr. BYRNES of Wisconsin. I agree. There is no question about the trust fund. When we give a note to the trust fund, it is a debt that the general operations of the Government and the General Treasury owes to this trust fund. There is no question about that in my book. It is debt. It is internal debt, but it is still debt.

Mr. BOW. Mr. Chairman, I am pleased that the Ways and Means Committee has recommended an increase in the debt ceiling, and I urge favorable action by the House on H.R. 8508. We all know that the committee did not choose to follow the President's recommendation for change in definition of the Federal debt, but I think some further explanation of his proposal is in order at this time.

The President's recommendation was designed to bring the definition of debt which is subject to the statutory limit into consonance with the concept used in the unified budget and in Treasury reports. It was made on behalf of increased understanding and control of Federal borrowing requirements, and followed one of the basic suggestions of the bipartisan Commission on Budget Concepts appointed by former President Johnson in March 1967.

I served as a member of that Commission, along with other Members of Congress from both sides of the aisle, Secretary of the Treasury Henry H. Fowler, and other officials of the Johnson administration, and a number of our country's leading experts in the fields of finance and economics. The Chairman of the Commission was David M. Kennedy, at that time one of the Nation's prominent bankers, and now of course the esteemed Secretary of the Treasury.

At the request of President Johnson, the Commission studied every aspect of the budget presentation to determine how such a complex and vital document could be made more understandable to the public, to Congress, and to the executive agencies.

The unified budget which the Commission recommended, and which was utilized starting with the current fiscal year, is generally recognized as the most important and helpful change in the method of budget presentation in nearly half a century. It encompasses a modern and progressive presentation, and it has eliminated the confusion and misunderstanding that formerly arose from the use of three conflicting and, in some respects, competing budgets.

Considering the benefits that have resulted from the adoption of the unified budget, it seems unfortunate to me that we have not taken another forward step suggested by the Commission—that of making the debt ceiling conform to the unified budget presentation.

In the unified budget, attention is focused on total receipts and expenditures of the Government, including receipts and expenditures of the social security and other Government trust funds. Consequently, surpluses or deficits in the budget reflect the results of revenue and expenditure transactions between the Federal Government and the public.

To conform with this unified budget concept—which focuses on transactions between the Federal Government and the public—President Nixon proposed, as did the Commission on Budget Concepts, that only those Federal obligations which are held by the public be included in the statutory limit on the public debt.

As one advantage of such a change, and an advantage which should be of particular concern to the Congress, let me quote briefly from the report of the Commission on Budget Concepts:

> A debt limit which is parallel in structure to the new concept of Federal securities held by the public will make it possible for the Secretary of the Treasury and the Budget Director to relate their Congressional debt limit testimony to the recommended concept of budget receipts, expenditures, and deficit much more understandably.

By adopting the unified budget concept as the definition of the debt ceiling—that is, by excluding from the ceilling Federal obligations held by the trust funds and Federal agencies, but including all Federal borrowing from the public—we undoubtedly would have a clearer picture of the impact of Government demands on our private financial markets.

Under this new concept and for the first time, all Treasury debt and all debt of agencies in which the Federal Government has an ownership interest would be included under the ceiling. Thus, borrowing by the Export-Import Bank, the Tennessee Valley Authority, and other agencies would be treated in the same manner as is direct Treasury borrowing from the public.

The inclusion of the trust funds in the present definition of the debt is the very reason why Congress again is faced with the need for increasing the debt limit, even though unified budget surpluses are expected this fiscal year and in fiscal 1970.

The trust funds are expected to have surpluses of more than $9 billion this fiscal year, and more than $10 billion next year, and by law these funds must be invested in Government securities. To meet this statutory requirement, the Treasury must issue special securities to the trust funds, and these securities count against the debt ceiling. The result is the paradoxical situation we find ourselves in today—the overall Federal budget is moving into surplus, but the debt ceiling must be raised to take care of additional trust fund investments.

I know that some Members of the Congress fear that exclusion of the trust fund investments from the debt ceiling might in some way prove harmful to the funds. They should have no misgivings on this point. The trust fund operations are well protected by basic laws covering their revenues, benefit payments, and investment, and we can be certain there could be no Executive action that would adversely affect their integrity unless Congress elects to change those basic laws.

In summary, Mr. Chairman, I urge enactment of H.R. 8508, but I do feel that if we are to continue to utilize the unified budget concept, and I hope we will, we should change the definition of the public debt so that it, too, would conform with the unified budget.

Mr. PATMAN. Mr. Chairman, we would not need to be here today talking about another increase in the debt ceiling if this Congress lived up to its responsibility to oversee the Federal Reserve System.

As this Congress knows, the Federal Reserve today holds in its Open Market Committee portfolio more than $52.1 billion in Government securities which have been paid for once. These bonds should be canceled and the U.S. Treasury should cease immediately paying interest on these securities.

And these bonds, which have been paid for, should then be subtracted from the national debt.

Mr. Chairman, there is absolutely no question that these bonds have been paid for in full, and in fact some have been paid for more than once.

For anyone who doubts this let me use Federal Reserve Board Chairman William McChesney Martin, himself, as the source. Here is what Mr. Martin told me in a hearing before the Banking and Currency Committee on July 6, 1965:

> Mr. MARTIN. The bonds were paid for in the normal course of business.
>
> The CHAIRMAN. That is right.
>
> Mr. MARTIN. And that is the only time they were paid for.
>
> The CHAIRMAN. Just like we pay debt with checks and credit.
>
> Mr. MARTIN. Exactly.
>
> The CHAIRMAN. In the normal course of business they were paid for once. You will admit that, will you not? They were paid for once and that is all?
>
> Mr. MARTIN. They were paid for once and that is all.
>
> The CHAIRMAN. That is right.

Mr. Martin's statement could not be more clear. He says the bonds have been paid for once. Surely the Congress does not need any more evidence that these bonds should be canceled and the Treasury relieved of its obligation to pay interest.

These $52.1 billion in bonds are in no sense liabilities of the American taxpayers simply because the Federal Reserve paid for them when they were purchased on the open market by issuing currency and bank reserves. When the Federal Reserve uses the Nation's money and credit to buy U.S. Government securities on the open market it retires them just as surely and just as legally as if the Treasury had bought them. Taxpayer liability ceases, and for all practical purposes, this is a fact recognized in law because the Fed annually must give the overwhelming bulk of the interest on the securities it holds to the Treasury. There is no point whatever therefore to including these securities in the national debt.

Moreover, to count them as debt gives the false impression that the Federal Reserve is independent of the Government. Not even William McChesney Martin has gone so far as to claim that. All he claims is that the Fed is independent within the Government. Well, if the Federal Reserve is part of the Government, and I hope everybody knows this, then whatever Government securities it holds just cannot be part of the national debt.

I recognize of course the need for the Federal Reserve to engage in open market sales from time to time. However, it need not hold debt to do this. We can give the Federal Reserve System the authority to buy and sell Government securities without its being the holder of record of any securities. The Fed can be empowered as the monetary agent of the Government to buy and sell Government securities consistent with the Federal Reserve Act and the Employment Act. There would be no constraint on the Fed's engaging in open market sales or purchases to control the money supply and interest rates.

When this subject is brought up, the Federal Reserve Chairman does everything possible to obscure the facts. He circles around and around the issue spreading as much of a smokescreen as possible. He knows that the facts, if ever fully understood by this Congress and the American people, would be a real shocker.

William McChesney Martin's desire to hang on to these bonds and to demand interest from the Treasury is quite simple. The bonds and the interest income are the life blood of the secret operations of the Federal Reserve and its Open Market Committee.

The truth is that the Federal Reserve demands and receives more than $2.2 billion in interest on these paid-up bonds from the U.S. Treasury each year. This is the secret of the Federal Reserve's ability to thumb its nose at the Congress.

Without this illegal income, the Federal Reserve would be in the same boat with every other major Federal agency. They would have to come to the U.S. Congress for appropriations. And should this happen, the members of the Appropriations Committee and the Members of Congress would have an opportunity—

their first—to review the activities of the Federal Reserve and its expenditures.

This kind of public accountability, Mr. Martin wants to avoid at all costs.

The Congress has always taken the position that the regulatory agencies—such as the Federal Power Commission, the ICC, the FTC, the FCC—should come to Capitol Hill for their money. The Congress has rightly regarded this appropriations process as an opportunity to review these agencies as well as provide control over expenditure of public moneys.

Yet, Members of the Congress quake when anyone suggests that the granddaddy of all agencies—the Federal Reserve—be treated in the same manner.

The $2.2 billion income from these paid-up bonds gives the Federal Reserve an unlimited and unaudited budget to do with as it pleases.

The Treasury hands over a whopping check for $2.2 billion and the Federal Reserve goes on its merry way telling no one—not even a Government auditor—where it is spending the money.

In recent years, the Federal Reserve has been spending around a quarter of a billion dollars for various activities including its support of the bankers lobby. Yes, support of the bankers lobby.

ONE HUNDRED THOUSAND DOLLARS CONTRIBUTED TO BANKERS LOBBY

About $100,000 of the U.S. Treasury dole to the Federal Reserve—your money, the taxpayers' money—goes to pay dues to the American Bankers Association and various State and local bankers associations. These groups are nothing more than lobbying organizations—organizations that come right here to Congress and lobby us on monetary and banking policy.

The Federal Reserve System—a Federal agency—is a full-fledged, card-carrying member of the bankers lobby, courtesy of the U.S. taxpayers and thanks to the laxness of the Congress.

After the Federal Reserve gets through spending the money for what it pleases, the remainder is turned back to the Treasury at the end of the year. The fact is the money should never have left the Treasury in this form in the first place.

There is no accounting—in the true sense of the word—for the difference between the $2.2 billion paid out by the Treasury and the varying sums returned at the end of the year by the Federal Reserve.

There is absolutely no independent audit—no audit by the General Accounting Office of these funds. There is no audit of the Federal Open Market Committee in whose portfolio these $52.1 billion worth of bonds reside. We do not even know where these bonds are today—we are just told that they are in the portfolio.

There is no question that these bonds have been paid for and that they are no longer a bona fide debt of the U.S. Government. They should be subtracted from this whopping national debt.

The cancellation of these bonds—and their removal from the debt—would, of course, have the effect of bringing the Federal Reserve to the Congress for appropriations. Then the Congress would have some definite say about the activities of the Federal Reserve System. We would at least remove some of the banker dominance of the agency.

The entire structure of the Federal Reserve is designed to help the banks first and the public last. The Federal Open Market Committee—where these bonds reside—is probably one of this country's most vital and most important institutions. It sets interest rates and determines the supply of money. Yet is is virtually controlled lock, stock, and barrel by the banks. And its operations are supersecret—so secret that the Banking and Currency Committee has been unable to obtain current minutes of its meetings.

It is really amazing that we have such an institution at the nerve center of a democratic society. The Open Market Committee is composed of the seven members of the Federal Reserve Board and five of the 12 presidents of the Federal Reserve banks. In practice, however, all 12 presidents of the Federal Reserve banks participate in these secret Open Market Committee meetings. Here is where the banks move in—right to the center of our monetary policymaking.

Each of these 12 Federal Reserve bank presidents is selected by a nine-member board of directors. Six of these board members in each bank are selected directly from the commercial banking industry. The remaining three are required to be persons with "tested banking experience." The result is that the Federal Reserve banks—and in turn the Open Market Committee—are completely dominated by the commercial banking industry. In fact, a recent survey conducted by the Banking and Currency Committee revealed that 84 of the 108 directors are either now or have been directors, employees, or officers of commercial banks.

I have always felt that it was poor public policy to send the goose to guard the shelled corn. This applies to the Federal Reserve as well as any other Government agency.

With this kind of system prevailing, it is not surprising that our monetary policies have fallen into disrepute. It is simply absurd to think that the bankers are going to participate in the Open Market Committee and set policies against their own interests. This is just too much to expect of human beings.

Under this system, it is not surprising that we have the highest interest rates in the history of the Nation.

Everyone was shocked by the announcement 2 days ago that the prime interest rate was going up to 7½ percent—the highest ever recorded.

Mr. Chairman, we are a long way from the days when we were able to finance our Federal borrowings for interest rates of 2½ percent or less.

From 1939 to 1952, interest rates on securities issued by the Federal Government never exceeded 2½ percent. Needless to say, that was before Mr. Martin made his debute as Federal Reserve Chairman. Since that time, interest rates on Government securities have skyrocketed. Mr. Chairman, I place in the RECORD tables which detail these rates:

COMPARISON OF INTEREST RATES, 14-YEAR PERIOD FROM 1939 TO 1952, COMPARED WITH PERIOD UNDER WILLIAM MCCHESNEY MARTIN

I. Yields on long-term Government bonds 1939 to present

[Percent per annum]

Year:	Yield
1939	2.36
1940	2.21
1941	1.95
1942	2.46
1943	2.47
1944	2.48
1945	2.37
1946	2.19
1947	2.25
1948	2.44
1949	2.31
1950	2.32
1951	2.57
1952	2.68
Average for 14-year period (1939–52)	2.36
1953	2.94
1954	2.56
1955	2.84
1956	3.08
1957	3.47
1958	3.43
1959	4.08
1960	4.02
1961	3.90
1962	3.95
1963	4.00
1964	4.15
1965	4.12
1966	4.65
Average for 14-year period (1953–66)	3.65
1967	4.85
1968	5.26

II. Average annual yield on 91-day Treasury bills 1939 to present

Year:	Yield
1939	0.023
1940	.014
1941	.103
1942	.326
1943	.373
1944	.375
1945	.375
1946	.375
1947	.594
1948	1.040
1949	1.102
1950	1.218
1951	1.552
1952	1.765
Average yield (14-year period)	.645
1953	1.931
1954	.953
1955	1.763
1956	2.658
1957	3.267
1958	1.839
1959	3.405
1960	2.928
1961	2.378
1962	2.778
1963	3.157
1964	3.549
1965	3.954
1966	4.811
Average yield (14-year period)	2.797

Mr. Chairman, let us take the current prime rate of 7½ percent about which we have heard so much this week. Assume that this 7½ percent were to be applied across the board on the new debt ceiling proposed by President Nixon.

This new debt ceiling, which we are voting on here today, is $377 billion. Calculated at a 7½-percent rate, the American taxpayer would be required to pay $28 billion in interest on the national debt each year.

Yet, if the Federal Reserve had kept interest rates at the 2½-percent rate prevailing under President Roosevelt and President Truman, the interest charge on this same amount of debt would be only $9 billion.

In other words, the policies of the Federal Reserve Board threaten to cost us an extra $18 billion in interest charges on this huge national debt each year.

Already, Mr. Chairman, the Nation's taxpayers, each year, are required to pay about double what they should really be charged for interest on the Federal debt. This year, we will pay more than $16 billion in interest on the debt and this is one of the largest single items in the Federal budget.

Mr. Chairman, I place in the RECORD a chart which shows the excess interest that has been paid on the private and public debt since Federal Reserve Board Chairman William McChesney Martin took over:

TABLE I.—NET PUBLIC AND PRIVATE DEBT, TOTAL INTEREST PAID, AND AVERAGE RATE OF INTEREST IN THE UNITED STATES, 1951–66

Year	Total debt (billions)	Interest paid (billons)	Computed average interest paid (3÷2)	Interest costs figured at 1951 computed rate
(1)	(2)	(3)	(4)	(5)
1951	$524.0	$17.8	3.307	$17.8
1952	555.2	19.7	3.546	18.9
1953	586.5	21.9	3.734	19.9
1954	612.0	23.7	3.873	20.8
1955	672.3	26.0	3.867	22.8
1956	707.5	29.8	4.212	24.0
1957	738.9	34.0	4.601	25.1
1958	782.6	36.0	4.600	26.6
1959	846.2	40.8	4.821	28.7
1960	800.2	45.7	5.134	30.2
1961	947.7	48.4	5.107	32.2
1962	1,019.3	53.4	5.328	34.6
1963	1,096.9	59.8	5.452	37.3
1964	1,174.3	66.5	5.663	39.9
1965	1,270.3	74.0	5.825	43.2
1966 (estimated)	1,348.3	82.7	6.044	46.5
Total [1]		680.2		468.8

[1] See the following table:

	Billions
Total col. 3	$680.2
Less total col. 5	—468.5
Excess cost	211.7

Source: Economic Report of the President, 1967.

This table plainly shows that William McChesney Martin has been the costliest public official of any government in the history of civilization.

For 17 long years, Mr. Martin has been fighting inflation. He has been able to see inflation where there was no inflation. He has seen the mirage of inflation when no one else was able to spot it.

As a result of these visions, Mr. Martin has developed an excuse to order higher and higher interest rates and higher and higher profits for the banking industry. For 17 years he has used this excuse and pushed higher interest onto the backs of the American people.

For 17 years, the policies of William McChesney Martin have been a failure—the biggest failure in our Government.

With this kind of record, it would seem that the Federal Reserve Chairman might seriously consider calling it quits.

For 17 years, WRIGHT PATMAN has opposed the policies of William McChesney Martin and the high interest rates he has imposed on our economy. For 17 years, I have insisted that the Martin logic of stopping inflation with high interest rates made as much sense as using gasoline to put out a fire.

The record is clear and I leave it to the American public to judge who has been right over this 17 years of higher and higher interest rates.

Mr. BROYHILL of Virginia. Mr. Chairman, I rise in support of H.R. 8508, a bill to raise the permanent debt ceiling from $358 billion to $365 billion and also to provide $12 billion additional borrowing authority on a temporary basis for fiscal 1970. I think the committee is to be commended for working out a bill which provides sufficient leeway to allow the Federal Government to meet its obligations as they accrue while at the same time providing a limitation sufficiently related to projections of Government finances to impose some fiscal discipline.

From the date of enactment of this bill, the permanent debt ceiling will be $365 billion; additionally, temporary borrowing authority of $12 billion will be available to the administration until June 30, 1970. During the period of time between enactment of this bill and the end of fiscal 1970, the debt ceiling will permit the administration to borrow up to $377 billion as has often been the practice in the past, this allows for a contingency of $3 billion and cash-on-hand of $4 billion. The public debt will approximate the $377 billion allowed by this bill on three different dates during fiscal year 1970—December 15, 1969, March 15, 1970, and April 15, 1970.

It is, therefore, clear that this bill provides no more than is necessary to enable the Government to manage its financial affairs and meet its commitments on a responsible basis. It is also clear that at the end of fiscal 1970, when the $12 billion temporary borrowing authority expires and the permanent level of $365 billion again applies, the administration will again have to come back to the Congress and give a full accounting of its fiscal stewardship to the Representatives of the people. This bill is a responsible effort to meet the needs of the administration while fulfilling the responsibilities of the Congress.

While this demonstrates that no one who is concerned about the integrity of Federal finances should vote against this bill, it is important to point out to the people why the debt limit has to be raised at this time. Many individuals have expressed concern about the anomaly of having to raise the debt limit at a time when the Federal budget is running a surplus. However, the surplus in the Federal budget only exists because of the new "unified" basis on which the Federal budget is based. The new "unified" budget concepts, recommended last year by a special Presidential Commission on the Budget, encompasses not only the old administrative budget accounting for receipts and disbursements from the general funds, but also includes receipts and disbursements from the trust fund.

In each of the fiscal years 1969 and 1970 there would be a deficit of nearly $7 billion computed on the old administrative budget concept. However, a surplus in the trust funds in excess of $9 billion in fiscal 1969 and $10 billion in fiscal 1970 more than offsets the administrative budget deficits, resulting in a surplus of $2.4 billion in fiscal 1969 and $3.4 billion in 1970 on a unified budget basis.

It is only when these trust funds—which can only be used for the specific purposes to which they are dedicated—are included that a surplus in the Federal budget results. However, the trust funds are separately accounted for, and any borrowings from the trust fund are subject to the debt limit in the same manner as Government borrowings from the general public.

The administration's original proposal recommended resolving this anomaly by excluding debt held by the trust funds from the debt limit. Under the administration's proposal, the debt subject to limitation would only have included debt held by the public. While it would have had the virtue of including some agency debt backed by the full faith and credit of the United States which is not now subject to the limit, the proposal would have given the administration far more leeway than I think it should have.

For example, the latest annual report of the trustees of the old-age, survivors and disability—OASDI—trust fund includes actuarial estimates indicating that accumulations in the fund will increase from around $29 billion in 1969 to over $64 billion in 1973. By law, surpluses in the trust fund can only be invested in U.S. Government obligations. If we exempted obligations held by the trust fund from the debt limit, the administration would have a growing reservoir of funds enabling it to rely on deficit financing in the future without coming to the Congress for authority. Any discipline now imposed through a debt limit would be nullified. I, therefore, opposed this recommendation for changing the definition of the debt subject to limitation.

Finally, Mr. Chairman, I should point out the bare bones increase in the debt limit we are providing is to finance a deficit resulting from the uncontrolled expenditure policies the Government embarked on during the last 8 years of Democratic administrations. The proposal submitted by President Johnson assumed that the debt limit would have to be increased. The new administration in the short time it has been in office, has been continuing a comprehensive review of government finances to determine where economy can be realized. However, the legacy of fiscal irresponsibility which they inherited from their Democratic predecessors has placed the new administration in an immediate financial bind. As the committee report demonstrates, the debt can be maintained at the present $365 billion level

on April 15 only if operating cash balances are reduced to as low as $1.8 billion—less than half of the $4 billion level that is the usual minimum. It is, therefore, imperative, Mr. Chairman, that we take action on this bill in order to avoid a financial crunch that may impair the capacity of our Federal Government to manage its fiscal affairs on a responsible basis. I urge all my colleagues to join me in voting for this bill.

Mr. BARING. Mr. Chairman, I have continuously fought for an end to deficit financing by the Federal Government and led a drive to bring order and responsibility back into our Government's fiscal affairs. My attitude toward the public debt remains conservative to this day.

My attitude will remain the same as long as we continue to have the sustained long-run upward trend of the national debt. All indications, from studying the fiscal 1970 budget and the current fiscal year budget expenditures, point toward the continuation of deficit financing. With all due respects to President Nixon, I do not believe he will see any surplus at the end of either fiscal year I just mentioned.

We cannot achieve greater economy in Government if we do not oppose these increases in the national debt ceiling. I have endeavored for a number of years to secure the approval of Congress to propose to the States a constitutional amendment designed to put an end to deficit financing which leads this Nation to runaway spending. This would put the Federal Government on a pay-as-you-go basis. This would insure for the future a stable Federal Government with strong backing with a sound dollar and put an end to what I will term the hallucinations by some who would have us operate without sufficient financial backing. There certainly is not any further source of taxation by the Federal Government for added income as our citizens are overburdened now.

I quote from a previous statement I made in 1965:

> The great burden of our tax load is borne in the most part by young people trying to get started in life, by farmers, businessmen, and workers who are buying homes, educating children and trying to acquire the means for a better life for themselves and their families. They are the ones who are being dealt the greatest blow by run-away spending and the ever-mounting deficits year after year.

We must seek a balanced budget, payments on our national debt, and stop offsetting deficit spending, on paper, by so-called surpluses in the trust funds.

Finally, if President Nixon is going to be talking about surpluses in the budget at the end of the current and 1970 fiscal years, he had better stop talking about raising the public debt. Let us cut out foreign aid and bring America back to American principles. Mr. Speaker, and I would address this remark to the attention of President Nixon too, if we continue to subsidize everyone this would turn to socialism and, in turn, to communism. Supply and demand has worked for nearly 200 years. Our Founding Fathers never expected us to take care of the world and all its people. If there are any surpluses, let us put them as payments against the national debt.

Mr. MESKILL. Mr. Chairman, the President has asked Confress to take action to increase the ceiling on the national debt. As this is a vitally important issue affecting our national economy, I would like to take a moment to explain my position on this matter.

In the past, I have thought it wise to vote against increasing the national debt ceiling. In recent years our economy has been steadily expanding. In an expanding and overinflated economy continued deficit financing may be very dangerous to the foundation of the economy itself. More harm may be done to the economy and to our citizens by a high rate of inflation and the heavy burden of rising interest payments than the benefits that can be had from programs financed by borrowed money.

This year interest payments alone will take a $15 billion bite out of the budget. Only national defense and health and welfare expenditures exceed this portion of the budget paid out in interest on the debt. Who owns our debt and who receives interest on it? While some of it is held by the Government itself, the debt is largely held by investors and banks. One consequence of this is a redistribution of income which is not necessarily desirable in this instance. Taxes that are paid by the public as a whole are siphoned off from potential distribution to other programs to pay the interest on the national debt to the few who hold this debt. If we did not have to use these tax revenues for servicing the debt, we could allocate these revenues to more constructive and worthwhile programs.

Furthermore, deficit financing tends to increase the money supply in the economy. While this is not always dangerous, it is highly undesirable during a period of inflation such as we have today. Inflation and continued deficits also have an adverse effect on our balance-of-payments situation.

Inflation is the Nation's No. 1 problem at the moment. Much of the difficulty stems from the continuing war in Vietnam and the policies of the past administration which attempted to manage the economy and to provide both guns and butter. While I am concerned that we do everything possible to curb the inflation that has gotten out of hand, I can appreciate the situation the new President finds himself in, tied down as he is with the budget of the old administration. President Nixon has found himself tied into commitments of the Johnson administration that would be very difficult to break. A bridge or a highway that is only partially completed cannot be scrapped without a considerable loss to the taxpayer. I would be willing to say that the Nixon administration finds itself painted into a corner by the Johnson administration in a number of instances.

This is why I am supporting the President's request, although I do so reluctantly. I shall vote for the proposed increase in the national debt ceiling. The present permanent debt ceiling is $358 billion. The temporary ceiling is $365 billion. If we fail to raise the permanent ceiling to the proposed level of $365 billion, on June 30, the ceiling will revert back to the present limit. At the moment, our debt is in the neighborhood of $364 billion. If we do not raise the ceiling, we could face a drastic governmental crisis. Therefore, I have decided that it is in the best interests of the country to vote to raise the permanent debt limit to $365 billion and the temporary limit to $377 billion. We should not hamstring the new President before he has had a chance to establish a program of his own.

It is my fervent hope, however, that the President will make good his pledge to curb inflation through a tight control of Government expenditures. When we are fighting a war abroad, we will have to establish strict priorities here at home. We cannot afford to spend money on every worthy project at home at this time.

I will vote to raise the debt limit because it is the only way we can make it legally possible for our new President to meet the legal obligations incurred by the old administration.

Mr. ULLMAN. Mr. Chairman, the pending bill, H.R. 8508, will provide a permanent debt limitation of $365 billion. It also provides, for the period from date of enactment through June 30, 1970, a temporary additional increase of $12 billion, making a total overall limit of $377 billion for this period. After June 30, 1970, the debt limit will revert to $365 billion.

Mr. Chairman, we really have no choice but to approve this bill if we are to act responsibly and afford the Secretary of the Treasury the means whereby he can manage the Federal debt on a sound and sensible basis. In his testimony before the committee, Secretary Kennedy advised us that the Treasury Department has been operating very close to the present temporary ceiling of $365 billion. In this connection, the Secretary stated as follows:

> At the end of January and February, debt subject to the limit was within $3 to $3½ billion of the statutory ceiling and on individual days the leeway has been less than $1 billion. Assuming normal cash balances of $4 billion, our latest projects—while reflecting better-than-anticipated tax collections over the past month—still indicate financing needs that would bring us above the legal ceiling by minor amounts for 6 days in March and by substantial amounts for 7 days in April.

In view of the Secretary's testimony before the committee, it is a matter of necessity that we act favorably on the pending bill.

We can be sure that enactment of H.R. 8508 will still require a very tight rein on Federal expenditures. As a matter of fact, the debt ceiling in the bill will actually be some $5 billion less than President Nixon, in his message of February 24, requested the Congress to provide. He, in effect, asked for the equivalent of $382 billion, but H.R. 8508 provides an overall ceiling, that is a combined permanent and temporary ceiling, of $377 billion.

I believe this ceiling, though less than the President asked for, will be one within which the Secretary can operate and fol-

low prudent debt-management practices. In this regard, the present Director of the Budget, Mr. Mayo, in his appearance before the Committee on Ways and Means, made it clear that there would be thorough reviews of the budget for this fiscal year and fiscal year 1970 with the objective of reducing expenditures further wherever possible.

Let me also say, Mr. Chairman, that the bill further commends itself to favorable consideration because the $12 billion temporary supplemental authority is just that—a temporary ceiling. It terminates on June 30, 1970, and the aggregate debt subject to limitation drops to the $365 billion level on that date. Prior to the June 30, 1970, expiration date, we shall have had an opportunity to again look into the situation and determine the progress that the new administration has made in controlling the Federal budget and shall then be in a position to gage our actions according to that performance. Let me say finally on this point, Mr. Chairman, that Budget Director Mayo has assured us that the expenditure reductions required by the Revenue and Expenditure Control Act of 1968 will be carried out.

Mr. Chairman, in approving H.R. 8508 we shall be acting in a responsible manner. The Government's obligations and bills have to be met and paid. Enactment of this measure will assure that this can be done for the balance of this fiscal year and the coming fiscal year. I urge its adoption by the House.

Mr. WOLFF. Mr. Chairman, we are engaged in the annual ritual of accepting from the administration proposals for increasing the limit on our national debt. This annual practice makes a mockery of fiscal and monetary planning and reflects the absence of thoroughgoing budgetary reviews.

Accordingly, it is my intention to vote against the excessive increase sought here today. My position is consistent with the position I held during the past Democratic administration and the change at the White House does not change my unhappiness with the executive branch's constant raising of the debt limit ceiling without meaningful examinations of cuts in Federal spending.

Mr. Chairman, we are told that the debt limit has to be increased to keep the Federal Government operating. Well, I reject this not too subtle coercion and suggest substantial, selective cuts in nonessential Federal spending. I will detail some of those cuts in a moment.

But first let me emphasize that one of the principle reasons I oppose this undue increase in the national debt limit is that it is fundamental to the problem of rapidly rising interest rates. The cost of credit is quickly becoming so high that the consumer will be forced out of the marketplace. This is a denial of the basis of entire credit system and the high, annual jumps in the debt limit aggravate the problem of high interest rates by forcing the Government into the marketplace to secure necessary credit.

The extreme increase sought in the debt limit also contributes to the entire problem of inflation—and this from an administration elected on a promise to fight inflation. As long as the Federal Government fails to put its fiscal house in order the entire national economic outlook will remain clouded.

It is noteworthy that the inflationary pressures of these excessive jumps in the national debt limit further complicate the interest rate problem I mentioned a moment ago, thus both directly and indirectly the proposal before us today will contribute to rising interest rates and thus to the serious effect excessive interest rates have on the economy.

I said a moment ago that there was ample room for cutting Federal spending in order to preclude this highhanded demand for a $17 billion increase in our debt limit.

Let me cite just a few examples:

Defense spending not essential to our national security continues unabated. The President's recent decision to proceed with a costly untried and untested ABM system is a perfect example of how the Defense Establishment finds ways to spend money to the disregard of our total national interests. Also, the Defense Department continues to spend hundreds of millions of dollars for a manned orbiting laboratory—MOL—that duplicates work already accomplished by our civilian space effort.

Every year we line the pockets of large, commercial farmers with approximately $4 billion in outmoded farm subsidies. These subsidies, originally designed for the small, family farmer, are instead going to companies and individuals who do not need the subsidies. And at a scandalously high cost to the taxpayer.

And as regularly as the Congress approves farm subsidies, it approves an equally expensive, equally unnecessary "pork barrel" public works package. Mr. Chairman, certainly there are necessary public works projects to be funded each year. But funding those projects should not have to include funding approximately $3 billion worth of projects designed to provide for political payoffs. The cost of these political machinations continues to be a shame on the Congress.

For all the foregoing reasons, Mr. Chairman, I feel it incumbent upon the House to reject today the proposed increase in the debt limit. It is time to strike a note for fiscal responsibility in Government; it is time to remember the forgotten taxpayer who must pay the cost of Washington's folly.

Mr. ANDERSON of Illinois. Mr. Chairman, I wish to congratulate both the chairman and ranking member of the Ways and Means Committee on their statements. I shall support this legislation.

In doing so, I am not adopting the philosophy of Artemus Ward:

> Let us all be happy and live within our means even if we have to borrow to do it.

As has been said on the floor already, this is an extremely tight debt ceiling because it is $5 billion less than the administration requested. It allows only $3 billion for contingencies as against $12 billion allowed for contingencies when an increase in the debt ceiling was last approved in 1967.

I will approve this increase because it is essential that the Federal Government be able to meet its current obligations, all of which have been incurred by a prior administration. I will also approve it because I have absolute confidence that the Nixon administration is going to very substantially reduce the budget estimates sent to Congress by the former President just before he left office. I am further confident that the new Nixon administration will cooperate with those of us in Congress who will seek to exercise control over expenditures so that the Government will be compelled to live within its means and avoid the expansionary and inflationary effect of a budget deficit in the coming fiscal year. This vote of approval is not the grant of any carte blanche authority to uncontrollable spending by the Nixon administration. It is an expression of confidence in their ability to set our fiscal house in order and to establish clear and definite spending priorities which will be consistent with the goals of a sound dollar and a healthy economy.

Mr. WILLIAM D. FORD. Mr. Chairman, on February 24, 1969, President Nixon sent a message to Congress requesting the establishment of a new debt definition that would include only Federal obligations held by the public. This new definition would have excluded trust funds, such as social security, which must be reinvested in Government bonds. In addition, the President proposed setting the new debt limit at $300 billion. Such a proposal would, in effect, have provided a $17 billion immediate and permanent increase in borrowing authority.

Under present definitions the temporary debt ceiling is $365 billion. Under current law, on June 30 of each year, it drops back to the permanent debt ceiling of $358 billion. The President's proposal would have had the effect of raising this permanent debt ceiling.

There was some criticism of the President's proposal. The argument was that the proposal gave the appearance of economy while really allowing an increase in debt.

On March 5, 1969, Secretary of the Treasury David M. Kennedy and Budget Director Robert P. Mayo, testified in support of the administration's proposal. Kennedy and Mayo noted that the debt ceiling under existing law must be raised even when the budget is in surplus because existing law counts Treasury securities held by social security and other trust funds, as a component in the debt level.

On March 6, 1969, the House Ways and Means Committee voted to reject the administration proposal to relax the basic ingredients for the debt ceiling. To get the same increase in debt ceiling as the President's proposal would have provided it would have been necessary under current definitions to raise the debt ceiling by $17 billion. The committee, however, voted to give the administration only a $12 billion increase in the tem-

porary debt ceiling—in effect $5 billion less than the administration asked for.

In any consideration of this proposed $12 billion increase in temporary debt ceiling I think we should keep in mind that in the past our Republican colleagues have used the debt ceiling to embarrass Democrat administrations—forcing the President to return to Congress each year to ask that a temporary increase over the permanent debt ceiling be enacted. This annual pilgrimage was always made to the accompaniment of an orchestrated chorus of our Republican colleagues harmonizing beautifully to the theme of Democrat spendthriftiness, lack of concern for a balanced budget, and failure to understand the principles of good old-fashioned econony.

Since World War II there have been 19 record votes on proposals to increase either the temporary or permanent debt limit.

Analysis of these 19 votes would seem to indicate that the general Republican attitude toward increasing the debt limit depends primarily on whether the President requesting the increase is a Republican or a Democrat. This theory is based on the fact that House Republicans overwhelmingly supported debt limit increases requested by President Eisenhower and overwhelmingly opposed increases requested by Presidents Kennedy and Johnson.

For example, on each of the six debt increase rollcalls during the Eisenhower years, an average of 43 Republicans voted "No," while 123 voted "Yes."

On the 12 votes during the Kennedy-Johnson years, on the other hand, an average of 147 Republicans voted "No" on each rollcall while only 10 voted "Yes." On four of the 12 votes not a single Republican voted "Yes."

Democrats have been somewhat more consistent and less partisan. On each of the six votes during the Eisenhower years, an average of 64 Democrats voted "No," while an average of 144 voted "Yes." And on the 12 votes during the Kennedy-Johnson years, an average of 32 Democrats voted "No," while an average of 206 voted "Yes."

A complete listing and breakdown of all 19 votes follows:

DEBT LIMIT VOTING PATTERNS

Bill	Year	Vote	Republicans For	Republicans Against	Democrats For	Democrats Against
H.R. 6672	1953	[1] 239. 158	169	33	69	125
H.R. 6672	1954	[2] 193-31				
H.R. 6692	1955	267. 56	133	13	134	43
H.R. 11740	1956	Voice				
H.R. 9955	1958	328-71	142	42	186	29
H.R. 13580	1958	286-109	120	65	166	44
H.R. 7749	1959	256-117	88	48	168	69
H.R. 12381	1960	[3] 223-134	83	60	140	74
H.R. 2244	1961	231-148	40	113	191	35
H.R. 10050	1962	251-144	60	98	191	46
H.R. 11990	1962	211-192	9	153	202	39
H.R. 6009	1963	213-204	1	172	212	32
H.R. 7824	1963	221-175	2	158	219	17
H.R. 8969	1963	187-179	0	147	187	32
H.R. 11375	1964	203-182	0	154	203	28
H.R. 8464	1965	229-165	6	122	223	43
H.R. 15202	1966	199-165	1	121	198	44
H.R. 4573	1967	215-199	2	173	213	26
H.R. 10328	1967	[4] 197-211	0	176	211	21
H.R. 10867	1967	217-196	0	176	217	20

[1] Included 1 Independent Member.
[2] This was a standing vote.
[3] Bill included extension of certain taxes.
[4] Bill defeated on floor.

Statements made on the floor by my colleagues on the other side of the aisle further expand upon their disinclination to support proposals to raise the temporary or permanent debt ceiling when such a proposal is made by a Democratic administration.

Representative JOHN BYRNES, of Wisconsin, in floor debate on June 18, 1964:

Frankly, Mr. Chairman, I cannot vote and will not vote to give my approval to these debt ceiling increases in order to continue the spending programs that are contemplated. I believe some brakes should be put on. In my opinion this is the only brake I have at my disposal. We should either use the ceiling in a meaningful way or the majority on the committee might just as well be honest with the Congress and with the public and say, "We are reporting out a bill repealing the debt ceiling legislation." That would be the honest thing to do, unless you are going to use it to exert some pressure on spending. But what kind of restraint is it if you give them everything they want for spending and in addition a $3 billion cushion in case they have incorrectly estimated their needs and then another $4 billion in the banks?

Representative JOEL T. BROYHILL, of Virginia, in floor debate on June 18, 1964:

I cannot assume the responsibility for these reckless policies. My position has always been that in times of prosperity we should live within our revenues. I ask that my colleagues join with me in sending this bill back to committee. It is past time that we faced the issue squarely and put a halt to further deficits. It is obvious that the amount asked for refutes the false claims of economy being made by this administration. If these claims have any substance, the Congress would not have to increase the debt ceiling.

Representative WILLIAM H. HARSHA, of Ohio, in floor debate on June 9, 1964:

This administration is shoveling out federal money so fast it has run out of debt limit again. Since no one is raising the roof about it, the President wants to raise the ceiling, but it should not be called a ceiling, it is a fiscal hole he is digging and he wants to excavate more to put the Nation deeper in debt. We have again reached the time of year when the piper must be paid.

Representative H. ALLEN SMITH, of California, in floor debate on June 8, 1966:

Raising the debt limit, in my opinion, could be prevented if the President and the Congress would exercise greater restraint in their fiscal spending policies . . . Why does this debt limit have to go up at this particular time? The Government today has more money to play with than ever before. This year the Government will have the biggest tax take in our history.

Representative CLARENCE J. BROWN, JR., of Ohio, in floor on June 18, 1964:

Personally, I am opposed to increasing the national debt limit at this time, or at any other time, unless there is a grave and a great national emergency that would require such action in order to preserve our own security and our own way of life.

Representative Thomas B. Curtis, of Missouri, in floor debate on June 18, 1964:

It is perfectly logical for Republicans, of course, to resist the expenditure policies of this administration, as we tried to under the Kennedy administration. This is a basic issue for the people to decide. I wish my colleagues on the Democratic side of the aisle would face it forthrightly. Their economic philosophy is to spend and finance it through deficits. The President does not submit a balanced budget to the Congress and has no intention of submitting a balanced budget in the foreseeable future. What we Republicans are fighting for and what we regard as fiscal responsibility is balancing the budget.

Representative Bruce Alger, of Texas, in floor debate on June 18, 1964:

As a choice, of course, I would point out that Republicans have disapproved of an increase in the debt ceiling, and it is because they believe there can be control in the rate of expenditures even as we are deciding where to reduce the total expenditure itself. We who are not responsible for this deficit financing believe that where it is legitimately and consistently possible, the debt ceiling increase can be opposed without being irresponsible.

Representative HAROLD R. COLLIER, of Illinois, in debate on June 18, 1964:

If we vote to give the administration the debt limit increase it requests today, we are merely approving the continuation of fiscal conduct which can only lead to disaster. There are those of us who consistently practice economy in government through voting against programs which may be politically expedient but which we cannot afford if we are ever to emerge from the mire of indebtedness which we are merely passing on to the next generation as a rather sad heritage.

Representative JOHN P. SAYLOR, of Pennsylvania, in floor debate on June 8, 1966:

Sometime in the future, if the cost of defending this country against Communist aggression becomes much more expensive than is currently estimated by the administration, there may be justification for increasing the debt limit. At the moment the request for further depreciation of the dollar cannot be defended, for cutbacks in bureaucratic extravagance would more than account for budget deficiencies. With sound fiscal policies it would in fact be possible to reduce the debt and thus fulfill an obligation not only to today's taxpayers, but to future generations which will incur the unpleasant consequences of the present administration's wasteful policies.

Representative WILLIAM G. BRAY, of Indiana, in floor debate on June 8, 1966:

I have opposed these temporary debt limit increases in the past and I am opposed to this one, not solely because of the amount of increase granted, nor of the rising cost of financing the public debt, but because congressional approval will, as the minority report on the bill points out, imply approval of the administration's fiscal policies.

Representative Paul A. Fino, of New York, in floor debate on February 8, 1967:

I rise in opposition to any further extension of the national debt ceiling. I do not think any member can deny that our government is spending too much as it is. This is not the year for a huge debt ceiling hike and a stiff tax increase. This is not the year to raise the bridge—if anything, this is the year to lower the water. In short, let us cut spending and let us stop raising the taxes of this generation and generations yet unborn.

Representative HENRY SCHADEBERG, of Wisconsin, in floor debate on February 8, 1966:

I believe we have a responsibility to our people back home to take the necessary measures now that will force us and the administration to live within our income. I am aware that the need for the increase in the debt limit is due to the fact that the money has already been spent. Perhaps the present critical need for available money on the part of the Government needs to be dramatized so that we in Congress will be lulled out of our complacency about fiscal matters and the American people can see for themselves what is troubling our economy. My vote against the debt limit increase is one which is based on the firm conviction that the only way we can bring the wayward spenders into line is to cut off the source of supply of their funds and refuse them the right to squander today the wealth of tomorrow's generation in order that they may selfishly live high off the hog.

Representative JOHN T. MYERS of Indiana, in floor debate on February 8, 1967:

There are those who have called us irresponsible for opposing the administration proposal to hike the federal debt limit from $330 billion to $336 billion. It is my opinion our position is rather one of responsibility. Why even go through the motion of having a debt limitation if we are not going to observe it and raise it whenever it is politically expedient.

Representative LOUIS C. WYMAN, of New Hampshire, in floor debate on February 8, 1967:

Mr. Chairman, I cannot vote to increase the debt limit and keep faith with the people in my district who sent me to this 90th Congress. My constituents want the continuous overspending of the federal government brought to a stop. I pledged to do this. A vote to increase the debt limit is a license to continue federal overspending. It would be a breach of commitment to my constituents.

Representative DONALD RIEGLE, JR., of Michigan, in floor debate on February 8, 1967:

The easiest thing for the government to do is to go into debt. For as long as the government can go deeper and deeper into debt—the more it can spend and spend and spend, then the more it can, in turn, expand the grasp of the federal government and its influence and control over the individual citizen. And that has been the pattern—borrow, borrow, borrow; spend, spend, spend—and let the country sink deeper and deeper and deeper into debt. I believe this country is already too deeply in debt.

Representative JOE SKUBITZ, of Kansas, in floor debate on February 8, 1967:

I am fully aware of the problems which might result should the Congress refuse to increase the debt ceiling. But I know of no other way to sound the warning, to impress upon the spenders that we go this far and no further. There is virtue in a balanced budget and a limit to what we can afford. These principles are not so outmoded as to be ignored in our Great Society. The time has come when those who believe in a sound fiscal policy must vote against any proposal to increase the debt limit.

Representative H. R. GROSS, of Iowa, in floor debate on June 7, 1967:

We here today are trying to eat filet mignon steaks on a hamburger income. We are not skating on good solid financial ice in this country—we are just walking in the water with our skates on and a hell of a lot of people do not seem to know it. I am opposed to this enormous debt increase.

Representative GEORGE BUSH, of Texas, in floor debate on June 21, 1967:

I said last time—and I say again today—that before accepting a deficit of this magnitude, before being willing to risk the consequences of such a deficit, we had better tell the Administration again to take another look at their figures and come back to Congress with some constructive proposal for reducing the amount of the deficit. Rejection of the bill before you is our only hope.

Representative MARK ANDREWS, of North Dakota, in floor debate on June 21, 1967:

There is no excuse, except in time of national emergency declared so by Congress, for a country to engage in deficit financing.

Representative FRED SCHWENGEL, of Iowa, in floor debate on June 21, 1967:

I shall again, as I have always in the past, vote against raising the debt limit. We must find ways and means to pay the bills that we pass on here in Congress other than what we have been doing presently, that is to raise the debt limit.

Representative DAVID T. MARTIN, of Nebraska, in floor debate on June 7, 1967:

This (debt interest) is the second largest item in our budget, next to the appropriations for the military. It seems to be the policy of the Great Society to go deeper and deeper into debt, saddling the burden of this debt and the increased interest charges on our children, our grandchildren, and future generations.

For my own part, I, along with 22 of my Democratic colleagues, have sent a telegram to the President requesting that he clarify his position on tax reform prior to a vote on the debt ceiling. The text of this telegram read as follows:

MARCH 7, 1969.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The House will vote next week on the administration proposal to raise the ceiling on the national debt by another 12 billion dollars.

An important reason why the national debt is so high is that tax loopholes cheat the revenues of many billions of dollars annually.

We have introduced H.R. 5250 and subsequent identical bills designed to raise $9 billion in additional revenue by plugging loopholes such as the oil depletion allowance, multiple surtax exemptions for corporations, and the hobby farm loophole. The Ways and Means Committee formally requested the Treasury Department's views on H.R. 5250 on February 17.

It is very difficult to vote for a bill to increase the debt ceiling without knowing whether the administration will make a serious attempt to keep the national debt down by plugging tax loopholes.

Accordingly, we respectfully request that the administration make known its views on the 13 loopholes included in H.R. 5250 prior to the vote on the debt limit bill, so that we may be instructed by those views. Failing that, we certainly request that we be told when a statement of administration views on H.R. 5250 will be made.

Mr. REUSS. Mr. Chairman, if the loopholes in the Federal tax system had been plugged, it would not be necessary to raise the debt ceiling today.

In order to achieve meaningful tax reform, some 32 of us are sponsoring H.R. 5250, and identical bills, designed to raise $9 billion annually in additional revevenues by closing off 13 tax loopholes. The cosponsors include: Mr. REUSS, of Wisconsin; Mr. MEEDS, of Washington; Mr. REES, of California; Mr. WILLIAM D. FORD, of Michigan; Mr. MOORHEAD, of Pennsylvania; Mr. ADAMS, of Washington; Mr. BINGHAM, of New York, Mr. BROWN of California; Mr. ZABLOCKI, of Wisconsin; Mr. EDWARDS of California; Mr. GIBBONS, of Florida; Mr. CONYERS, of Michigan; Mr. LONG of Maryland; Mr. ST. ONGE, of Connecticut; Mr. FARBSTEIN, of New York; Mr. PODELL, of New York; Mr. BYRNE of Pennsylvania; Mr. THOMPSON of New Jersey; Mr. MIKVA, of Illinois; Mr. EILBERG, of Pennsylvania; Mr. YATRON, of Pennsylvania; Mr. ROSENTHAL, of New York; Mr. VIGORITO, of Pennsylvania; Mr. KOCH, of New York; Mr. NEDZI, of Michigan; Mr. DINGELL, of Michigan; Mr. MACDONALD, of Massachusetts; Mr. BLATNIK, of Minnesota; Mr. KARTH, of Minnesota; Mr. ROYBAL, of California; Mr. BRADEMAS, of Indiana; and Mr. MADDEN, of Indiana.

H.R. 5250 would:

Cut the 27½ percent oil depletion allowance to 15 percent, with comparable cuts on other minerals.

Tax capital gains presently untaxed at death.

Repeal the 7-percent investment tax credit.

Eliminate unlimited charitable deductions.

Eliminate special tax treatment for stock options.

Eliminate the income tax exemption for the first $100 in dividend income.

Eliminate tax benefits derived from organizing multiple corporations from a single firm.

Remove the tax exemption on municipal industrial development bonds.

Provide a Federal interest subsidy to States and localities as a substitute for tax-exempt bonds.

Establish the same rate for gift and estate taxes by raising the gift tax rate 25 percent.

Eliminate payment of estate taxes by the redemption of Government bonds at par.

Limit hobby farmers' use of farm losses to offset other income.

Eliminate accelerated depreciation on speculative real estate.

On March 7, 1969, we sent the following telegram to President Nixon, requesting the administration's views on H.R. 5250, or at least an estimate of when the administration would be able to state its views on tax reform:

MARCH 7, 1969.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The House will vote next week on the administration proposal to raise the ceiling on the national debt by another 12 billion dollars.

An important reason why the national debt is so high is that tax loopholes cheat the revenues of many billions of dollars annually.

We have introduced H.R. 5250 and subsequent identical bills designed to raise $9 billion in additional revenue by plugging loopholes such as the oil depletion allowance, multiple surtax exemptions for corporations, and the hobby farm loophole. The Ways and Means Committee formally requested the Treasury Department's views on H.R. 5250 on February 17.

It is very difficult to vote for a bill to increase the debt ceiling without knowing whether the administration will make a serious attempt to keep the national debt down by plugging tax loopholes.

Accordingly, we respectfully request that the administration make known its views on the 13 loopholes included in H.R. 5250 prior to the vote on the debt limit bill, so that we may be instructed by those views. Failing that, we certainly request that we be told when a statement of administration views on H.R. 5250 will be made.

(Signed by Representatives Henry S. Reuss, of Wisconsin; Lloyd Meeds, of Washington; Thomas Rees, of California; William Ford, of Michigan; Jonathan Bingham, of New York; George Brown, of California; Clement Zablocki, of Wisconsin; Don Edwards, of California; John Blatnik, of Minnesota; Joseph Karth, of Minnesota; Henry Helstoski, of New Jersey; John Conyers, of Michigan; Clarence Long, of Maryland; William St. Onge, of Connecticut; Leonard Farbstein, of New York; Bertram Podell, of New York; Frank Thompson, of New Jersey; Abner Mikva, of Illinois; Gus Yatron, of Pennsylvania; Benjamin Rosenthal, of New York; Joseph Vigorito, of Pennsylvania; Edward Koch, of New York; and Lucien Nedzi, of Michigan.)

The following reply has been received:

MARCH 11, 1969.

Hon. HENRY S. REUSS,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. REUSS: This acknowledges receipt of a book telegram sent by you and twenty-two other Members of the House of Representatives to the President requesting Administration views on H.R. 5250.

As you know, the Assistant Secretary of the Treasury for Tax Policy, Honorable Edwin S. Cohen, was confirmed by the Senate only last week and he has had insufficient time to study legislation pending before the Ways and Means Committee. However, needed reforms in the tax structure are under active review at the staff level within the Treasury Department, and it is anticipated that Administration representatives will be able to testify with respect to certain tax recommendations shortly after the Congress returns from its Easter recess.

I trust this information is helpful and know you appreciate the necessity for Mr. Cohen to participate in formulating Administration policy. I am sending similar letters to other signatories of the telegram.

Sincerely,

BRYCE N. HARLOW,
Assistant to the President.

I am gratified to learn that the administration anticipates that its representatives "will be able to testify with respect to certain tax recommendations shortly after the Congress returns from its Easter recess." Indeed, I hope that the administration position will be as close as possible to H.R. 5250, and its revenue-raising potential somewhere on the order of the $9 billion annually envisaged by H.R. 5250.

Under the circumstances, I believe the responsible course is to support the administration's current request to raise the debt ceiling.

Mr. RARICK. Mr. Chairman, by again seeking to increase our Nation's debt, are we not making a mockery of any reason for the existence of a debt ceiling?

The bill before us deals with much more than mere imaginary limitations—for our action today will affect every working American who pays taxes. To the taxpaying American, our efforts mean taking away hard-earned dollars—dollars that he wants to keep to spend for the benefit of himself and his family.

There are two immediate areas in which every Member of this House has received adequate mail to reflect that we are not fooling the people back home. We are not fooling them about the waste and misuse of funds in a mythical, so-called war on poverty. Neither are we kidding them about the windfall benefits given an ever-increasing tribe of tax-free foundations most of whom not only compete against the taxpayer in consumer goods but also in the money market.

No specialized education is required to figure out that our action today will not solve any problem. The cabdriver and the factory worker all know that we could solve our country's financial ills, if we really made up our minds that we wanted to—or if we had to.

Rather than attempting to justify an increase of the debt, we should be taking constructive action to demonstrate fiscal leadership by balancing the budget and removing the surtax. This can only be accomplished by closing tax loopholes and reducing waste and unnecessary spending.

Mr. Chairman, I heard the voice of the American people in the last election loud and clear. They sent us here to Congress to terminate—not to escalate this perennial fiscal "sleight of hand."

We have been told we cannot, in good conscience, deny this increase in deficit spending because the funds are necessary to cover the expenditures already authorized, and for which we have already obligated our taxpayers' dollars. Let us be honest with the people—the debt ceiling has been increased time and time again, promoted as temporary but only to end up becoming a permanent ceiling. It will be passed today, so why do we not be honest with ourselves and our constituents, and tell them that this House has no intention of protecting the taxpayers' hard-earned money from a greedy bureaucracy until the people demand commonsense in government.

Check one grocery shopper's comparison of food prices from 1965 to present:

	1965 or later		1969	
A. & P.:				
Lunch meat	4 6-oz. packages	$0.95	3 6-oz. packages	$0.95
Rib steak	1 pound	.75	1 pound	.99
White bread	2 1-lb. loaves	.39	2 1-lb. loaves	.59
Eggs	2 dozen	.81	1 dozen	.65
Ketchup	2 20-oz. jars	.39	2 16-oz. jars	.79
Ice cream	½ gallon	.59	½ gallon	.73
Safeway:				
Bologna	1 pound	.49	1 pound	.79
Flour	5 pounds	.43	5 pounds	.59
Spaghetti	1 pound	.22	1 pound	.27
Butter	1 pound	.69	1 pound	.81
Bacon	1 pound	.89	1 pound	1.00
Apples	8 pounds	.69	8 pounds	.89
Face tissue	4 200-tissue boxes	.89	3 200-tissue boxes	.85
Giant:				
Canned tomatoes	6 1-lb. cans	.77	5 1-lb. cans	.95
Mayonnaise	1 quart jar	.69	1 quart jar	.79
Beef brisket	1 pound	.69	1 pound	.79
French fries	10 9-oz. packages	1.00	9 9-oz. packages	1.00
Potatoes	20 pounds	.69	20 pounds	.89

Mr. RANDALL. Mr. Chairman, it is with reluctance that I support H.R. 8508, which provides for an increase in the debt ceiling. Every time this unpleasant situation presents itself, we have to ask the question, How may we be spared this hard choice in the future? The answer lies in opposing any and every nonessential expenditure by whatever department and for whatever purpose. This involves constant scrutiny of the word "essential." Put differently, it requires refining the list of priorities and a constant effort to keep reviewing what constitutes the highest priorities among our Federal expenditures.

The members of the Ways and Means Committee have assured me this is a tight ceiling. It is one which allows no latitude or flexibilty. They tell me it is absolutely necessary if the Government is to meet its obligations in April of this year.

As we face this painful choice whether or not to support the new ceiling all of the old arguments are revived. The consideration of fiscal responsibility is still with us. This time there is a choice to be partisan and oppose the new administration, or on the other hand, give thought to what would happen to our country if it could not meet its obligations as they accrue.

For those who have supported every spending program there is no alternative but to vote for the means to pay those obligations. For those who have not supported all of the spending programs, and

in this regard I will let my record speak for itself, there is no choice but to provide for the payment of the bills now that they come due. I have heard some Members state they will support the increase of the debt ceiling in this instance, but they will never support it again. In my opinion they are right but they should allow for the reservation or exception of a possible national emergency which no one can possibly foresee.

If we are to exercise fiscal responsibility, we must provide the means to pay the bills when they come due. As to the political aspects of this increase it is true that most of the present Members of Congress who belong to the party which now controls the White House have in former years been almost unanimous in opposition to increasing the debt ceiling except when their party occupied the White House in the 1950's. Now they are on the spot again. For my part, I cannot be partisan enough to oppose this debt increase simply because there is a new occupant in the White House. We should allow some time to see if the new occupant can control expenditures enough that a future increase will not be necessary. We are called upon today to see that the bills are paid. Unless we wish to see the wheels of our Government grind to a halt we must pass this bill. The time to stop spending is not when the bills come due but before the obligations are created.

Mr. LLOYD. Mr. Chairman, although I voted against any increase in the national debt ceiling during the last Congress, I feel that the current increase requested by the new administration is appropriate for a new President saddled with commitments, he has as yet had no opportunity to alter. In fiscal year 1967 and fiscal year 1968 when I voted against increases in the limit, the Nation was faced with $8.8 and $25.1 billion budget deficits while the previous administration made inadequate effort to bring the budget within manageable limits. Instead, expenditures were permitted to increase at a rate in excess of 15 percent per year. Furthermore, between fiscal year 1962 and fiscal year 1968 there were inflationary budget deficits aggregating more than $57 billion. In no year was there a budget surplus. As a direct consequence of these deficits, the national debt grew from $290 billion in December 1960 to $360 billion by the end of January 1969. Following measures aimed at expenditure reduction coupled with the surtax, the growth in Federal deficits during fiscal year 1969 has been stemmed. According to January budget estimates a small budget surplus is forecast for fiscal year 1969, and a slightly larger surplus of $3.4 billion is hoped for in fiscal year 1970.

However, considering the seasonal nature of Treasury receipts and the increase in national debt held by the social security trust funds, it is clear that the new administration cannot function within the limits of the present $365 billion ceiling. While the Nixon administration is currently studying ways of further reducing fiscal year 1970 expenditures below the $195.3 billion originally proposed by former President Johnson, there is little it can do between now and July 1 to reduce fiscal year 1969 expenditures incurred by the previous administration. In fact, Johnson's estimate of fiscal year 1969 outlays may even prove slightly low given that during recent months:

First. The interest rates which the Government must pay in order to finance the existing debt have been higher than anticipated;

Second. Some expenditure commitments have risen due to 1968's high increase in labor and material costs for programs such as highway construction;

Third. The recently settled dock strike which sharply reduced agricultural exports and boosted farm price support outlays as a result.

The new temporary ceiling of $377 billion, which will revert back to $365 billion on July 1, 1970, will place a very tight limit on Government financing and thereby encourage a restrictive expenditure policy. Moreover, this new ceiling will be reviewed closely by Congress in early 1970. By then the new administration will have had sufficient time to present its own legislative program in which vitally needed budgetary and expenditure reductions are expected to be of major significance.

Mr. SKUBITZ. Mr. Chairman, I have been a Member of this body since January 1963. In that time we have been called upon 10 different times to increase the permanent or temporary debt ceiling.

Some of us have consistently voted against the proposed increases, and I think rightly so. In my humble opinion the debt ceiling should always serve as a warning to the Congress and to the executive branch to stop, ponder, and reappraise our spending programs lest we do irreparable damage to our economic system. During a national emergency, it may become necessary to increase the debt, but in such instances there should be at least a degree of belt tightening on the home front. I regret to say that during the past 6 years this has not been true. We have seen scores of "half-baked" programs introduced and passed by the proponents of the Great Society experiment. We have given away money under our foreign aid program like it was going out of style. We poured money into the "moon shot" in such quantities that one would think our national existence depended upon beating the Russians to the moon. These are the things coupled with our unwillingness to raise taxes that have forced us to raise the debt ceiling. Some of us who have consistently voted against these expenditures, who believed in priority spending in order to escape the necessity of raising the debt ceiling felt justified in voting against the debt ceiling proposals.

Those of us who voted against the increase in the debt ceiling in the past have been accused of acting in an irresponsible manner. Those who do so today, will again be accused of acting irresponsible.

I submit that the irresponsible people are those who constantly recommend and support every program not only submitted by the executive branch—but also additional ones of their own.

For the first time, I shall vote to increase the debt limit—not because the present occupant of the White House is a Republican. I do so because I do not feel that he is responsible for the fiscal mess that confronts us today. He should not be made the "fall guy" for the indiscretions of past administrations. However, I serve warning now that unless the administration in the next 10 months moves forward with a sound fiscal program, unless it shows good faith in supporting reductions and of unnecessary or less essential programs, I shall not support legislation of this nature in the future.

Mr. BROWN of California. Mr. Chairman, memories fade quickly here in Congress especially in matters regarding Federal spending. Last year's expenditure controls indicated a mass displeasure with the seemingly endless climb in Government program costs.

But today, when we are dealing with spending controls under a different guise—that of a debt limit expansion—last year's policy appears forgotten.

It is quite inconsistent to favor stringent spending limits one year and then approve increases which weaken those limits in the next year, and I think we are deluding ourselves when we apply an altogether haphazard system of starts and stops in fiscal policy.

I oppose debt-limit expansion not because I am in favor of a decreased Federal role, but because I think that there are other alternatives open to us by which we can achieve the same results but at a much lower cost.

We must remember that each added dollar in the national debt today means that more than one marginal dollar must be paid in the future to account for the principal of the debt plus the interest rate. That is, if we increase the national debt $7 billion and go out and borrow the funds, we will have to pay off not only the $7 billion, but also—according to the interest rate at which we borrow—perhaps well over another billion of service charges. And each dollar allocated to debt payment means one less dollar for many priority programs.

Expenditure control—if applied fully through the legislative appropriations process and across-the-board—can be a valid means of keeping Federal spending within stated bounds. But, last year's controls were doomed from the start because they excluded too many areas where more than enough "fat" could have been trimmed; indeed, in practice the controls were more than effective in certain program categories—generally in programs dealing with education, poverty, urban blight, and the environment.

Rapid increases in Government spending rank as a key factor in the continued inflationary pressures we have felt since 1965. However, inflation also is caused by dislocations within the economy caused by the shape of spending as well as by its size. Undue demands on certain sectors of the economy are behind much recent inflation, and foremost of these distortions are those stemming from the high cost of our military adventures in Southeast Asia.

I believe in a positive fiscal policy, not

in an ongoing ritual of extending the debt limit each time there is a spending squeeze. What is needed is a realistic revenue and expenditure program. Instead of automatically supporting any proposed increase in the debt ceiling limit, I favor a major tax reform effort coupled with severe budget slashes for the military, for military assistance programs, for the questionable supersonic transport, and for any other area in which benefits are extremely low compared to overall costs. It is for these reasons that I oppose the bill to extend the debt ceiling limit.

Mr. DERWINSKI. Mr. Chairman, it is with understandable reluctance that I vote for H.R. 8508, to establish a limitation on the national debt. I realize the Nixon administration has not yet had the time to make the necessary economies in Government that would have made an increase in the debt ceiling unnecessary. Following, as they have, the wildest spending administration in the history of the country it will naturally take time to restore some semblance of sanity to the administration of the Federal Government.

However, I for one serve notice that if the administration does not produce meaningful economies in all departments and agencies I will not vote for the next increase in the debt ceiling.

In my judgment there is not a single department or agency that is a "sacred cow." The Nixon administration must demonstrate strength and imagination in cleaning out the bureaucratic structure that contributes to the monstrous waste of public funds. Government bureaus and offices are overstaffed and the rate of productivity can be definitely improved.

The public expects the administration to cut Government spending and operate in a legitimate frugal manner. The Nixon administration can quite accurately place the need for this debt ceiling increase on the abuses of the Kennedy-Johnson era. If there is a next time to increase the debt ceiling the present administration would have to be held responsible.

GENERAL LEAVE

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD upon the bill presently before the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, today, as a member of the Ways and Means Committee, I will support the new debt ceiling allowing the administration a reasonable degree of flexibility in handling its fiscal affairs. The proposed ceiling meets every explained contingent need of the Government. As I earlier stated in this House, my support for the proposed debt ceiling will not commit me to continue the 10-percent tax surcharge beyond June 30, 1969.

We have a mandate from the voters to bring about tax reform and tax relief. There are no early prospects for the wide-scale tax reform which we need. The termination of the surtax is the most expedient way to bring about some tax relief—the most certain way to bring about tax relief this year.

It is my judgment that the revenue loss occasioned by a termination of the surtax could be made up by the adoption of legislation already before the Congress to close the glaring loopholes which demoralize the integrity of our tax structure. Congress is more likely to adopt corrective legislation to close loopholes if there is a fiscal urgency to replace revenues lost by the termination of the surtax. A tax reform program should produce sufficient revenue to make up the revenue previously produced by the surtax.

The Ways and Means Committee wisely dropped the proposal in the administration's debt ceiling plan which would have excluded $82 billion of Government debt to the trust funds from the Federal debt and, thereby, make it appear that a $17 billion increase in the Federal debt ceiling looks like a reduction of the debt ceiling to $300 billion.

It is incredible that this trust fund proposal should have been made and supported by the same leaders who only 2 years ago insisted on including participation certificates in the debt structure. What a difference responsibility makes.

Congress must never sanction debt manipulation which would let the American people believe that the debt ceiling was being reduced to $300 billion when the proposal, in truth, is an increase in the debt ceiling to $382 billion. This kind of debt juggling would assault the fiscal integrity of the country.

The $82 billion debt to the trust funds is money which the Federal treasury owes these trust funds. It has to be paid back—every dollar of it. It represents the obligation of the Federal Treasury to pay back funds which were loaned to the Treasury by the social security fund, the highway trust fund, and the unemployment insurance fund.

If these trust funds were excluded from computation in the Federal debt ceiling, the critics of social security would then charge that there are no resources in the social security trust fund—that social security is a myth.

Congress must never let that happen. The integrity of the social security trust fund must be maintained from every standpoint.

As a matter of fact, it has now become important to further insure the integrity of the social security trust fund by including representative citizens as trustees. It is not in the best interest of the contributors that the trust fund should be principally administered by the Secretary of the Treasury, the Social Security Commissioner, and the Secretary of Health, Education, and Welfare. This is an administrative team.

Too often the social security trust fund has been used as an arm of fiscal policy. It is conceivable that such action may be inconsistent and, indeed, in conflict with the best needs of the trust.

The time is at hand for Congress to review the administration of the trust funds, to examine the integrity of the funds, and to determine whether they are being administered for the best interests of the beneficiaries.

Mr. MILLS. Mr. Chairman, I have no further request for time.

Mr. BYRNES of Wisconsin. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule the bill is considered as having been read for amendment, but no amendments are in order except amendments offered by direction of the Committee on Ways and Means.

Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8508) to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, pursuant to House Resolution 325, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

Mr. SMITH of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SMITH of California. I am opposed to the bill, Mr. Speaker.

The SPEAKER. The Clerk will report to recommit.

The Clerk read as follows:

Mr. SMITH of California moves to recommit the bill H.R. 8508 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 313, nays 93, not voting 24, as follows:

[Roll No. 27]

YEAS—313

Adair	Beall, Md.	Brasco
Adams	Belcher	Bray
Addabbo	Bennett	Brock
Albert	Berry	Brooks
Alexander	Betts	Broomfield
Anderson, Ill.	Biester	Brotzman
Anderson, Tenn.	Bingham	Brown, Mich.
	Blackburn	Brown, Ohio
Andrews, N. Dak.	Blanton	Broyhill, Va.
	Blatnik	Buchanan
Arends	Boggs	Burke, Fla.
Ashley	Boland	Burke, Mass.
Aspinall	Bolling	Burleson, Tex.
Ayres	Bow	Burlison, Mo.
Barrett	Brademas	Burton, Calif.

Burton, Utah	Harvey	Pollock
Bush	Hastings	Preyer, N.C.
Button	Hathaway	Price, Ill.
Byrne, Pa.	Hawkins	Price, Tex.
Byrnes, Wis.	Hechler, W. Va.	Pryor, Ark.
Cahill	Heckler, Mass.	Pucinski
Camp	Helstoski	Purcell
Carey	Hicks	Quie
Carter	Hogan	Quillen
Casey	Horton	Railsback
Cederberg	Hosmer	Randall
Celler	Howard	Rees
Chamberlain	Hull	Reid, Ill.
Clark	Hungate	Reid, N.Y.
Clausen, Don H.	Hutchinson	Reifel
Cohelan	Ichord	Reuss
Conable	Jacobs	Rhodes
Conte	Joelson	Riegle
Corbett	Johnson, Calif.	Rivers
Corman	Johnson, Pa.	Roberts
Coughlin	Karth	Robison
Cowger	Kazen	Rodino
Cramer	Kee	Rogers, Colo.
Culver	Keith	Rooney, N.Y.
Daddario	Kirwan	Rooney, Pa.
Daniels, N.J.	Kleppe	Rostenkowski
Davis, Ga.	Kluczynski	Roth
Davis, Wis.	Koch	Roybal
Dawson	Kuykendall	Rumsfeld
de la Garza	Kyros	Ruppe
Delaney	Landrum	Ryan
Dellenback	Langen	St Germain
Denney	Latta	Sandman
Dennis	Lipscomb	Schneebeli
Dent	Lloyd	Schwengel
Derwinski	Long, Md.	Sebelius
Dickinson	Lukens	Shipley
Dingell	McCarthy	Shriver
Donohue	McClory	Sikes
Dorn	McCloskey	Sisk
Downing	McCulloch	Skubitz
Dulski	McDade	Slack
Dwyer	McDonald, Mich.	Smith, Iowa
Eckhardt	McFall	Smith, N.Y.
Edmondson	McKneally	Springer
Edwards, Ala.	McMillan	Stafford
Edwards, La.	MacGregor	Staggers
Eilberg	Madden	Stanton
Erlenborn	Mahon	Steed
Esch	Mailliard	Steiger, Wis.
Evans, Colo.	Marsh	Stratton
Evins, Tenn.	Mathias	Stubblefield
Fallon	Matsunaga	Stuckey
Farbstein	May	Sullivan
Fascell	Mayne	Symington
Feighan	Meeds	Taft
Findley	Meskill	Talcott
Fish	Mikva	Teague, Calif.
Fisher	Mills	Teague, Tex.
Flood	Minish	Thompson, Ga.
Flynt	Mink	Thompson, N.J.
Foley	Minshall	Thomson, Wis.
Ford, Gerald R.	Mize	Tiernan
Ford, William D.	Mizell	Udall
Fraser	Mollohan	Ullman
Frelinghuysen	Monagan	Utt
Frey	Moorhead	Van Deerlin
Friedel	Morgan	Vanik
Fulton, Tenn.	Morton	Vigorito
Fuqua	Mosher	Waldie
Galifianakis	Moss	Watts
Gallagher	Murphy, Ill.	Weicker
Garmatz	Murphy, N.Y.	Whalen
Gettys	Nedzi	Whalley
Gibbons	Nelsen	White
Gilbert	Nix	Whitehurst
Gonzalez	O'Hara	Widnall
Green, Oreg.	O'Neill, Mass.	Wiggins
Green, Pa.	Patman	Wilson, Bob
Griffiths	Patten	Wilson, Charles H.
Grover	Pelly	Winn
Gubser	Pepper	Wold
Gude	Perkins	Wright
Halpern	Pettis	Wyatt
Hamilton	Philbin	Wydler
Hammer-schmidt	Pickle	Wyman
Hanley	Pike	Yates
Hansen, Idaho	Pirnie	Young
Hansen, Wash.	Poage	Zablocki
	Podell	Zion
	Poff	

NAYS—93

Abbitt	Caffery	Devine
Abernethy	Chappell	Diggs
Anderson, Calif.	Chisholm	Dowdy
Andrews, Ala.	Clancy	Duncan
Ashbrook	Clawson, Del	Edwards, Calif.
Baring	Clay	Eshleman
Bevill	Cleveland	Flowers
Biaggi	Collins	Foreman
Brinkley	Colmer	Fountain
Broyhill, N.C.	Conyers	Fulton, Pa.
Cabell	Cunningham	Gaydos
	Daniel, Va.	Goodling
Griffin	Lujan	Satterfield
Gross	McClure	Saylor
Hagan	Macdonald, Mass.	Schadeberg
Haley	Mann	Scherle
Hall	Martin	Scott
Harsha	Michel	Smith, Calif.
Hays	Miller, Ohio	Snyder
Henderson	Montgomery	Steiger, Ariz.
Hunt	Myers	Stokes
Jarman	Natcher	Taylor
Jonas	Nichols	Waggonner
Jones, N.C.	Olsen	Wampler
Kastenmeier	Ottinger	Watkins
King	Passman	Watson
Kyl	Rarick	Whitten
Landgrebe	Rogers, Fla.	Wolff
Leggett	Rosenthal	Wylie
Lennon	Roudebush	Yatron
Long, La.	Ruth	Zwach
Lowenstein		

NOT VOTING—24

Annunzio	Hébert	Powell
Bates	Holifield	Ronan
Bell, Calif.	Jones, Ala.	St. Onge
Brown, Calif.	McEwen	Scheuer
Collier	Miller, Calif.	Stephens
Giaimo	Morse	Tunney
Gray	O'Konski	Vander Jagt
Hanna	O'Neal, Ga.	Williams

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Brown of California against.

Mr. Holifield for, with Mr. Powell against.

Mr. Morse for, with Mr. Williams against.

Mr. Annunzio for, with Mr. McEwen against.

Until further notice:

Mr. Miller of California with Mr. Bates.

Mr. Jones of Alabama with Mr. Vander Jagt.

Mr. O'Neal of Georgia with Mr. O'Konski.

Mr. Gray with Mr. Bell of California.

Mr. St. Onge with Mr. Collier.

Mr. Giaimo with Mr. Stephens.

Mr. Tunney with Mr. Scheuer.

Mr. Hanna with Mr. Ronan.

Mr. HULL and Mr. BOW changed their vote from "nay" to "yea."

Mr. CABELL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO INCLUDE CHARTS AND TABLES

Mr. MILLS. Mr. Speaker, I ask unanimous consent that Members desiring to do so may be permitted to include extraneous material such as charts and tables together with their remarks, on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE SST MENACE GROWS NEARER, LOUDER, AND MORE EXPENSIVE

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

Mr. PODELL. Mr. Speaker, the British-French supersonic aircraft has been much in the news of late, as its testing moves ahead. Its noise level so far gives ample evidence that it could not operate within noise limits now in force at major American airports. Recently, the Department of Transportation indicated doubts as to whether the Concorde would be suitable for use in flying the Transatlantic route, ending in New York.

This handwriting on the wall contains an obvious message. Development of an American version of an SST is uncalled for, and Federal subsidies for such a project should cease forthwith. The Federal Government has yet to move in the direction of setting any standards to limit noise from supersonic craft, but this is no excuse for moving this threat to the end of our list of priorities.

Mr. Shaffer, the President's choice for head of the FAA, has told Congress he hopes for a go-ahead on an American SST. It is highly indicative that he is a vice president of TRW, Inc., a major areospace and automotive parts manufacturer. This gentleman will head the agency which must approve the airliner's design and certify its airworthiness. Under the supersonic program, prototype construction alone is expected to cost more than $1.4 billion, with Government picking up 90 percent of the cost.

There is a school of thought placing the SST in the same category with other major forward steps in technology which eventually benefited mankind significantly. I feel the SST does not deserve such inclusion. Its undiminishable roar and sonic boom reduces our quality of life more than it could ever enhance it. Tests of the Concorde have so far borne out this contention.

Shall man span continents with devastating speed so he may spend more time in traffic jams? Shall a privileged few leap vast distances while millions below suffer intolerable sonic booms, destroying tranquillity as well as property? I think not. It seems to me that it is time for President Nixon to reevaluate the worth of placing further Government subsidies into the SST.

DEDICATION OF FATHER GERALD DUGAN ACTIVITY CENTER, ST. FRANCIS PREPARATORY SCHOOL, SPRING GROVE, PA.

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

Mr. GOODLING. Mr. Speaker, on March 1, 1969, the St. Francis Preparatory School of Spring Grove, Pa., dedicated its new Father Gerald Dugan Activity Center, a magnificent all-purpose structure costing in the vicinity of $1 million. A notable feature concerning this structure is that it was erected with no assistance from either the Federal or State Governments; hence, it stands not only as an institution of practical purpose but as a symbol of self-reliance.

During the pertinent dedicatory exercises, the Reverend Kevin Keelan, T.O.R.,

of the College of Steubenville—a college operated by the Third Order Franciscans—delivered an inspirational address predicated on the themes of love and peace. Because this splendid presentation has a particularly meaningful application to the events of today, I insert it into the CONGRESSIONAL RECORD and commend it to the attention of my colleagues.

The address follows:

ADDRESS OF REV. KEVIN KEELAN, T.O.R., ON THE OCCASION OF THE DEDICATION OF THE FATHER GERALD DUGAN ACTIVITY CENTER, ST. FRANCIS PREPARATORY SCHOOL, SPRING GROVE, PA., MARCH 1, 1969

Your Excellency Bishop Daley, Father Headmaster, brother priests and conferees of our beloved Third Order; dear Sisters, members of the faculty past and present of St. Francis, parents, alumni, and other benefactors of the Prep; members of the Dugan family and, especially, the young men, students, for whose primary benefit we gather today to dedicate the Father Gerald Dugan Activity Center: Peace!

It is significant that this dedication ceremony is consummated in the Divine Liturgy, concelebrated in unity with the Coadjutor Bishop of Harrisburg, where the modern era of the Prep has flourished under the personal and paternal interest of the universally respected and affectionately regarded Bishop Leach.

The concelebrants are offering the Mass of the Solemnity of our Seraphic Father Saint Francis, founder of our Order. The Entrance hymn, even slightly paraphrased, seems to capture the spirit of the occasion: "Let us all rejoice in the Lord as we celebrate the feast in honor of the sons and loyal followers of Blessed Francis. The angels rejoice in this solemnity and with us praise the Son of God.

The man of Assisi would be very much at home in our midst today. This "splendid creature of God" (Pius XI) was an almost perfect example of what each one of us should hope to be. It is not chance that determines that in every age certain souls are raised up beyond the accomplishments of ordinary men and whose acclaim is not restricted to their own generation. Francis is a man for every age, an outstanding religious leader—"a religious genius of the purest type." He attracts men of diverse background and character. The social and religious values he ennobled are of the greatest importance today. Men of charity and understanding, living according to the ideals of Francis of Assisi, could convert the world into a Christian society in which all men would live as brothers.

In dedicating a facility planned to satisfy the needs of an educational community, it is not unusual that our thoughts should turn to one whose life was dedicated to the entire community of God's people. By reflecting on his philosophy of life, our own lives are enriched.

In the Rule he left for his followers (1221), Francis expressed his philosophy of love and peace as follows:

"Wherever there is love and wisdom, there is neither fear nor ignorance. Wherever there is patience and humility, there is neither anger nor terror. Wherever there is joyous poverty, there is neither covetousness nor greed. Wherever there is peace and reflection, there is neither vexation nor indecision. Wherever there is fear of God in guarding one's tabernacle, there an enemy cannot enter. Wherever there is mercy and reasonable discernment, there is neither vanity nor stubbornness."

How brief a testimony of devotion; how concise an inspiration to fullness of life. What seems unique in his life, what appears unequaled in his example, is not so much the fascinating traits present in his personality nor the special simple way of life he espoused, rather it is the capacity to place all things in their proper perspective: he was able to comprehend the harmony which is present in the life of the Christian as he relates to the majesty of God, to nature and human beings.

What today may be considered late in life, at the age of 24, Francis found God through the voice from the Crucifix in San Damiano. His was not an easy discovery—it rarely is—but when he heard the voice he listened to what it said. And he was happy every subsequent day of his life.

I suggest that we must learn to listen. In his inaugural address, President Nixon spoke clearly to this point. The sounds of our civilization sometimes are so loud, so confused, so senseless, that we are utterly unable to grasp the meaning of what goes on about us. One can understand why the cries of the hungry and the naked are unheard. One can understand why the moans and the sighs and the terrifying groans of those who suffer injustice go unheard. The clamor of the "barbaric civilized" simply does not permit us to think.

Francis, before his conversion to an active life of labor for Christ, had a natural inclination toward frivolity and sinless fun. Once committed to his Lord, he began "to do his thing" in a most fervent manner and he learned that "wherever there is peace and reflection, there is neither vexation nor indecision."

This man was an activist. Sometimes—I suppose when we are most satisfied with what we are doing—we incline toward the proposition that involvement is a modern virtue. How ignorant we are of the lives of the Saints and especially the man from Assisi. Social welfare and regard for the rights and privileges of one's fellow man were cardinal precepts, not relegated to the Rule of life he recorded for his followers under Divine inspiration, but of his very manner of living. He literally imitated Christ. He knew he was a son of God and he acted like one. The love he bore for God reflected itself in the love and respect he possessed for his neighbor, who was his brother. Whether it be among the Saracens, or the people of the provinces of Europe or Italy to whom he preached the Kingdom of Heaven and its joy, Francis strove to rebuild God's family on the foundations of love, justice, self sacrifice and peace. His work and the effects of the labors of his followers, and his social message which they preach, is universally acclaimed. Failure must be attributed to the human imperfections of those who followed him, as well as the tendency in man to resist the teachings of the Gospel, especially when it involves self effacement and penance.

Francis guarded his own tabernacle, showed mercy and patience and humility, and, as a result, his love for God was rewarded. He was signed in his flesh by the very wounds of Christ; the painful Stigmata was a mark of identity with Christ.

The Sacred Scriptures were the daily bread of Francis. Among the lessons he learned were love of enemies, the glory of chastity and cleanness of heart, service to all God's children, the value of penance, love for the Church and Christ's Vicar, "respect for the clergy, not so much for themselves, especially if they are sinners, but rather for their rank and their offering of the Blessed Sacrament," devotion to God's mother, Mary, and her Son's cross.

He became a man of gratitude and confidence. So deep was his understanding of the value of things, that he left a literature profound in its appreciation of nature and its place in the economy of creation. He loved and enjoyed everything made by God for man's peace and happiness, whether animal or vegetable or mineral. The Universe—his brother the sun, the stars and the moon—was the subject of his famous Canticle: a song of praise to the Creator for His many benefactions.

Probably what is least understood in the life of Francis was his devotion to poverty. Voluntary abnegation or absolute poverty were as much misunderstood in his day as in our own. Admission to the fraternity was granted only after one had reconciled himself to his neighbors, returned any ill-gotten goods and paid all his debts and tithes. He found acceptable men who were free to assume "the life of poverty in imitation of Jesus Christ and His Blessed Mother."

His joy and enthusiasm for everything made him dependent on nothing. Casting aside the clothes which were from his father's modish shop and selling all the things he possessed, and providing for the needs of the impoverished were more than symbolic acts. In truth he wished to be considered as a herald of the Great King, devoid of any embellishments of the past. "He was not a deaf hearer of the Gospel." He understood Christ's words: "Preach the Kingdom of God, possess neither gold nor silver, nor money in your purse." Christ possessed nothing; neither would he. Poverty was the means of liberation from things which stood as an obstacle in the path to the Kingdom of Heaven.

Hopefully, it is in this Spirit of Francis that we dedicate today. First, a personal dedication to the virtues that will brighten our lives: love of neighbor and mutual assistance; sympathy and generosity toward those who are poor; humility, tolerance, good sense and courtesy; penance and self denial; and above all, inner joy and self improvement in Christ. Secondly, and flowing from this personal dedication, we salute a friar of our Order, Father Gerald Dugan, who, in his life, followed in the footsteps of Francis as a faithful son.

Father Gerald served the Prep for 16 years (1946–1961). His most important role was as an inspired teacher of literature and music. But his influence as Franciscan priest and teacher was not confined to the classroom. By his example, his counsel and advice, his ability to encourage those who demanded something more than the classroom developed, he was involved with scores of young men who needed him. He represented an era of scholarly teachers whose great demand for love of learning was tempered with devotion and affection for those entrusted to his care.

We have all but discarded the concept "in loco parentis" in modern education. It is replaced with a vague concept of "openness."

Our young people today are a remarkable and fine example to us and we must listen to them. One of the things they seem to be telling us, with violent insistence, is that the weakness of the culture and morality which we have transmitted can result in nothing less than the explosive demonstrations and infantile actions of a very small but significant portion of their peers.

We have managed to deprive these young men of stabile values and meaningful authoritative trust.

This educational community, comprised of young men, friars and lay faculty, parents and benefactors, attempts to grow on principles which are Franciscan in their Christian roots.

As everything of value demands disciplined attention—a mark of the life of men such as Fr. Gerald Dugan—we salute the efforts of everyone involved in the completion of this Activity Center. Everything enclosed within this facility; every moral, social and educational virtue inculcated in the training program of these young men, is dedicated to the hope that its graduates will be men of inspiration, men cast in the mold of Francis of Assisi.

Our prayer is the same as Francis': May the Lord bless and keep us. May He show His face to us and have mercy on us. May He turn His countenance to us and give us peace. Indeed, may the Lord bless us.

FEDERAL INCOME TAX EXEMPTIONS

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

Mr. STAGGERS. Mr. Speaker, a nation which is growing richer by the day, the income gap between the very poor and the moderately rich is growing wider by the hour. Every change in income, in the price of the necessities of life, and especially in the tax policies of national, State, and local governments works to the disadvantage of the very low income family. This legislative body fixes Federal income tax regulations, and it is high time we gave the poor families a break.

The plain fact is that millions of families in the richest country of the world cannot afford to pay any Federal income tax at all. This fact was realized in 1939, when the personal exemption was fixed at $600. In 1939 we were still in the great depression, and a family income of $1,200 did not represent the depths of poverty. Yet such a family was placed out of reach of the Federal tax collector.

Today, $1,200 will not buy the minimum quantity and quality of food and shelter. True, most incomes have increased, and today a $3,600 income will scarcely rate with the $1,200 income of 1939. Yet, that $3,600 family will almost certainly be required to pay an income tax.

We must restore the immunity of that 1939 exemption figure. My bill, H.R. 8979, would raise all allowable exemptions from $600 to $1,200. At that figure, probably most of the very low income families would escape Federal income taxation, as they are supposed to do. In that connection, I would point out that the exemption prior to 1939 varied from year to year between the figures $800 and $1,200. The 1939 revenue law lowered the exemption to $600 in anticipation of war needs. It was represented as a "temporary" measure. "Temporary" has lasted for far too long.

One reason for the delay in legislating against discrimination in respect to the very poor is that they are unorganized. They cannot bring the power of numbers into action. They have no professional voice to speak for them in the Congress, as the professions and industries and the organized labor bodies have.

In recent years a number of proposals have been made to raise the exemption figure. It is probable that few of the people who would have been affected by the change knew about it. They wrote no letters to their Congressmen, they put no notes of approval in the newspapers. All of us know that it requires strong public support to get legislation through Congress, even the most desirable legislation. In this session a number of measures similar to my own have been introduced. Those of us who are interested in the matter must keep up our support. It is our duty to act for those who cannot act for themselves. The country needs this reform in the tax laws, and it needs it now.

TRADING STAMPS

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

Mr. WOLFF. Mr. Speaker, I am pleased to report that the S. & H. Trading Stamp Co. has finally acknowledged something I have been saying for 4 years: trading stamps add 2 percent to food costs and if the housewife could redeem her stamps for cash she would save the equivalent of a week's groceries every year.

Acknowledgment of this by the world's largest trading stamp company should, I trust, speed congressional action on the Wolff truth-in-trading-stamps bill designed to provide the consumer with the option of redeeming the stamps for cash.

I do not seek to do away with trading stamps, but when a trading stamp company such as S. & H. acknowledges that a family spending $40 a week for groceries accumulates $50 worth of trading stamps a year, then I say let that family have its $50 back in cash if it so chooses. To do anything less would be to shirk our responsibility.

Further substantiation of my figures vis-a-vis the cost of trading stamps has been provided by James A. Cullen, the president of a chain of grocery stores on Long Island. This chain, King Kullen, recently discontinued giving trading stamps to its customers. This decision by King Kullen is explained in the following article from the March 6 issue of the Long Island Press:

KING KULLEN GETTING RID OF STAMPS

King Kullen's Long Island supermarkets will stop issuing trading stamps on March 17 "and pass the savings along to customers in the form of lower prices," James A. Cullen, president, announced today.

A recent round of price raises brought about the change in store policy, Cullen said. In the past year, the consumer price index rose 5.3 per cent in Metropolitan New York.

"We want to help our customers wipe out a part of this increase," he said. "By eliminating stamps, the average family will receive about one week's groceries free each year." He also cited a recent survey of customers showing 18 per cent of all shoppers select a supermarket because of low grocery prices.

But before King Kullen stops issuing trading stamps, it will give its customers twice the usual amount of S & H Green Stamps with their purchases in the 10 days ending March 16.

"We don't want to disappoint anyone," Cullen explained. "We are giving our customers a chance to complete their stamps books."

King Kullen was the first Long Island supermarket to give trading stamps to customers, more than 14 years ago. It was the only supermarket on Long Island when it opened its first store in Jamaica in 1930.

Today, the company estimates it serves 15 per cent of all families who live in Queens, Nassau and Suffolk.

Still further evidence of the problems created by trading stamps has been research by Mr. Ed Wimmer, of the National Federation of Independent Business. I would like to include in the RECORD at this point part of a radio broadcast made last month by Mr. Wimmer:

Thank you, ladies and gentlemen.

Frank Weikel, whose column appears daily in the Cincinnati Enquirer, and who hasn't spared the trading stamp companies or gamemakers when he has taken a notion to criticize their operations, recently predicted that "Cincinnati and surrounding areas are about to become involved in a trading stamp war." Earlier, Mr. Weikel wrote that people who were playing the service station giveaways such as "Sunny Dollars," "Tigerino," "Deck O'Money," "Billfold Bingo," or "All Star Bingo," had as much chance of winning as "a guy swimming the English Channel with an anchor around his neck."

Trading stamps have been blasted by Betty Furness, Ralph Nader, boycotting housewives, Members of Congress, the Federal Trade Commission, oil company and chain store officials, judges, governors, economists, newspapers, and especially service station operators forced to handle them, but every year their hold on most trading areas of the country has been increased until hope for needed relief has all but vanished.

On June 26, 1968, the Federal Trade Commission issued a report on the Sperry & Hutchinson Company (S&H Green Stamps) in which S&H officials admitted that in the years 1914 to 1964, 156,000,000,000 stamps, which had been issued and sold to their customers, were not redeemed. FTC also noted that S&H maintained its stamps were being saved by "35,000,000 households in the U.S. alone, were being given out by 70,000 outlets, and were redeemed through catalogues (32,000,000 circulation) and 850 redemption centers."

According to FTC findings, S&H enjoys approximately 40% of trading stamp volume in this country, and in order to get rid of its exorbitant profits gleaned from victimized gasoline dealers and mesmerized housewives, the company bought the famed Bigelow-Sanford Rug Company, four department store chains, a bank with 33 branches, a temporary help enterprise, EDP business devoted to shipping and warehousing, incentive and employee motivation business, a parent company for a number of international stamp and incentive companies, and among other things, it is buying into the furniture business, admits to five warehouses big enough to lose the Yankee Stadium in each, and it runs three tax-free foundations.

Lester Wolff, Congressman from New York, a bombastic opponent of the trading stamp companies and gamesters, has charged that millions of dollars are held in banks and investment funds (to redeem stamps that aren't likely to ever appear), on which no income tax has been paid; which dollars have been invested to enrich the stamp companies while service station stamp givers have gone broke by the thousands, and while more and more stamps get stuffed into auto glove compartments, lost, or end up in waste cans.

If a trading stamp war breaks out in all its agony in the Greater Cincinnati area, it won't be anything new. We've had it in a milder form than most areas because of continuous opposition and cooperation of most independents, but it could still bring great harm to our city.

A few years ago, a stamp war (with games) broke out in Denver, Colorado, causing so much havoc that a movie was made entitled "The Denver Story." Giant Safeway Company used full-page ads to brand the stamps a "racket," but even Safeway finally succumbed.

Mother-A&P, a longtime holdout, whose president also called the plans a "racket" and a "drain on civilization," finally took on MacDonald Plaid Stamps which has hit the Greater Cincinnati market. Either A&P, MacDonald, or both, circulated hundreds of thousands of costly catalogs to the homes, and all three, Top Value, S&H, and Plaid,

stepped up offers of 50 free stamps to thousands of extra stamps, in a wild scramble to hold customers or to take customers away from everybody they could. Within hours after A&P hit the local Cincinnati market with Plaid stamps, our office received the same run of complaints that the big oil companies had politely told their dealers to "put 'em in," and one Standard Oil dealer expressed a willingness to sign an affidavit while I was writing this broadcast. He said: "You know by the tone of their voice that you had better go along."

But, Mr. Speaker, all the facts that I can muster do not speak as loudly as the voice of a housewife who finds herself at the mercy of the trading stamp companies. I have received today a letter from a housewife, active in consumer affairs and a student of the problem, that I believe speaks for itself. I wish to conclude my remarks by including that letter in the RECORD at this point:

DEAR CONGRESSMAN WOLFF: As a housewife and mother I have admired your untiring efforts on behalf of consumers and their need to redeem their trading stamps for cash.

In my need to purchase a new iron, a GE Spray, Steam/Dry Iron, I discovered that I would need 6¾ S & H Green Stamps Books. This would amount to a purchase price of $20.25, plus tax. However, I could purchase this same item at a local discount store for $16.99, plus 4% tax. This has worked quite a hardship on me as I really can't afford to spend $16.99 at the present time, and I don't have 6¾ books of stamps. If I could redeem, for cash, the 5 books that I do have I could realize approximately $13.50 to $15. This would allow me to purchase the iron I need at a lower price as I can make up a small difference in the price. However, to lay out $16.99 now is an impossibility for me.

I noticed in the paper today that S & H has stated that they feel they add to my purchasing power. Because of the experience above, I feel that they have, in fact, taken away from my purchasing power. Right now, they took my money (the money I paid out to obtain the stamps) and now they are refusing me the use of that money. At times, I feel that stamp companies have more control over my purchasing power than I do.

I commend your efforts on behalf of all consumers. As I understand it, you are only asking that the stamp companies give me a "Money-Back Guarantee" after I have purchased their product (stamps) which is no more than any reputable businessman is already doing.

Your continued attention to this matter is greatly appreciated by all consumers.

Respectfully,

MRS. SACHA K. MILLER.

FLOWERS OF TEXAS

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

Mr. DE LA GARZA. Mr. Speaker, appropriately coincident with the coming of spring the Texas Highway Department has published a colorful folder entitled "Flowers of Texas," which depicts about 60 of the State's most beautiful flowers, trees and shrubs. The selection must have been difficult, since Texas produces more than 5,000 species of wild flowers.

I am informed by J. C. Dingwall, State highway engineer, that the folder has a double purpose: to eliminate any idea lingering in the minds of out-of-State residents that Texas is an arid wasteland and to add to the pleasure of both Texans and visitors by identifying some of the State's most common and colorful plants. The department anticipates that "Flowers of Texas" will be among the most popular of the more than 7 million pieces of literature it distributes every year.

Such popularity will be well deserved. The folder is an outstanding example of the printer's art.

Texas has more varieties of blossoming plants than any other State due to its size and the great diversity of its geography. Texas elevations range from sea levels to mountain peaks more than a mile high. Rainfall measures more than 56 inches annually in some areas of east Texas, and less than 8 inches in the Chihuahuan Desert of west Texas. In the north Texas Panhandle a weather station measures an average of 24 inches of snow each winter. But at the subtropical tip of Texas, the city of Brownsville—in the 15th Congressional District, which I have the honor of representing—no snowfall has ever been recorded since reporting began in the last century.

Flowers of every kind and color appear in these diverse settings. Orchids grow wild in the Big Thicket of east Texas. Across the State, prairie flowers can turn a featureless plain into a blanket of cover almost overnight. The State highway department, with more than 800,000 acres of highway right-of-way, cultivates plants and preserves wild flowers in a beautification program that began more than 30 years ago.

Mr. Speaker, the most beautiful flowers of all are found in the southern part of my congressional district. Here is what the State highway department folder says about this area:

One of the most fabulous regions is the sub-tropical Lower Rio Grande Valley which includes the four southernmost counties of Texas. Although lavishly displaying blossoms during spring and summer, this is truly a year-round floral area. Feathery palms overhang the highways, and precise groves of citrus trees are always green. Yards and boulevards are festooned with bougainvillea. Gardens in December flame with giant poinsettias which grow as high has the roof eaves.

I cordially urge all Members of the House to come and see for themselves.

One of the cultivated flowers, as contrasted to wild flowers, featured in the folder published by the State highway department is the poinsettia. This glamorous plant, while not native to Texas, produces spectacular specimens during warm winter days in the miraculous Lower Rio Grande Valley in my congressional district. And, by no means incidentally, the national headquarters of the American Poinsettia Society is located in Mission, a flourishing city in the Rio Grande Valley.

I congratulate the Texas Highway Department for a good job well done in its publication of "Flowers of Texas."

PERSONAL EXPLANATION

Mr. MICHEL. Mr. Speaker, I regret that I was detained at the time of the capitulation of the vote. I had a live pair with the gentleman from Illinois (Mr. COLLIER) and I just want the RECORD to show that had he been here, I would have voted "present."

FAIR IMMIGRATION

The SPEAKER. Under previous order of the House, the gentleman from New York (Mr. RYAN) is recognized for 60 minutes.

(Mr. RYAN asked and was given permission to revise and extend his remarks and to include extraneous matter and certain tables.)

GENERAL LEAVE TO EXTEND REMARKS

Mr. RYAN. Mr. Speaker, in addition I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of this special order.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RYAN. Mr. Speaker, March 17, the day before yesterday, was St. Patrick's Day and all of us were Irish, at least for that day. In New York City an unprecedented number of spectators—estimated at 1.5 million by parade chairman, Judge James T. Comerford—enjoyed the 207th St. Patrick's Day parade. As it proceeded up Fifth Avenue under the leadership of the grand marshall, Father John J. Barry, a banner was held aloft reading "Fair Immigration Laws for Ireland. Write your Congressman."

Until this year only one other message has been permitted on banners in the parade. Not inappropriately, that read "England Get Out of Ireland."

Mr. Speaker, the presence of the new sign in that parade should remind Members of Congress of the drastic decline of immigration from Ireland. New York Times reporter Maurice Carroll said in an article describing the parade which appeared on March 18 that the new immigration law "has cut the inflow to a trickle."

Almost 1 year ago, last April 10, I introduced legislation (H.R. 16593) in the 90th Congress to make additional visas available to nationals of those countries where the average immigration had sharply declined as a result of the 1965 Immigration and Nationality Act. Last year there were some 36 Members of Congress who either cosponsored that legislation or introduced identical bills. This year, on the opening day of Congress, I again introduced this legislation as H.R. 165. As of this time 62 Members of the House are either cosponsors of the bill, or its companion bills (H.R. 166, H.R. 3841, and H.R. 6540), or have introduced identical bills. A list of sponsors will be appended at the conclusion of my remarks.

On a number of occasions on the floor of the House I have pointed out the need for legislation. Yet despite the critical state of immigration from Ireland, the country hardest hit by the revised categories of the 1965 act, and the large number of cosponsors of this legislation, there has yet been no action by the Immigration and Nationality Subcommittee of the Committee on the Judiciary on this legislation.

Last July 3 a hearing was held, and

Members of Congress and representatives of concerned groups voiced support for the bill. At that time John Collins, national chairman of the American Irish National Immigration Committee, urged its adoption. He said:

> We urgently request that you support and favorably report out of committee a bill sponsored by over 38 Congressmen.

This bill, H.R. 16593, is fair to all nationalities. We urge its adoption.

So far, Mr. Speaker, no action has been taken either in the last Congress or in this Congress. I have taken this special order so that Members on the floor today can make clear the need for action.

In 1965, when the new Immigration and Nationality Act was being considered in the Congress, the Department of State assured Congress that under its provisions Ireland would be able to qualify for approximately 5,200 places per year. If the State Department projections had been accurate, it would not be necessary to take remedial action at this late date. However, as immigration statistics for the past 3 years show, that simply has not been the case.

In the decade immediately preceding the adoption of the 1965 act approximately 7,000 Irish emigrated to America each year.

Although this average figure had declined somewhat by 1964, the steep decline in Irish immigration which immediately followed the enactment of the 1965 Immigration and Nationality Act is far below a fair level of immigration.

In fiscal year 1966, preference and nonpreference visas issued in Dublin—the only place in Ireland where visas are issued—totaled only 2,229. In fiscal year 1967, this number dropped to 1,860. In fiscal year 1968, the total was 2,376.

The Immigration and Nationality Act of 1965 went fully into effect on July 1, 1968, and from July 1 until December 31, the first half of fiscal year 1969, preference and nonpreference immigration from Ireland plunged. In July, no preference and nonpreference visas were issued to Irish applicants in Dublin. In August, three; in September, one; in October, 24; in November, 31; and in December, 12 were issued. From July 1 to December 31, 1968, only 72 preference and nonpreference visas were issued in Dublin to Irish nationals. Even if the categories of "immediate relative" and "special immigrant" are included, the total number of visas issued in Dublin was only 227.

Figures for the first 2 months in calendar year 1969 show no significant advances for Irish immigration. In January, 26 preference and nonpreference visas were issued in Dublin; in February, 20 such visas were approved.

That makes a total of 118 preference and nonpreference visas for the first 8 months of fiscal year 1969.

Again, even if the categories of "immediate relative" and "special immigrant" are added, only 303 total visas were issued from Dublin for the first 8 months of fiscal year 1969.

The statistics I have used refer to visas issued in Dublin because that is the place where Irish residents apply. Visas issued to Irish citizens residing outside of Ireland and adjustments of status are reflected in the tables which I will include at the conclusion of my remarks.

Irish immigration, in short, has declined over 70 percent from the average levels of the decade preceding the enactment of the Immigration and Nationality Act of 1965.

Mr. Speaker, this kind of decline cannot, in the interest of fairness and an equitable immigration policy, be allowed to continue. We must take immediate corrective action to rectify the situation that is responsible for this disproportionate reduction in immigration.

Let me turn now to a specific discussion of my bill, H.R. 165.

The bill which I have proposed, H.R. 165—and which 62 Members of Congress are now supporting—makes sure that no nation would suffer a severe reduction in its level of immigration to the United States as a result of the provisions of the Immigration and Nationality Act of 1965. The bill provides that a "floor" would be established for every nation, based on its average level of immigration to the United States during the decade prior to the enactment of the 1965 act that is during the years 1956 through 1965. The floor would in no way be based on the former quota, but only on the actual numbers which came in during these years. The bill provides a floor equivalent to 75 percent of the annual average level of immigration during the 1956–65 base period, or 10,000 individuals, whichever is less. To the extent that immigration falls below the floor for a given fiscal year, extra numbers of visa spaces—above and independent of the worldwide quota—would be provided the following year, so that total immigration reaches the established floor.

I wish to emphasize again that H.R. 165 is not in any way a return to the old national origins quota system—which quite properly was abolished in 1965.

Under the 1965 act, however, the immigration preferences are drawn in such a way that much of the potential immigration from several Western European countries cannot meet the qualifications of the various categories, particularly those involving labor certification. This is no more equitable than the national origins quota system, which screened out people from sections of the world such as Africa and Asia.

In the case of Ireland, which sent an average of 7,000 immigrants during the base period 1956–65, about 5,300 places, or 75 percent of the base period average, would be established as the "floor" for Irish immigration. No country whose immigration levels had improved as a result of the 1965 act would be adversely affected.

In addition to the system of preferences, the labor certificate requirement of section 212(a)(14) has had the effect of screening out potential new seed immigration. Therefore, H.R. 165 provides that the provisions of section 212(a)(14) of the Immigration and Nationality Act of 1965 shall not apply to immigrants entering under the category established by the bill.

Immigrants in the unskilled labor area traditionally have come to America to better their lives and in turn to better our Nation. An unskilled immigrant until December 1965, could enter the United States unless the Secretary of Labor refused to approve his entry into the United States and made a specific finding that there were sufficient workers available at the alien's proposed destination or that the wages and working conditions of workers in the United States would be adversely affected. Under the revised section 212(a)(14), a system which required the Secretary of Labor to demonstrate why an immigrant's petition for entry should not be approved was altered to place the burden on the immigrant to demonstrate why his petition for entry should be approved.

According to the Department of Labor, immigration accounts for about one-eighth of the annual additions to the total labor force. Moreover, more than 150,000 immigrants in the preference categories can enter the United States each year, free of any labor restrictions. Only the small remainder of immigrants in the third preference, sixth preference and nonpreference categories must comply with section 212(a)(14). The result is that new seed immigration is being eliminated.

By exempting intending immigrants who would be eligible under my bill from the labor certification requirement of section 212(a)(14), many more young immigrants would be able to take advantage of available visa spaces, permitting the continuance of new seed immigration from Ireland and other similarly affected countries.

The need for corrective action is apparent. H.R. 165 would effectively achieve that corrective action. The widespread support for this legislation evidenced by the fact that there are 62 cosponsors makes it also apparent that many Members of Congress are concerned that remedial action be taken before Irish immigration reaches even lower levels. This bill, by correcting the deficiencies in the present law, would insure continuance of new seed immigration, not only from Ireland, but from every other nation which has suffered a decline as a result of the 1965 act. It would equalize an immigration policy, the imbalances of which have produced the precipitous decline which I have explained.

Mr. Speaker, I urge that the Subcommittee on Immigration and Nationality of the Judiciary Committee give priority to this issue and take appropriate action to deal equitably, with the unanticipated effects of the 1965 act.

I include at this point in the RECORD the list of 62 Members of Congress who are sponsoring H.R. 165 and companion bills:

LIST OF 62 MEMBERS OF CONGRESS WHO ARE COSPONSORING BILLS H.R. 165, 166, 3841, AND 6540 INTRODUCED BY WILLIAM F. RYAN, OF NEW YORK, OR WHO HAVE INTRODUCED IDENTICAL BILLS

Joseph P. Addabbo, of New York.
Frank Annunzio, of Illinois.
William A. Barrett, of Pennsylvania.
Mario Biaggi, of New York.
Jonathan B. Bingham, of New York.
Edward P. Boland, of Massachusetts.
Frank T. Bow, of Ohio.
Frank J. Brasco, of New York.

James A. Burke, of Massachusetts.
Phillip Burton, of California.
Daniel E. Button, of New York.
James A. Byrne, of Pennsylvania.
Hugh L. Carey, of New York.
Dominick V. Daniels, of New Jersey.
James J. Delaney, of New York.
John H. Dent, of Pennsylvania.
Edward J. Derwinski, of Illinois.
Harold D. Donohue, of Massachusetts.
Thaddeus J. Dulski, of New York.
Leonard Farbstein, of New York.
Peter H. B. Frelinghuysen, of New Jersey.
Samuel N. Friedel, of Maryland.
James G. Fulton, of Pennsylvania.
Cornelius E. Gallagher, of New Jersey.
Robert N. Giaimo, of Connecticut.
Jacob H. Gilbert, of New York.
Henry B. Gonzalez, of Texas.
William J. Green, of Pennsylvania.
Seymour Halpern, of New York.
Margaret M. Heckler, of Massachusetts.
Charles S. Joelson, of New Jersey.
John C. Kluczynski, of Illinois.
Edward I. Koch, of New York.
Clarence D. Long, of Maryland.
Richard D. McCarthy, of New York.
Joseph M. McDade, of Pennsylvania.
Torbert H. Macdonald, of Massachusetts.
Thomas J. Meskill, of Connecticut.
Abner J. Mikva, of Illinois.
Joseph G. Minish, of New Jersey.
John M. Murphy, of New York.
William T. Murphy, of Illinois.
Robert N. C. Nix, of Pennsylvania.
Thomas P. O'Neill, of Massachusetts.
Richard L. Ottinger, of New York.
Edward J. Patten, of New Jersey.
Otis G. Pike, of New York.
Bertram L. Podell, of New York.
Adam C. Powell, of New York.
Roman C. Pucinski, of Illinois.
Ogden R. Reid, of New York.
Henry S. Reuss, of Wisconsin.
Benjamin S. Rosenthal, of New York.
William F. Ryan, of New York.
William J. Stanton, of Ohio.
Robert Taft, Jr., of Ohio.
Frank Thompson, Jr., of New Jersey.
Robert O. Tiernan, of Rhode Island.
Joseph P. Vigorito, of Pennsylvania.
Lester L. Wolff, of New York.
John W. Wydler, of New York.
Gus Yatron, of Pennsylvania.

Mr. Speaker, I include at this point in the RECORD a table prepared by the Department of State showing visas issued, conditional entries, and adjustments of status granted immigrants born in Ireland for fiscal years 1965, 1966, 1967, and 1968. It includes month-by-month statistics for Dublin for fiscal year 1968 and for fiscal year 1969 through February 1969:

VISAS ISSUED, CONDITIONAL ENTRIES, AND ADJUSTMENTS OF STATUS GRANTED IMMIGRANTS BORN IN IRELAND

Year and place issued	Preference 1st	2d	3d	4th	5th	6th	7th	Nonpreference	Nonquota	Immediate relative	Special immigraht	Special legislation	Total
Fiscal year 1965:													
Dublin			3	8				3,825	13				3,849
Elsewhere			1	3	(1)	(1)	(1)	1,481	44	(1)	(1)		1,529
Adjustments of status	1		1					183					185
Total	1		5	11				5,489	57				5,563
Fiscal year 1966 (July to November): [2]													
Dublin				11				1,781	4				1,796
Elsewhere				1	(1)	(1)	(1)	557	21	(1)	(1)		579
Adjustments of status								72					72
Subtotal (December to June)				12				2,410	25				2,447
Dublin	1	12	4		93			238		29	56		433
Elsewhere	1	6	1	1	44			142	(1)	48	20		263
Adjustments of status		1	1	1	21			21					45
Subtotal	2	19	6	2	158			401		77	76		741
Total													3,188
Fiscal year 1967:													
Dublin	7	52	3	2	333	6		1,222		124	111		1,860
Elsewhere		7		5	108	2		561	(1)	77	45		805
Adjustments of status		9		1	59	4		78					155
Total	7	68	3	8	500	12		1,861		201	156		2,816
Fiscal year 1968:													
Dublin	4	40			464	1		1,658		117	92		2,376
Elsewhere	1	16		5	178			897	(1)	94	52		1,243
Adjustments of status	1	14			106	1		175					297
Total	6	70		5	748	2		2,730		211	144		3,916

Year and place issued	Preference 1st	2d	3d	4th	5th	6th	7th	Nonpreference	Immediate relative	Special immigrant	Special legislation	Total
Fiscal year 1968:												
July:												
Dublin		1	2		15			127	12	4		161
Elsewhere					4			56	7	3		70
Total		1	2		19			183	19	7		231
August:												
Dublin			2		14			124	9	13		162
Elsewhere			1		10			56	10	4		81
Total			3		24			180	19	17		243
September:												
Dublin			1		28			121	6	11		167
Elsewhere			1		8			38	5	5		57
Total			2		36			159	11	16		224
October:												
Dublin			5		37			108	11	9		170
Elsewhere			2	1	14			59	8	1		85
Total			7	1	51			167	19	10		255
November:												
Dublin			7		20			81	7	7		122
Elsewhere					7			59	5	2		73
Total			7		27			140	12	9		195
December:												
Dublin		1	1		14			33	7	5		61
Elsewhere		1	2	3	6			66	14	7		99
Total		2	3	3	20			99	21	12		160

See footnotes at end of table.

VISAS ISSUED, CONDITIONAL ENTRIES, AND ADJUSTMENTS OF STATUS GRANTED IMMIGRANTS BORN IN IRELAND—Continued

Year and place issued	Preference 1st	2d	3d	4th	5th	6th	7th	Nonpreference	Non-quota	Immediate relative	Special immigrant	Special legislation	Total
Fiscal year 1968—Continued													
January:													
Dublin			3			32			99	14	11		159
Elsewhere			3			11			49	9	5		77
Total			6			43			148	23	16		236
February:													
Dublin						43			77	10	8		138
Elsewhere					1	6			64	4	1		76
Total					1	49			141	14	9		214
March:													
Dublin		1	4			39			62	12	4		122
Elsewhere			3			17			51	5	4		80
Total		1	7			56			113	17	8		202
April:													
Dublin			1			41			119	17	8		186
Elsewhere			2			29			57	10	3		101
Total			3			70			176	27	11		287
May:													
Dublin			3			46			230	5	4		288
Elsewhere			1			34			153	14	7		209
Total			4			80			383	19	11		497
June:													
Dublin		1	11			135	1		477	7	8		640
Elsewhere			1			32			189	3	10		235
Total		1	12			167	1		666	10	18		875
Total:													
Dublin		4	40			464	1		1,658	117	92		2,376
Elsewhere		1	16		5	178			897	94	52		1,243
Adjustments of status		1	14			106	1		175				297
Grand total		6	70		5	748	2		2,730	211	144		3,916
Fiscal year 1969:													
July:													
Dublin										10	13		23
Elsewhere			1			5				17	3		26
Total			1			5				27	16		49
August:													
Dublin		1	2							6	10		19
Elsewhere		1	2							10	5		18
Total		2	4							16	15		37
September:													30
Dublin		1	1							11	17		30
Elsewhere			11	1		8	2			7	1		
Total		1	12	1		8	2			18	18		60
October:													
Dublin			2			22				27	16		67
Elsewhere			7		2	46				9	5		69
Total			9		2	68				36	21		136
November:													
Dublin			4			27				13	19		63
Elsewhere			4			35	2			8	4		53
Total			8			62	2			21	23		116
December:													
Dublin		1	2			9				7	6		25
Elsewhere			6	1	1	30	13		8	16	2		77
Total		1	8	1	1	39	13		8	23	8		102
One-half year totals:													
Dublin		3	11			58				74	81		227
Elsewhere			17	2	3	62	5		5	67	20		181
Adjustments		1	14			62	12		3				92
Total		4	42	2	3	182	17		8	141	101		500

Year and place issued	Preferences 1st	2d	3d	4th	5th	6th	7th	Non-preference	Immediate relative	Special immigrant	Total
Fiscal year 1969:											
January 1969		8			16	2			5	9	40
February 1969		3		1	8	8			9	7	36

[1] Not applicable.

[2] Prior to amendment of Oct. 3, 1965 (Public Law 89-236).

Mr. Speaker, I would like to insert a table compiled by the Department of Labor, Immigration Services, showing the distribution of aliens born in Ireland receiving either approval or disapproval for permanent jobs from the Labor Department for fiscal year 1968. Following the table is a list showing the total number of approved labor certification applications for Irish nationals for the period July 1, 1968–December 31, 1968:

DISTRIBUTION OF ALIENS BORN IN IRELAND RECEIVING EITHER APPROVAL OR DISAPPROVAL FOR PERMANENT JOBS FROM THE DEPARTMENT OF LABOR,[1] FISCAL YEAR 1968

Occupations	Aliens					
	Total		Approved		Disapproved	
	Number	Percent	Number	Percent	Number	Percent
Total	2,092	100.0	1,898	100.0	194	100.0
Professional, technical, and managerial	738	35.3	715	37.7	23	11.9
Nurses	275	13.1	275	14.5		
Teachers	83	4.0	74	3.9	9	4.7
Parish workers	69	3.3	69	3.6		
Engineers	68	3.3	66	3.5	2	1.0
Clergymen	41	2.0	41	2.2		
Physicians	19	.9	19	1.0		
Draftsmen	19	.9	19	1.0		
Chemists	14	.7	14	.7		
Accountants	11	.5	11	.6		
Other [2]	139	6.6	127	6.7	12	6.2
Clerical and sales	144	6.9	115	6.1	29	14.9
Secretaries and stenographers	80	3.8	78	4.1	2	1.0
Clerks	40	1.9	25	1.4	15	7.7
Other [2]	24	1.2	12	.6	12	6.2
Service	884	42.2	792	41.7	92	47.5
Domestic workers	764	36.5	699	36.8	65	33.6
Waitresses	20	1.0	17	.9	3	1.5
Nurses aides	35	1.7	31	1.6	4	2.1
Other [2]	65	3.0	45	2.4	20	10.3
Farming, fishing, and forestry [2]	5	.2	4	.2	1	.5
Processing [2]	8	.4	8	.4	0	0
Machine trades	153	7.3	131	6.9	22	11.3
Machinists	23	1.1	22	1.2	1	.5
Automobile mechanics	19	.9	19	1.0		
Millwrights	16.	.8	16	.8		
Cabinetmakers	16	.8	16	.8		
Other [2]	79	3.7	58	3.1	21	10.8
Benchwork [2]	20	1.0	17	.9	3	1.5
Structural work	122	5.8	102	5.4	20	10.3
Electrical repairmen	27	1.3	27	1.4		
Welders	21	1.0	18	.9	3	1.5
Other [2]	74	3.5	57	3.1	17	8.8
Miscellaneous	18	.9	14	.7	4	2.1
Compositors	10	.5	10	.5		
Other [2]	8	.4	4	.2	4	2.1

[1] Represents determinations made under sec. 212(a)(14) of the amended Immigration and Nationality Act of 1965.

[2] Separate occupations not shown because of the small number of individuals in each occupation.

Occupations:	
Professional, technical, and managerial	481
Clerical and sales	30
Service	80
Farming, fishing, and forestry	3
Processing	1
Machine trades	19
Bench work	4
Structural work	21
Miscellaneous	4
Total	643

Mr. Speaker, during the 3 years since the adoption of the Immigration and Nationality Act of 1965, I have had regular correspondence with the American Ambassador to Ireland regarding the issuance of immigration visas to Irish nationals. On May 18, 1967, I inserted in the CONGRESSIONAL RECORD, volume 113, part 10, pages 13166–13167, a letter from the Charge d'Affaires ad Interim, Robert P. Chalker, dated April 7, 1967, covering the period December 1, 1965 to March 31, 1967. On September 28, 1967, a letter dated September 12, 1967, from the Honorable Raymond R. Guest, American Ambassador to Ireland, covering the period April 1, 1967 to June 30, 1967, was inserted in the CONGRESSIONAL RECORD, volume 113, part 20, pages 27251–27252.

I include three subsequent letters:

The first, under date of February 8, 1968, from Ambassador Raymond R. Guest covering the period July 1, 1967 to December 31, 1967;

The second, under date of October 2, 1968, from Charge d' Affaires Robert P. Chalker, covering the period January 1, 1968, to September 30, 1968;

And finally, under date of January 16, 1969, Ambassador Leo Sheridan, has provided me with figures covering the period October 1, 1968, to December 31, 1968.

EMBASSY OF THE
UNITED STATES OF AMERICA,
Dublin, Ireland, February 8, 1968.

Hon. WILLIAM F. RYAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RYAN: I refer to your letter of January 23, 1968, and to our interim reply of January 31, 1968, in regard to bringing up-to-date the statistics concerning Irish immigration furnished you in September 1967.

The statistics which you requested are as follows:

1. Question: All persons who have made an inquiry regarding immigration from Ireland to the United States.

Answer:

July 1967	329
August 1967	373
September 1967	328
October 1967	347
November 1967	288
December 1967	184
Total	1,849

2. Question: All persons for whom a petition or labor certification has been approved, or who have established their exemption from the provisions of Section 212(a)(14) of Immigration Act of 1965, i.e. applicants for immigrant visas.

Answer:

July 1967	211
August 1967	220
September 1967	171
October 1967	213
November 1967	181
December 1967	200
Total	1,196

3. Question: The number of immigrant visas issued, and refused to *Irish* applicants by each preference category, as well as immediate relatives and special immigrants.

Answer: See table 1 (enclosed).

4. Question: The occupations of applicants to whom immigrant visas were issued under the third, the sixth and the nonpreference categories; by category.

Answer: See table 2 (enclosed).

5. Question: The number of preliminary visa questionnaires which gave occupations listed in Schedule B of Title 29, Part 60, Section 60.2(a)(2), Subtitle A of the Code of Federal Regulations (CFR).

Answer:

July 1967	1
August 1967	--
September 1967	--
October 1967	1
November 1967	2
December 1967	1
Total	5

It is a pleasure to be of assistance to you in this matter.

Sincerely yours,

RAYMOND R. GUEST,
American Ambassador.

TABLE 1.—*Immigrant visas issued and refused at Dublin to Irish applicants (question No. 3)*

Classification	July 1–Dec. 31, 1967	
	Issued	Refused
Preference and nonpreference:		
1st	2	
2d	18	1
3d		
4th		
5th	128	29
6th		
Nonpreference	594	57
Total	742	87
Immediate relatives:		
IR-1	17	3
IR-2	13	1
IR-3		
IR-4	9	
IR-5	13	
Total	52	4
Special immigrants:		
SA-1		
SA-2		
SA-3		
SB-1	35	2
SD-1	14	
SD-2		
Total	49	2

Note: It should be noted that the majority of applicants, who are shown as having been refused visas, ultimately overcame the grounds of their ineligibility and were issued visas. For instance, an applicant who lacks a police certificate or sufficient evidence of support would be refused a visa. Upon receipt of the required documents, if satisfactory, the applicant would be eligible to receive a visa.

TABLE 2.—*Occupations of applicants issued immigrant visas from July 1, 1967, to December 31, 1967, to whom section 212(a)(14) is applicable* [1]

Occupation:	*Nonpreference*
Domestics	181
Nurses	67
Nuns	66
Priests	43
Teachers	16
Nurses aide	1
Children's nurse	1
Tutor-governess	1
Religious student	1

TABLE 2.—*Occupations of applicants issued immigrant visas from July 1, 1967, to December 31, 1967 to whom section 212(a)(14) is applicable* [1]—Continued

Occupation:	*Nonpreference*
Mechanical engineers	8
Civil engineers	4
Electronic engineers	2
Electrical engineers	3
Chemical engineer	1
Aeronautical engineer	1
Engineer	1
Biochemists	3
Physiotherapists	3
Radiographer	1
Medical doctors	3
Research scientists	2
Research chemists	2
Research veterinarian	1
Chemists	2
University lecturers	2
University Professor	1
Barrister-at-law	1
Chartered accountant	1
Sociologist	1
Architect	1
Draughtsman	2
Accounting clerk	1
Communications assistant	1
Secretaries	11
Shorthand typists	5
Typists	3
Clerk	1
Key punch operator	1
Maintenance foreman	1
Factory manager	1
Hotel manager: steward	1
Assistant creamery manager	1
Cabinetmaker	1
Motor mechanics	3
Drivers	2
Electrician	1
Glazier	1
Handyman	1
Dipper	1
Panel beater	1
Knitting machine operator	1
Knitters	3
Sewing machinist	1
Hairdresser	1
Airline stewardesses	4
Airline instructor	1
Airline pilot	1
Airline official	1
Riding instructress	1
Waiters	2
Chefs	2
Butler	1
Housekeeper (hotel)	1
Professional football coach	1
Total	482

[1] None listed under third and sixth preference categories.

EMBASSY OF THE UNITED STATES OF AMERICA,
Dublin, Ireland, October 2, 1968.

Hon. WILLIAM F. RYAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RYAN: I refer to your letter dated September 16, 1968, and to our interim reply of September 26, 1968, with regard to bringing up-to-date the statistics concerning Irish immigration furnished to you in February, 1968.

The statistics which you requested are as follows:

1. Question: All persons who have made an inquiry regarding immigration from Ireland to the United States.

Answer:

January 1968	492
February 1968	560
March 1968	537
April 1968	502
May 1968	534
June 1968	193
Total	2,818

Answer:

July 1968	246
August 1968	208
September 1968	174

2. Question: All persons for whom a petition or labor certification has been approved, or who have established their exemption from the provisions of Section 212(a)(14) of the Immigration Act of 1965, i.e. applicants for immigrant visas.

Answer:

January 1968	213
February 1968	312
March 1968	319
April 1968	317
May 1968	367
June 1968	287
Total	1,815
July 1968	115
August 1968	135
September 1968	80

3. Question: The number of immigrant visas issued and refused to Irish applicants by each preference category, as well as Immediate Relatives and Special Immigrants.

Answer: See tables 1 and 2 (enclosed).

4. Question: The occupations of applicants to whom immigrant visas were issued under the third, sixth, and nonpreference categories, from January 1 to June 30, 1968.

Answer: See table 3 (enclosed). No visas were issued to Irish applicants under the third, sixth, or nonpreference categories during July, August or September, 1968.

5. Question: The number of preliminary visas questionnaries which gave occupations listed in Schedule B of Title 29, Part 60, Section 60.2(a)(2), Subtitle A of the Code of Federal Regulations.

Answer:

January 1968	3
February 1968	7
March 1968	2
April 1968	--
May 1968	3
June 1968	--
Total	15
July 1968	1
August 1968	--
September 1968	1

Please do not hesitate to let me know if we can be of further assistance to you.

Sincerely yours,

ROBERT P. CHALKER,
Charge d'Affaires ad interim.

TABLE 1.—NUMBER OF IMMIGRANT VISAS AND REFUSED IRISH APPLICANTS

	January 1 to June 30, 1968	
Classification	Issued	Refused
Preference and nonpreference:		
1st	2	
2d	22	2
3d		
4th		
5th	336	55
6th	1	
Nonpreference	1,064	96
Total	1,425	153
Immediate relatives:		
IR-1	26	7
IR-2	8	1
IR-3		
IR-4	7	
IR-5	24	4
Total	65	12
Special immigrants:		
SA-1		
SA-2		
SA-3	1	
SB-1	30	5
SD-1	12	1
SD-2		
Total	43	6

TABLE 2.—NUMBER OF IMMIGRANT VISAS ISSUED AND REFUSED TO IRISH APPLICANTS

	July 1–Sept. 30, 1968	
Classification	Issued	Refused
Preference and nonpreference:		
1st	2	
2d	3	
3d		
4th		
5th		
6th		
Nonpreference		
Total	5	
Immediate relatives:		
IR-1	17	2
IR-2	6	4
IR-3		
IR-4	1	
IR-5	3	1
Total	27	7
Special immigrants:		
SA-1		
SA-2		
SA-3		
SB-1	19	4
SD-1	21	
Total	40	4

TABLE 3.—*Occupations of applicants issued immigrant visas from January 1, 1968 to June 30, 1968, to whom section 212(a)(14) is applicable* [1]

Occupation:	*Nonpreference*
Nurse	292
Domestic	219
Priest	63
Nun	57
Religious student	15
Shorthand/typist	34
Secretary	25
Dictaphone typist	2
Medical doctor	22
Anaesthestist	1
Veterinary surgeon	2
Teacher	19
Electrical engineer	20
Mechanical engineer	9
Chemical engineer	5
Production engineer	2
Industrial engineer	1
Electronic engineer	1
Aeronautical engineer	2
Radio and TV engineer	1
Civil engineer	9
E.D.P. system engineer	1
Research chemist	8
Biochemist	6
Chemist (B. Sc.)	1
Radiographer	4
X-ray technician	1
University lecturer	2
University professor (Doctor of Medicine)	1
Physicist	2
Scientist	2
Research scientist	2
Agricultural scientist	1
Lawyer	1
Meteorologist	1
Physical therapist	1
Accountant	5
Architectural draftsman	1
Draftsman	1
Accounting clerk	3
Structural engineering assistant	1
Technician	1
Electronic technician (radio officer)	1
Scale mechanic	1
Mechanic	2
Machinist	3
Electrician	3
Plumber	1
Compositor	1
Fitter	2
French polisher	1
TV and radio repairman	2
Cabinet maker	2
Welder	5

TABLE 3.—*Occupations of applicants issued immigrant visas from January 1, 1968 to June 30, 1968, to whom section 212(a)(14) is applicable* [1]—Continued

Occupation:	*Nonpreference*
Building maintenance man	1
Tool and die maker	1
Panel beater	1
Chef	4
Waitress	3
Waiter	1
Hotelier	1
Nurses aide	2
Governess	1
Chauffeur/gardener	1
Chauffeur/valet	1
Manager industrial organization	1
Department stores manager	1
Stevedore superintendent	1
Special sales representative	1
Company executive	1
Airline clerk	1
Bookkeeper	1
Clerk	1
Knitter	1
Lay missionary	1
Jockey	2
Horsetrainer	1
Actor	1
Actress	1
Total	903

[1] None listed under third-preference category; one nurse listed under sixth-preference category.

EMBASSY OF THE UNITED STATES OF AMERICA,
Dublin, Ireland, January 16, 1969.

Hon. WILLIAM F. RYAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RYAN: This is in response to your letter of January 7, 1969, in which you request that the Embassy bring up to date the statistics previously sent you for the months of January through September 1968, concerning Irish immigration to the United States. We are pleased to furnish the additional information shown on the attached sheets covering the balance of calendar year 1968; namely, October to December, inclusive, in answer to the specific questions raised in your letter.

If there is any further information which you desire, please do not hesitate to let me know.

Sincerely yours,

LEO J. SHERIDAN,
American Ambassador.

ENCLOSURE NO. 1

1. Number of persons who have made an inquiry regarding immigration from Ireland to the United States:

October 1968	265
November 1968	183
December 1968	(1)

[1] Not available.

2. Number of persons for whom a petition or labor certification has been approved, or who have established their exemption from the provisions of Section 212(a)(14) of the Immigration Act of 1965, i.e., applicants for immigrant visas:

October 1968	115
November 1968	96
December 1968	72

3. The number of immigrant visas issued and refused to Irish applicants by each preference category, as well as Immediate Relatives and Special Immigrants (see enclosure No. 2).

4. The occupations of applicants to whom immigrant visas were issued under the third, sixth and nonpreference categories from October 1 to December 31, 1968: No visas were issued to Irish applicants under the third, sixth or nonpreference categories during October, November or December 1968.

5. The number of preliminary visa questionnaires which gave occupations listed in Schedule B of Title 29, Part 60, Section 60.2 (a)(2), Subtitle A of the Code of Federal Regulations:

October 1968	2
November 1968	1
December 1968	--

ENCLOSURE NO. 2

NUMBER OF IMMIGRANT VISAS ISSUED AND REFUSED TO IRISH APPLICANTS

Classification	Oct. 1–Dec. 31, 1968 Issued	Refused
Preference and nonpreference:		
1st	1	
2d	8	
3d		
4th		
5th	58	[1] 20
6th		
Nonpreference		
Total	67	20
Immediate relatives:		
IR–1	17	
IR–2	22	
IR–3	1	
IR–4	3	
IR–5	4	[1] 1
Total	47	1
Special immigrants:		
SA–1		
SA–2		
SA–3		
SB–1	21	
SD–1	20	
Total	41	

[1] All refusals were based on lack of required documents, and either have been, or may be, overcome.

Mr. CAREY. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I am delighted to yield to my colleague from New York (Mr. CAREY).

Mr. CAREY. Mr. Speaker, all of us have listened with great intensity and attention to the remarks of our distinguished colleague from New York in terms of the Irish imigration problem. He has, of course, for many months now been pressing for some relief to this rather unfortunate situation which arose out of the interpretation placed on the last Immigration Act. Many of us who have supported that act and will continue to support the elimination of a national origins system were led to believe that this would not work an adverse effect on smaller nations, particularly nations such as Ireland. Yet we know that this adverse effect has been felt by potential Irish immigrants. It may be that unless something is done here the Irishman of the United States may be as near extinction as the whooping crane is, because we all know that not only do the Irish make attractive immigrants but, because of their congeniality, good humor, and gregariousness, they are quickly assimilated into other strains. Therefore, they are quickly assimilated into the map of America. So we need the Irish seed stock to keep the great Irish tradition going.

More seriously, Mr. Speaker, if we are to have peace in the world, we should somehow reward those peacekeeping nations who have maintained peace in the world over many, many years. We should realize that there has been peace in Ireland and that this has been a peaceful nation for a period of over 50 years. Ireland has not participated in the making of war nor in the councils of war among allied or other nations in all that time. She made her contributions in terms of a Peace Corps which really began working around the world in Ireland by her sending missionaries, surgeons, doctors, and nurses and all kinds of helpful persons into the underdeveloped countries in South America and Africa.

So, Mr. Speaker, I say how unfortunate it is that the great peacemaking nation, which sends her sons and daughters into the far corners of the world to assist those in need, those in privation, those who are hungry and in need of health care—how unfortunate it is that she can no longer send her sons and daughters to the United States.

Mr. Speaker, this works a rather unusual hardship and is an untoward rebuke on the Irish people who did so much for this country and for people all around the world. I think if we brought more Irish to this country now, it might assist all of us in the search for this illusive peace which we now are so heavily in need of.

Mr. Speaker, I say again, for the sake of peace, let us have more Irish come to this country.

Mr. RYAN. Mr. Speaker, I thank the gentleman from New York for his contribution.

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I am glad to yield to my distinguished colleague from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from New York and also the distinguished gentleman from New York who preceded me and say that I believe the Committee on the Judiciary should look into this matter and act favorably on the bill that the gentleman from New York filed and of which I was one of the cosponsors.

It seems to me to be very unfair at this time for the United States to be embarking on a policy that bars immigrants coming here from a nation that has made such outstanding contributions to this country over the years. Not only Ireland but Great Britain, Scotland, Scandanavian countries, Holland, and many others that I can mention are being deprived because of these inequities in this act which is now a law. I believe that the bill filed by the gentleman from New York will correct these inequities. I wish to commend him for being farsighted and leading the fight on this problem. I hope and trust that the Committee on the Judiciary will grant a public hearing on the matter and report a bill out favorably so that we can correct this intolerable situation.

Mr. RYAN. I certainly wish to thank the distinguished gentleman from Massachusetts for his vigorous support of legislation which would correct the inequities. The gentleman has consistently urged the Committee on the Judiciary to take action and appeared before that committee last year in support of this bill.

Mr. Speaker, prompt action is necessary to correct the inequity before the doors are entirely closed on immigration from Ireland. Had this situation existed many years ago, the United States would have been deprived of the service of the great late President of the United States, John F. Kennedy.

Mr. HALPERN. Mr. Speaker, on the opening day of this Congress, I proudly joined with the distinguished gentleman from New York (Mr. RYAN) and 23 of of our distinguished colleagues in cosponsoring H.R. 165, a bill which would, in effect, put an end to the outright discrimination which was an unintentional result of the Immigration Act of 1965. Today, I again rise in support of this proposed legislation.

The purpose of the 1965 act was to eliminate the discriminatory features of the old law, which was established on the basis of a 40-year-old national origins quota system, a system whereby the number of visas available to each country was based on the national origins of the American population as determined by the 1920 census.

This system was unwieldy and totally unresponsive to the present day immigration needs of our country. Under it, Great Britain, for example, had used less than half her annual quota, while Italy had a waiting list of several hundred thousand prospective immigrants.

While unquestionably the act erased many other inequities and contributed to a more just form of immigration in the sense of reuniting families and attracting immigrants with needed skills, at the same time, by requiring a labor certificate, it inadvertently set up a barrier against many nations. Specifically, prospective immigrants from Ireland have been adversely affected by the 1965 act.

Under one section of the existing act, immigrants may be accepted for permanent residence if their skilled and unskilled jobs are in short supply, and in great demand.

When the act was passed, it was the intent of Congress that the Labor Department set up broad categories of acceptable and unacceptable skills. Instead, the Department has interpreted the act to make each individual prove his right to enter the United States. As a result, many would-be immigrants who could become good productive citizens are discouraged from coming to the United States.

H.R. 165 would make additional visas available to nationals of countries where the average has sharply declined as a result of the inequitous provisions of the 1965 act. The bill would establish a floor for the number of visas available to any given country. This is the only way left open to us to avoid further discrimination and injustice.

The legislation would particularly assist the Irish. Since from July 1968 to December 31, 1968, only 32 preference and nonpreference visas were issued to Irish applicants. Even if we included the categories of immediate relative and special immigration the total of visas issued in Dublin was only 227. This compares to the 1956–65 yearly average of 7,000 Irish immigrants.

The typical Irish immigrant now is an unmarried, relatively unskilled young man who wants to come to America to better his economic situation. This is exactly the type of immigrant against whom the 1965 amendments discriminate.

Mr. Speaker, I believe it is in the interest of fairness and true justice that we remedy this situation immediately, before the gateway to America is closed in the face of Ireland.

Mr. WOLFF. Mr. Speaker, on the opening day of the 91st Congress, I joined 37 of my colleagues in cosponsoring legislation to amend the Immigration and Nationality Act. The purpose of this proposed legislation is to make additional visas available to countries which have been unintentionally placed at a disadvantage by the 1965 amendments to that act. A similar bill received widespread support during the 90th Congress, and I would like to take this opportunity to urge prompt action during the opening months of this Congress.

The 1965 amendments have eliminated the prejudicial national origins quota system and have brought the number of visas available to most foreign countries considerably more in line with the number requested. However, new and unforeseen difficulties have arisen which require immediate attention. I am referring specifically to the current situation with regard to countries in northern and western Europe, and particularly Ireland.

The 1965 amendments established a seven-category preference system intended to give first priority to reuniting families, second to attracting needed professional talent and skilled labor to this country, and last and least, third priority to admitting refugees. Congress was unaware in enacting this legislation that severe discrimination against some countries would result.

The hardest hit has been Ireland, whose high visa allotment under the old national origins quota system—17,756—reflects the fact that the Irish wave of immigration came early in the century and that most Irish-Americans now are third and fourth generation and have no immediate relatives in Ireland—that is, no relatives eligible for visas in the first, second, fourth, and fifth preference categories. These categories are, respectively, unmarried sons and daughters of U.S. citizens; spouses and unmarried children of aliens admitted to the United States for permanent residence; married children of U.S. citizens; and brothers and sisters of U.S. citizens. Further, the two work-related categories—third preference for professionals and other of exceptional training or talent, and sixth for needed skilled and unskilled labor—are currently oversubscribed, with the few Irish who meet the requirements far behind in the first-come, first-served list because of their privileged position in the past. The result is that very few American visas are going to Ireland.

Mr. Speaker, it is quite important, in considering this legislation, to reflect on the vital and lasting contributions made to this country by Irish-Americans through the generations. You, sir, are such a distinguished American of Irish ancestory.

We are talking here, also, of Irish-Americans such as the great Kennedy family that has given so much for our country. And we are talking of the millions of less reknowned, but equally important Irish-Americans who have been instrumental in the building of our country. These are the merchants, industrial leaders, scientists, policemen, and governmental leaders who are so important in our Nation today.

In an era when we need good, hard-working, dedicated Americans, it is foolish to discriminate against immigrants from Ireland; for from Ireland have come millions of Americans totally committed to their new homeland.

The bill which I am cosponsoring would establish a floor for the number of visas available to each country. This guaranteed annual minimum would be either 75 percent of the annual average of the number of visas issued to a country during the 10-year period 1955–65, or 10,000, whichever is less. The overall limit of 170,000 immigration places for all Eastern Hemisphere countries would not apply to additional visas issued under this legislation, so the number of visas available to other countries would not be affected.

The current severe restriction on the number of visas available to Ireland was completely unforeseen and unintended when we enacted the 1965 amendments to the Immigration and Nationality Act. On the contrary, the amendments were seen as a sweeping and liberal reform of our immigration system, which had for 40 years based the number from a given country allowed through our "golden door" on the national origins of the American population in 1920. The legislative intent behind the 1965 amendments was the elimination of national prejudice in our immigration policy. We clearly were only partially successful, and I urge immediate further amendment of the Immigration and Nationality Act to insure availability of an adequate and realistic number of visas for all countries.

Mr. LONG of Maryland. Mr. Speaker, I am pleased to join my colleagues today in urging immediate action on legislation which will keep America's door open for immigrants from countries whose average immigration into the United States has sharply declined as a result of legislation enacted in 1965.

The Immigration and Nationality Act of 1965 abolished the national origins quota system, replacing it with a preference system based on whether an immigrant has job skills needed here, or will be joining family members who have already emigrated. Although this act generally liberalized our immigration laws, it accorded harsh treatment to potential immigrants from a few countries.

The Irish were particularly hard hit by this law. The typical Irish immigrant is a young man without formal training who sets out alone to seek his fortune in the new world, and to marry and raise a family here, whereas immigrants from other nations arrive with part of their families and earn money here to send for the rest. Irish immigration dropped from a 7,000 annual average during the decade ending in 1965 to 1,800 in 1967. In the 6 months after July 1, 1968, when

the 1965 law took full effect, only 227 visas were issued to Irish immigrants. This injustice was certainly not the intent of Congress in passing the 1965 immigration act.

H.R. 166 would permit about 5,300 Irish immigrants to enter the United States each year by preventing any nation's immigration from dropping below 75 percent of the average number of immigrants who entered the United States from that country during the 1956–65 period. Immigrants from Great Britain, Germany, the Netherlands, France, Sweden, and Norway would also benefit. The bill would limit the immigrants from any nation affected by the measure to 10,000 and would thus add to the immigrant lists no more than 20,000 to 30,000 people annually.

The enactment of H.R. 166 would not disadvantage the countries that gained additional immigration slots through the 1965 act, nor would it significantly increase the total level of immigration. It would only prevent the choking off of immigration from the few countries adversely affected by the 1965 law.

I urge congressional action to remedy the unfair and unintended byproducts of the 1965 immigration act.

Mr. DELANEY. Mr. Speaker, Public Law 89–236, which became fully effective on July 1 of last year, was designed to remove the national origin quota system. It was understood that many countries were not using their full quotas, and that these unused quotas would be shared among those nations which were oversubscribed with visa applications. Unfortunately, the law has not worked out as expected, and it has had a particularly adverse effect on immigrants from Ireland.

To correct this inequity, I was pleased to join a number of my colleagues in cosponsoring H.R. 165, which would make additional visas available to Irish immigrants.

Between 1956 and 1965, an average of 7,000 Irish immigrated to the United States. However, since the passage of the Immigration Act Amendments of 1965, Irish immigration has fallen off sharply. The State Department informs me that in the first 6 months of fiscal year 1969—July 1968 through December 1968—only 500 visas were issued to Irish immigrants.

It is greatly distressing to find that legislation enacted by Congress to rectify the injustices of our immigration system should bring about new injustices. Yet that is what has been done to the Irish who wish to come to our country. Unlike many other nationality groups, prospective Irish immigrants usually do not have close immediate relatives in this country, such as parents, spouses, brothers, and sisters required by the new law. And there are very few nuclear physicists or computer experts to be found on the banks of the Shannon. Under the present law, it is next to impossible for most Irish men and women who want to come to the United States to qualify as skilled professionals or to obtain employment certification before arrival.

However, there is no question that, once a position is obtained, the Irish immigrant is considered a very desirable and highly valued employee. Over the years Irish Americans have served this Nation with valor and distinction. A proud and hard-working race, they have traditionally disdained public welfare, upheld the mobility of labor, insisting on a full day's work for a full day's pay.

The Irish have greatly enriched the history and culture of America, and to assure that our Nation will not lose the many contributions yet to be made by these great and noble people, I strongly urge that this legislation be reported out favorably as quickly as possible.

Mr. MIKVA. Mr. Speaker, I am happy to join my colleague from the State of New York (Mr. RYAN), in supporting H.R. 165, a bill to make available additional visas to nationals of countries from which immigration has declined because of the Immigration and Nationality Act of 1965. I should make clear, as others have, that I support the rationale of the 1965 act. I believe that it was a vast improvement over the national quota system of immigration which existed prior to 1965. In that respect, the Immigration and Nationality Act helped restore our system to the ideal where race and national origin have no significance in the law.

But as far as the Immigration and Nationality Act attempted to be, and as strongly as I support the broad policy which that act sought to carry out, I believe we must realize that in isolated instances inequities have occurred and unfairness has resulted. I consider myself fortunate that my colleague from New York has brought to my attention the harsh results which the 1965 act would bring about for at least one nationality group—the Irish. With St. Patrick's Day only recently past, it is not inappropriate to note the contributions of the Irish to the Nation. While it is somewhat unlikely that a gentleman with the name of WILLIAM FITTS RYAN would know much about Irish history, I say it would be unfortunate, indeed, if we were to be deprived in future years of the kinds of contributions which these descendants from the Emerald Isle have made to America in the past.

It has been explained to me, Mr. Speaker, that the rapid decline in Irish immigration under the 1965 law was both unintended and unforeseen. I have reviewed the presentations which the gentleman from New York made during the last Congress. He explained that the original projections of the Department of State, made before the Immigration and Naturalization Act was passed, indicated no such decline was likely. Based on this history, it might almost be said that Congress had passed the act with the idea that no nationality group would suffer any rapid decline in immigration into the United States. To the extent that this assumption was in error, I feel that we would be right to correct it even at this late date. It was estimated by the State Department in 1965 that at least 5,200 residents of Ireland would qualify for visas each year; in fact during 1966 and 1967 Irish immigration dropped to only 1,800 per year, and that was before the act was fully in effect. This discrepancy between expectation and reality is too large to be ignored. I agree with Mr. RYAN that something must be done, and I support his call for action at the earliest possible date.

Finally, Mr. Speaker, I was happy to note that yesterday the distinguished chairman of my own committee, Chairman CELLER of the Committee on the Judiciary, introduced a bill which he said would provide "decided relief" to those persons desiring to immigrate to the United States from Ireland. Chairman CELLER's bill, H.R. 9112, would also make changes in the present preference system where that system has been found to work hardship or to operate inequitably.

Mr. ADDABBO. Mr. Speaker, I rise as one of the cosponsors of H.R. 165—to amend the Immigration and Nationality Act to authorize additional visas for immigrants from countries where average immigration has declined since passage of the 1965 Immigration Act amendments.

The 89th Congress earned its place in history as a most productive Legislature and the landmark Immigration Act of 1965 was one reason. By abolishing the unfair national origins quota system, we removed an antiquated and discriminatory procedure.

In the process, however, certain countries have been placed in a difficult position—most notably Ireland. H.R. 165 would alleviate this problem by making additional visas available where in the past the rate of immigration has been much higher than its present rate.

In the 10-year period from 1956 to 1965, an average of 7,000 Irish immigrants received visas to enter the United States. This figure has been drastically reduced as a result of the first come first served principle of the 1965 amendment. While I support that general principle, I do not believe Congress intended to substantially curtail immigration from any nation.

Only slightly over 200 immigrants from Ireland received visas during the last 6 months of 1968. While the Irish example is the most shocking, other countries would benefit from this legislation, including most Northern European nations.

The purpose of this special order is to bring the attention of the House to this problem. More than 60 Members have already joined in cosponsoring bills to modify the 1965 act in order to alleviate this hardship. I urge my colleagues to support early congressional hearings on the proposed legislation so that action can be considered without further delay.

Mr. PATTEN. Mr. Speaker, I am happy to join my colleague, BILL RYAN, in his special order today in support of our legislation to make additional visas available to nationals of countries where the average immigration has sharply declined as a result of the 1965 Immigration and Nationality Act.

In a week which has seen not only the great Irish celebration of St. Patrick's Day, but also the appointment of our Ambassador to Ireland, I think it is altogether fitting to discuss the problem facing Irish immigration. Before the 1965

act was enacted, an average of 7,000 Irish men and women immigrated to this country each year. Since 1965, however, this figure has been sharply curtailed, with the result that from July 1, 1968, to December 31, 1968, only 72 preference and nonpreference visas were issued in Dublin.

Our bill, H.R. 165, enables nations whose immigration has dropped below 75 percent of their yearly average during the 10-year base period of 1956–65, to be given additional spaces to bring their total up to the 75-percent level. As a cosponsor of the 1965 legislation, I worked to see our immigration laws liberalized. It was certainly not my intent, or the intent of Congress, to keep any nation from getting its fair share of visas. Therefore, I urge today that we take action on this legislation to restore to nations such as Ireland their rightful place in our immigration program.

Mrs. HECKLER of Massachusetts. Mr. Speaker, once again this year, I have cosponsored a bill, H.R. 165, to make additional visas available to countries such as Ireland which has suffered an unusually severe hardship under the provisions of the Immigration and Nationality Act of 1965.

Mr. Speaker, the situation is no less grave now than it was last year; in fact, Irish immigration has continued to decline while prospects for improvement in the number of visas available to the Irish become even less promising.

We are reminded that during the period between 1956 and 1965, Irish immigration averaged approximately 7,000 persons per year. After the 1965 act became effective, statistics showed a continual, sharp decrease to the point that between July and December of 1968, only 72 preference and nonpreference visas were issued in Dublin for a total of 227 for this 6-month period.

While the 1965 legislation was designed to remove inequities by bringing families together or by equalizing the opportunity for immigrants from other countries to come to the United States—worthy goals in themselves—it has at the same time imposed a most unfortunate burden on the Irish who often do not fall within the specially preferred categories.

It is imperative that the Congress act and act swiftly to relieve this burden on the applicant from Ireland by adjusting the operation of the Immigration and Nationality Act for nations which have experienced such a dramatic decline in immigration.

This bill, H.R. 165, would specifically affect those countries like Ireland in which immigration under the new law has dropped to less than 75 percent of the average yearly number of immigrants during the 1956–65 base period. For these nations, additional visas in excess of the latest worldwide limitation would be allotted to equal 75 percent of the base period average for that country. These provisions would apply only to the countries with a decline as marked as 75 percent, and the additional visas would not exceed 10,000 for any one country.

This type of modification is the very least we can do to correct the hardship in our present law. We cannot allow our laws effectively to prevent immigration from a nation like Ireland, which has contributed so much throughout history to the wealth of men, ideas, and progress in the United States.

Mr. BINGHAM. Mr. Speaker, the nation that is being most severely and adversely affected by current immigration laws is Ireland—a land whose sons have done so much to build this country and to make it prosper, and a land with which the United States has had the warmest ties.

Irish immigration has been choked to a mere fraction of what it was in 1965 and before. Since 1965, immigration from Ireland has fallen from an average of over 7,000 per year to almost nothing.

Last April, I warned the House that immigration from Ireland threatened to drop below 400 per year after 1968. Some felt that prediction was exaggerated and alarmist. But now, as my distinguished colleague, the gentleman from New York (Mr. RYAN), has pointed out, that dire prediction has been realized. Sadly, between July 1, 1968, and December 31, 1968, a total of only 227 visas were issued in Dublin. Removing the categories of "immediate relative" and "special immigrant" leaves but 72 preference and nonpreference visas during that period.

The amendments to the U.S. Immigration and Nationality Act enacted in 1965 were clearly intended to make the immigration policies of this Nation more equitable and to end the nation quota system that discriminated against Southern and Eastern Europeans and Asians. But the effect of the amendments—far from eliminating inequities—has been simply to shift the inequities from one group of nations to another.

The American Irish Immigration Committee and other Irish groups did not oppose the 1965 immigration amendments, even though Ireland enjoyed a high quota under the pre-1965 provisions of the law. They realized full well that the old legislation, with its national quota system, discriminated against a few nations, and they were anxious to right that wrong. Had they not been misled by State Department predictions of the impact of the amendments on Irish immigration—which did not foretell the current situation—they would undoubtedly have voiced opposition, perhaps preventing the current injustice.

Mr. Speaker, it is not my desire to see sweeping changes made in the major elements of the Immigration and Nationality Act, as amended in 1965. For the most part, this legislation has worked well. It has provided immigrants from most nations of the world a greater opportunity to gain entrance to the United States based on family relationships and skills in short supply in our country.

It is my desire simply to correct the inequities that have become apparent with additional experience. Now we can see what has happened: a decline in Irish immigration from an average of 7,185 in the years 1956–65 to 227 in the 6-month period ending last December 31.

The reason for the recent decline in Irish immigration is not that Irishmen no longer wish to come to this country. Although it is certainly true that before 1965 Ireland generally did not fill its quota, it is also true that, in the past few years, Ireland as a nation has made great economic progress, creating more jobs and greater prosperity for Irishmen in Ireland.

But since 1965 there have been many more Irish citizens who wished to immigrate to the United States—and who applied for visas to permit them to do so—than were allowed to come. This has been a result of several specific provisions of the 1965 Immigration amendments which—while they have helped immigrants from most other nations—have worked to the selective disadvantage of the Irish.

The new law provides for a system of preference based on family relationships and job skills. The family relationship preference offers no succor at all for the Irish. The sociological facts are that—unlike most immigrant groups—the Irish who have come to this country have been mostly young, unmarried individuals. The family preference was intended to unite divided families—but few Irish immigrants have had families to unite. So, for example of the 1,900 visas issued in Ireland between December 1, 1965 and March 31, 1967, only 499 were family preference visas, and 435 of those were used by brothers and sisters of U.S. citizens.

The job-skill provision under the new law—section 212(2)(14)—that requires an immigrant to have certification from the U.S. Secretary of Labor that his skill is in short supply, and that he will not "adversely affect the wages and working conditions" of American workers, has caused many Irish to be refused visas. The majority of Ireland's immigrants have always been in the category of the less skilled. Those Irish workers have been diligent and responsible citizens who have contributed consistently and well to American society. Very few have been burdens on the public.

Most of the jobs that Irish immigrants have traditionally taken when they came to this country now appear on the Labor Department's Schedule B—the prohibited entry list. As a result, thousands of responsible Irish immigrants who would have been permitted to immigrate to the United States under the old laws now are being rejected.

Ireland is, of course, now eligible to share in any nonpreference visas that are available in the nonpreference pool on a first-come, first-served basis. But again, the Irish are at a distinct disadvantage. Foreign nationals from nations where the quota under the old laws has always created a backlog of applicants have had immigration petitions filed since as early as 1955. There has never been a backlog in Ireland, so it will likely be many years before Irish petitions come up in the nonpreference pool.

The State Department has opposed efforts to correct this imbalance. But it is significant that the Department does not dispute the basic contention of the sponsors of H.R. 165 that the Immigration and Nationality Act amendments have imposed unintended restrictions on immigrants from Ireland and other nations—restrictions that have resulted in a decline in immigration from these na-

tions far more precipitous than any of the State Department people who urged passage of the amendments and the many Members of Congress who approved them could have anticipated.

The legislation which I have cosponsored and which I strongly support to remedy this situation would in no way change the family preference or job skill requirement provisions of the current Immigration Act as amended. It would simply provide for a floor below which immigration from any country need not fall. That floor would be 75 percent of the average yearly number of immigrants a given nation sent to the United States during the base period of 1956–65, but in no case will that figure exceed 10,000 for any single country.

This legislation will in no way hurt any nation that "gained" immigration positions by terms of the 1965 amendments. Neither will it permit a significant increase in the total level of immigration. It will only prevent further unfortunate declines in immigration from the few countries which have been severely disadvantaged by the 1965 legislation.

I commend my colleague, the gentleman from New York (Mr. RYAN), for his leadership in developing this legislation, and I urge its full support by the Congress.

The Department of State has raised the objection that 41,750 additional immigrants would be admitted under this legislation. This figure is highly misleading, if not inaccurate. It represents the number of additional immigrants that could be admitted to the United States under this legislation, but not the number that would likely apply and be admitted, given current demand for visas in many of the affected countries.

The Department of State brief issued last year fails to point out that not all of the countries that might be affected by this legislation have a full demand for immigrant visas to the United States. Many do not send as many immigrants as they are allowed under current law. It is misleading to assume, therefore, that all of the extra visas that would become available under the provisions of H.R. 165 would actually be used.

The number of additional immigrants that would actually be admitted under terms of this legislation would almost certainly be well below 41,750.

In view of the fact that the State Department—despite its other objections—does not dispute the purposes of this legislation, I am hopeful that some compromise can be developed to accommodate the countries most adversely affected by the current immigration legislation. It seems to me that the objections of the Department of State are objections in detail, not in principle, and that they need not be a serious deterrent to remedial legislation on this problem that would be satisfactory to all concerned.

Mr. O'NEILL of Massachusetts. Mr. Speaker, I commend my colleague, the distinguished gentleman from New York, for taking this special order in order to discuss a serious problem. I am a cosponsor of H.R. 166, a bill to amend the Immigration and Nationality Act of 1965. I cosponsored identical legislation in the 90th Congress. The intention of the 1965 act was not to end the opportunity for nationals of any country to enter the United States but rather to make immigration into the United States more equitable and in a sense more open to the peoples of the world over.

On its face, the 1965 act was an excellent piece of legislation. It was designed to end the country quota system that was deliberately discriminatory. Its aim was admirable and the reforms it brought about were much-needed and long overdue.

However, as a result of that legislation, a new and equally unfair legal discrimination has developed. The people of the nations of northern Europe and the British Isles, who had previously been favored in our immigration policy, now find it extremely difficult to immigrate to the United States.

This situation was unforeseen by the Congress when we considered this legislation in 1965. Ireland is a good case in point. The State Department assured the Congress that immigration from Ireland, after the 1965 act had its full effect on July 1 of this year, would probably be maintained at 5,200 annually.

Yet in the 3 years since the bill was passed, but before it had been completely effected—that is while policy toward Ireland was still more liberal—Irish immigration has steadily declined from 4,004 in 1965 to 1,809 in 1967.

The reasons are apparent. The new immigration law replaced the country quota system with seven categories open on a first-come, first-served basis. Of the total number of immigrants, almost three-quarters will be able to enter the country as close relatives of citizens and permanent residents.

The biggest part of Irish immigration came in the latter half of the 19th century and the earlier part of this century. Consequently, there would be few sons, daughters, parents, brothers and sisters of Irish immigrants who still reside in Ireland and want to come to this country.

Since the Irish do not qualify under refugee status, the only categories left are for members of the arts, sciences, and the professions, and for skilled and unskilled labor, filling a shortage in the United States. The quota for these categories is very small. What has occurred and will continue to occur is that unskilled labor finds it almost impossible to immigrate to the United States.

Our Nation, the great, democratic, open, melting pot of the world was built by the people of all nations. The great American dream for people around the world was that any man willing to work hard had a place in our country. We have become the greatest nation in the world because people from every continent, of every race, creed, and national origin have come here full of hope, and have built America.

The days of completely open immigration are gone. But I do not think our Nation can afford to allow the great decline in immigration among the people of any nation.

I believe this measure is necessary in order to end the unforeseen inequities brought about by the new Immigration and Nationality Act and to bring about the most equitable immigration policies possible.

I am hopeful that the subcommittee and the full committee will soon report this bill to the House so that we may have the benefit of debating it on the floor.

Mr. BIAGGI. Mr. Speaker, the 1965 amendments to the Immigration and Nationality Act constituted a sweeping reform of our immigration policy, replacing the 40-year-old national origins quota system with a new system designed to place top priority on reuniting families and attracting needed talent and skill into the country. The 1965 legislation was both innovative and highly complex, and it is not surprising that, in addition to solving many of the problems it was intended to solve, it has also created some new and unforeseen problems. I want at this time to request immediate action on legislation which I have cosponsored with many of my colleagues, to alleviate the shortage of visas for Ireland and, to a lesser degree, Britain and Germany, resulting from the 1965 amendments.

The 1965 amendments established a seven-category preference system. Unmarried children of U.S. citizens are given first preference; spouses and unmarried children of aliens admitted to the United States for permanent residence are given second preference; members of the professions and scientists and artists of exceptional ability, third; married children of U.S. citizens, fourth; brothers and sisters of U.S. citizens, fifth; needed skilled and unskilled labor, sixth; and refugees, seventh. The legislation prescribed an initial two-and-a-half-year transitional pooling period, designed to eliminate old backlogs. After this period, the preference system was intended to operate on a first-come, first-served basis, with a total of 170,000 visa numbers available to the Eastern Hemisphere, a certain percentage allotted to each preference category, and unused numbers in most categories "dropping down" to the category below.

The transition period came to an end July 1, 1968. All old backlogs had been eliminated except for Italian fifth preference, Italian brothers and sisters—a situation which I have also introduced legislation to correct. However, new backlogs and new problems had arisen. The 1968 report of the State Department's Visa Office describes the situation as follows:

> One of the primary assumptions in 1965 was that 2½ years later applicants all over the globe would be getting off to an even start in the quest for visa numbers.
>
> In sharp contrast to that expectation, heavy backlogs developed in the third [professionals and exceptional talent] and sixth needed [skilled and unskilled labor] preferences during the transition period, and applicants from formerly oversubscribed quota areas who constitute those backlogs have a headstart in the race for those preference numbers. This will affect primarily natives of northern and western Europe who, until June 30, 1968, could obtain visas whenever they qualified since national quota numbers were available to them in the "nonpreference" category.
>
> The emphasis on family reunification further heightens the shift in the pattern of immigration from northern to southern Eu-

rope and to Asia, where there is a greater tradition of emigration in family units.

The result is that Ireland, formerly allotted 17,765 visa numbers and using an average of about 6,000 a year, was recently predicted by Mr. John P. Collins, national chairman of the American National Immigration Committee, to receive less than 400 visas during fiscal 1969.

The legislation I am cosponsoring would rectify this situation by establishing a fixed minimum on the number of visas available to a given country. Any additional visas made available under this provision would not fall within the 170,000 limit on Eastern Hemisphere countries, so the number of visas available to other countries would not be affected. Briefly, either 10,000 visas, or 75 percent of the annual average of the number used by a country during the 10-year period prior to July 1, 1965, whichever is less, would be guaranteed to every country.

While I am extremely pleased at the increase in visas now available to Italy—20,000 as opposed to 5,666 under the old system—I think a system which so severely restricts the number of visas available to Ireland, or to any other country, very clearly needs readjustment. It was certainly not the intent of the 89th Congress when they enacted the 1965 amendments to close the door to Ireland. I urge prompt action on this necessary amendment.

Mr. FARBSTEIN. Mr. Speaker, it is with a great deal of concern that I rise today in support of H.R. 165, of which I am a cosponsor. This bill would, I believe, go a long way toward alleviating the adverse consequences of the Immigration and Nationality Act of 1965. While this act was passed with the intention of bringing about a more equitable immigration policy with respect to nationalities without large numbers in the United States, it has had the effect of severely curtailing immigration from Ireland and other countries which have large numbers of former nationals in our country. The new law, in attempting to cure the discrimination of the old law, has now saddled the Irish and other nationalities with an inequitable and unfair U.S. immigration policy.

This situation must not be permitted to continue. Ireland has, in the past, contributed a considerable number of immigrants to the United States who have helped make this Nation what it is today. Now that we are at the height of our prosperity, we are closing the doors on them.

H.R. 165 would rectify this rather unjust limitation. It would provide that those countries whose immigration has fallen below 75 percent of its yearly average during the 10-year period 1956–65 be allocated additional spaces in excess of the worldwide quota to bring its total to 75 percent of the base-year figure.

Now that the chairman of the Judiciary Committee, the Honorable EMANUEL CELLER, has introduced a more comprehensive immigration bill, H.R. 9112, I would like to ally myself to that measure because the reform contained therein is more basic and will benefit a great many people, particularly the new-seed immigrants.

Mr. MINISH. Mr. Speaker, I am pleased to join our distinguished colleague from New York (Mr. RYAN) in urging the Subcommittee on Immigration and Naturalization to report favorably on H.R. 165, a bill to make additional visas available to nationals of countries which have suffered a severe decline in immigration to the United States as a result of the 1965 Immigration and Nationality Act.

This proposal, although granted only a 1-day hearing by the subcommittee last year, has been the subject of extensive debate, discussion, and interest over the past 2 years. During this period, it has gained strong support as the only practical and equitable solution to the serious problems resulting from the 1965 law. Thus far during the 91st Congress, 61 Members of the House, including myself, have sponsored this legislation.

The 1965 amendments to our basic immigration law, which replaced the onerous national origins quota system with a system geared to reunion of families and to the selection of skilled persons, rectified many of the inequities and injustices in our immigration policy. An unexpected result of the new policy, however, has been the denial of admission to "new-seed" immigrants who have traditionally come from Western European countries such as Ireland and Germany and who have contributed so very much to our national life. These individuals are typically young, single, ambitious men and women without the family ties or special skills required for admission under the new law.

The operation of the 1965 amendments since they took full effect last July has made apparent a critical need for additional reforms so as to insure the wholly nondiscriminatory immigration policy intended by Congress in enacting the law. For example, Ireland's annual quota prior to 1965 was 17,756. In average years about 7,000 persons came to the United States from Ireland. During the first half of fiscal year 1969, a total of only 227 visas were issued at our Embassy in Dublin. From 1956 to 1965, German immigrants numbered only slightly less than the 25,814 assigned their nation under the previous system. In contrast, immigration from Germany to the United States fell to 3,391 from July 1 to December 31, 1968.

It is clearly against our national interest to discriminate in this manner against the people of Western Europe when one considers the outstanding contributions of these groups to our Nation. Science, religion, the arts and humanities, government, and industry—all have benefited immeasurably from the legacy of our country's western European immigrants. Surely we would have been the poorer if we had refused admission to these immigrants blessed with such a high degree of ingenuity and initiative.

Mr. Speaker, I respectfully urge the members of the Subcommittee on Immigration and Naturalization to consider favorably H.R. 165 which is designed to alleviate this distressing situation. This legislation would place a floor under immigration from every nation based on 75 percent of its annual average immigration for the 10-year period from fiscal 1956 through fiscal 1965. In no case, however, would the floor for any nation exceed 10,000. This change would, in practice, permit additional immigration from Ireland, Germany, and other nations unfairly discriminated against by the 1965 amendments, without in any way jeopardizing the position of those countries which have benefited from the new law. The legislation is in the spirit of the 1965 Immigration Act and will carry forward more effectively its laudable goals of equality and justice for all persons seeking admission to the United States.

Mr. BURTON of California. Mr. Speaker, I should like to commend my distinguished colleague from New York (Mr. RYAN) and to associate myself with his remarks.

During the last session of the Congress we attempted to correct the hardship which was inadvertently caused to countries such as Ireland by the Immigration Act of 1965. That remedy, as the one we discuss today, corrects this unfortunate and unforeseen situation without adversely affecting the benefits derived from the overall liberalization of our immigration law accomplished by the 1965 act.

It is of the greatest importance that this Congress act expeditiously to correct this situation. Certainly, the contribution of the Irish to our history, our culture, and our political life have earned them the right to seek this relief from the Congress.

The American Irish Immigration Committee is to be commended for the thoughtful and thorough way they have presented this issue and I, as a coauthor of H.R. 165, fully support their efforts.

Mr. BOLAND. Mr. Speaker, I was proud to be among the 37 Members of the House who joined Congressman RYAN on the opening day of the 91st Congress in sponsoring legislation, H.R. 165, to amend the Immigration and Nationality Act. The legislation we proposed would guarantee an annual floor for the number of visas available to any given country, based on the average annual number of visas issued to that country during the 10-year period, 1956–65. Every country would be guaranteed 75 percent of that annual average, or 10,000 visas, whichever was less. These visas would be provided in addition to the quota of 170,000 a year for the Eastern Hemisphere countries, so countries not in need of this safeguard would not be restricted by it in the number of visas available to them.

As an example of the need for this legislation, under the old national origins quota system, Ireland had an annual allotment of 17,765 visas. During the 10-year period, 1956–65, the actual number used averaged about 7,000 a year. Under the preference-category system established by the 1965 immigration amendments, an estimated 500 visas have been issued to Ireland for the first half of fiscal 1969. The legislation which I have cosponsored would guarantee Ireland 75 percent of 7,000, or about 5,300 visas a year.

The beloved late President John Fitz-

gerald Kennedy, one of our greatest Irish Americans, told Congress in a special immigration message regarding proposed reforms of the inequitable national origins quota system:

> The enactment of this legislation will not resolve all our important problems in the field of immigration. It will, however, provide a sound basis upon which we can build in developing an immigration law that serves the national interest and reflects in every detail the principles of equality and human dignity to which our Nation subscribed.

I believe that this is exactly the point of view we must maintain toward the 1965 amendments to the Immigration and Nationality Act—they provide a sound basis upon which to build. Prompt legislative action should be taken to correct obvious inequities, particularly when—as in the present case—these inequities so obviously violate the intent of the 1965 legislation.

The 1965 amendments abolished the old national origins quota system which dated back to the Immigration Act of 1924, and replaced it with new criteria of eligibility designed, first, to reunite families and, second, to bring professionals and those of exceptional talent, as well as needed skilled and unskilled labor, into the country. Italy, as an example, has benefited immensely from this new system. Whereas under the old system they had an annual allotment of 5,666 and a waiting list of several hundred thousand, they now are eligible for the per-country limit of 20,000 visas a year and, as a result of the two-and-a-half-year transitional pooling period following enactment of the amendments, now have a serious waiting list for only the fifth preference category, brothers and sisters of U.S. citizens.

Irish immigration, in contrast, has been drastically reduced, a consequence of the 1965 amendments which was completely unforeseen and unintended. Given the advantage of hindsight, the causes of this situation are not difficult to assess. The Irish fall through the seven-category preference system like water through a sieve. The categories are simply not applicable to most Irishmen who want to come to America today.

Primary emphasis is on reuniting families. First, fourth, and fifth preference is given to close relatives—unmarried children, married children, and brothers and sisters, respectively—of U.S. citizens. Second preference is given to spouses and unmarried children of aliens admitted here for permanent residence. The 1968 report of the State Department's Visa Office comments as follows on the results:

> The emphasis on family reunification further heightens the shift in the pattern of immigration from northern to southern Europe and to Asia, where there is a greater tradition of emigration in family units.

The typical Irish immigrant—or, to put it more accurately, would-be Irish immigrant—today comes by himself, not with his family or to join his family. Now, as in the past, America holds out to him the promise of adventure and economic opportunity. Mr. John P. Collins, national chairman of the Irish National Immigration Committee, reported in testimony last year before the House Judiciary Subcommittee on Immigration, that of the 1,904 visas isued to Ireland between December 1, 1965 and March 31, 1967, only 499 were of the family preference type, and 435 of them went to brothers and sisters. Mr. Collins told the subcommittee:

> Analyzing Irish families, one finds that a few brothers and sisters from the family emigrate while others remain at home. The Irish emigrant is generally young, unmarried and hence brings no spouse or children. It is a rare case in recent times when a whole Irish family emigrates to the U.S. Thus Ireland's sociological pattern of immigration does not permit it to compete equally with some other nationalities for family preference.

The problem is intensified by the fact that, while there are more than 30 million Irish Americans, the majority have been here for at least three generations. Their close relatives are here, rather than in Ireland. The Irish fought in the Revolutionary War and helped build American industry. There is certainly some irony in the fact that partly because the Irish American has been here so long and is so deeply rooted in America, his countrymen abroad are now barred from entrance.

The third and sixth preference categories are work-related and here the Irish fare little better. Third preference is given to members of the professions and scientists and artists of exceptional ability. Sixth preference is given to skilled and unskilled workers in occupations for which labor is in short supply in the United States. Both these categories are strictly limited to 17,000 a year for all Eastern Hemisphere countries, and the third preference is heavily oversubscribed.

During the first 16 months under the 1965 amendments, Ireland received 11 visas under these two categories. It should be pointed out that while this situation is partly due to the fact that few Irishmen meet the requirements, it is also partly due to the buildup of temporary backlogs, and will improve with their absorption. The new system works on a retroactive first-come, first-served basis and countries like Ireland, which in the past had more visa numbers available to them than they needed, had no waiting lists. Thus, when the 2½-year transitional pooling period came to an end on July 1, 1968, they fell behind the countries with oversubscribed quotas who had been building up backlogs in the preference categories.

In the past, the vast majority of visas issued to Ireland were of the nonpreference, unskilled variety, which have been virtually unavailable under the new system. The State Department's Visa Office reports that nonpreference visas—that is, those left over after consideration of the preference categories—will start being available in April. That is certainly to be hoped. In the meantime, I urge prompt action on this legislation in order that Ireland and any other country suffering as a result of the 1965 amendments be guaranteed a fair and realistic minimum number of visas a year. This is a safeguard which must be written into the legislation.

Mr. MURPHY of New York. Mr. Speaker, New York City has always been the center for the aspirations of the Irish people. It was in New York City in 1916 that the first Irish Race Convention was held at the old Astor Hotel, and from this meeting the Friends of Irish Freedom was formed. This organization played a significant role in gaining political freedom for the Irish people and the eventual establishment of the Irish Republic, the first new state in the 20th century.

Under the famous composer Victor Herbert, its first president, and the Very Reverend Peter Magennis, O. Carm., the second president, both famous New Yorkers, the Friends of Irish Freedom substantially aided the Irish Revolution.

It was no wonder that the present President of Ireland, Eamon de Valera, one of the late President John F. Kennedy's closest friends, would make his headquarters from 1918 to 1920, in New York City.

The close ties between Ireland and America established in these early years led to large-scale Irish immigration to the United States in the first part of the 20th century. These Irish immigrants played a significant role in building this country into the strongest and richest country in the history of the world.

Immigration policies during the first half of the 20th century were arbitrary and unjust, favoring some nations at the expense of others. Finally, in 1965, the Congress passed an Immigration and Nationality Act which reformed America's immigration policies by ending the arbitrary and unjust national origins quota system. It substituted a system of preferences giving priority to the reuniting of families and the admission of immigrants with needed skills.

One incidental effect of the 1965 law, however, resulted in closing the doors to many sons of Ireland desiring to emigrate to the United States.

The law aims at reuniting families that are divided, for example, but the traditional Irish emigrant is not a family man; he crossed the Atlantic alone and found a family here in America.

Furthermore, the new job preference categories discriminate against the Irish because Irish immigrants have traditionally been young and without formal training; they came without a particular skill but they came willing to learn and willing to work.

Now, under the new law, the jobs which they have traditionally held are no longer available.

As a result of the new law, therefore, Irish immigration has been seriously curtailed. In 1964 more than 4,600 Irish immigrants came to the United States. In 1967, after the law was changed, that number had dropped to less than 1,800. Last year only a few hundred Irish were allowed to come to the United States.

I do not accept this trend. I would not have voted for the law in 1965 if I had known the result would be discrimination against the Irish. And so today we must change the law to remedy the situation.

The legislation I have introduced, which has been introduced by many of my colleagues, would insure that no nation would suffer a severe reduction in its level of immigration to the United

States as a result of the provisions of the Immigration and Nationality Act of 1965.

The bill provides for the establishment of a floor for every nation, which would be 75 percent of its immigration rate for the decade prior to the 1965 act, or 10,000, whichever is less.

This bill is not a return to the old national origins quota system. It would not take away from the quotas of other nations. It would merely provide the Irish equality with other nations.

Over the years Irish immigrants to the United States have given much and asked little. The legislation I have introduced asks little, but means a great deal to those friends of the United States in Ireland who wish to come to this country. I hope my colleagues in the House and the Senate will pass this important legislation immediately so that Irish immigration will not continue to decline as it has since the 1965 act.

PROHIBIT BANKS FROM PERFORMING PROFESSIONAL ACCOUNTING SERVICES

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 10 minutes.

Mr. MATSUNAGA. Mr. Speaker, I wish to call a matter of great importance to the attention of the Nation's taxpayers and the citizens of the United States in general.

For some time now, large banking institutions have been expanding their activities to include numerous functions which are not classifiable as banking. These activities, such as accounting, travel agency business, and others unrelated to banking, are in fields in which the public is offered adequate and specialized service. The banks nevertheless are using their unique and advantageous position as the major source of credit to compete unfairly with business and professional men.

This diversification by the banks into nonbanking activities reached a new high recently when the First National City Bank of New York announced that it is offering personal income tax preparation service to the public at large. A most disturbing feature of the announcement is that First National City Bank is not itself performing the services it advertises. The bank is acting as a sort of broker for the Tax Corp. of America, which actually prepares the returns. First National simply gets customers off the street and obtains some basic information from them to forward to the Tax Corp.

Mr. Speaker, I submit that banks ought to restrict themselves to banking and leave these other activities to those who are prepared and educated and trained to perform them. If banks are to be permitted to offer services such as tax service, they at least should be held to some standard of performance. In the case of the First National City Bank, its brochure invites the customer to have his return prepared in reliance upon the "mathematical accuracy" which the Tax Corp., of America purportedly assures. What the customer does not know is that the return is not being prepared by an accountant or an attorney trained in tax matters. The bank does not really provide any service other than taking down some information which is then fed into the Tax Corp. of America's computer and mechanically cranked out.

Help is not help unless it helps. The First National City Bank's operation appears to be one of simply charging a fee for acting as a broker between the taxpayer and a company which has a machine which will print out a tax return. Yet the public is led to believe that they are receiving professional help. The truth is that under Internal Revenue Service revenue procedure 68–20, the bank would not be able to represent a taxpayer for whom it has prepared a return in the event the return is audited by IRS. Revenue procedure 68–20 governs the limited practice before IRS by "unenrolled" practitioners, such as the banks. It clearly states that one who solicits, as this bank is doing, may not have the privilege of representing a taxpayer before IRS in the event of an audit.

Mr. Speaker, this most recent nonbanking activity of the First National City Bank of New York is illustrative of the continuing encroachment by large financial institutions upon areas which have nothing to do with banking. The American people are entitled to be protected against the spread of this monopolistic web over their lives. H.R. 272, a bill which I have introduced to prohibit banks from performing accounting services, including the preparation of tax returns, would help to restrict banks to banking activities. Let us support this measure to keep bankers bankers.

AIR POLLUTION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, for some years the Congress has been viewing the problem of environmental contamination with growing concern. The public is just beginning to be conscious of just how extensive this contamination is, and how dangerous it is to plant and animal life. Already a number of species of the plant and animal worlds have succumbed to the poison put into soil, water, and air by man's unthinking neglect of the consequences of what he is doing. It is a literal fact that man today is more likely to be extinguished by the wastes he puts into his environment than by the wars he permits to break out.

Congress has already made a hesitant beginning on legislation designed to control contamination. This legislation is likely to be extended and strengthened in the near future.

A few days ago Commissioner John T. Middleton of the National Air Pollution Control Administration presented a paper on contamination in general, and particularly on air contamination, before the National Wildlife Federation in convention at Washington. In anticipation of what may be proposed during the current session of Congress, it is my opinion that every Member may find useful information in this paper, and I am, therefore, placing it at this point in the RECORD:

SIGNPOSTS OF PROGRESS IN CONSERVING THE NATURAL ENVIRONMENT

(By John T. Middleton)

I have been asked to speak to you this afternoon about "Signposts of Progress in Conserving the Natural Environment."

Beyond question, the Air Quality Act of 1967—and the opportunity it provides to overcome the vast and complex problem of air pollution—represents one of the most significant signposts of conservation progress in our recent history.

I want to talk to you in some detail about the Act; and I particularly want to explain and underscore the importance of the part that all of us, the general public, can play in the critical decisions which will be made under its provisions in this year of 1969 about controlling air pollution in this country.

But before I do so I would like to point out that another important signpost of conservation progress can be found right here in this room.

Thirty-three years ago, when the National Wildlife Federation held its first annual meeting, anyone suggesting that the problem of air pollution would be a fit topic for discussion by this group would, I am sure, have been escorted to some quiet place for rest and rehabilitation.

The same might well have been true even a dozen years ago.

After all—except for the obvious and obnoxious contamination emanating from isolated mills and factories in rural areas—what possible interest could the problem of air pollution hold for an organization of conservationists primarily concerned with nature and its living things?

But we, all of us, have come a long way and learned a great deal about modern air pollution—about both its obvious and the more insidious, long-time dangers—in a dozen years.

And one of the basic things we have learned is that contaminated air is not just a city problem, for the cities alone to worry about, but a universal problem carried by the wind to threaten all forms of life in every part of this country, however far removed from the large urban-industrial centers, where the air pollution problem is particularly acute.

In practically every part of the country rural and wilderness areas that once were thought to be safely removed from pollution sources are experiencing injury to creatures and crops. In Florida, fluoride pollution from the manufacture of fertilizers threatens the cattle and citrus industries that once thrived in undisturbed areas of Polk and Hillsborough Counties. In New Jersey, pollution injury to living things has been reported in every single county. Damage from photochemical smog has been found in timber stands as far as 100 miles from Los Angeles. Pollution drifting from large cities in California's Central Valley now threatens vegetation in such world-famous parks as Yosemite and Sequoia. In Pennsylvania, the timber-rich areas in the Appalachian Mountains are threatened by airborne pollutant wastes from industries in urban areas many miles away.

The plain fact is that American affluence today is contaminating the air, the water, and the land faster than nature and man's present efforts can cleanse them.

The myriad and random forces that shape our contemporary environment have one common denominator—change—change that accelerates with each passing year and that led Surgeon General Luther Terry to remark as early as the National Conference on Air

Pollution in 1962: "A decade now brings changes demanding much greater adaptations in our habits of body and mind than a millenium would during the vastly greater portion of man's existence on earth."

Throughout time, civilizations have been built on an orderly system of relationships linking man to nature. Physiologically and emotionally the fundamental requirements of mankind are still today what they have always been. Certain qualities of the environment are essential to his well-being and indeed to his survival because he developed in association with them during his evolutionary past and acquired a dependence on them that he can not quickly outgrow.

Almost every type of disease known to modern science is a direct expression of man's failure to adapt to his environment—and that adaptation becomes more difficult day by day as air, water, and soil are altered more and more rapidly by the new ways of life.

The long history of our universe has shown that no organism can long survive in an environment that has somehow become unfit for it.

Knowledge gained through research—and applied—can enable us to deal with a great number of environmental hazards. But we are still a long way from adequate understanding of the intricate web of life which links plants, animals, and man.

We do know that the wildlife of our land forms an essential link in the ecological chain which insures our own survival. And, knowing this, we can take little comfort from the fact that some 40 species of birds and mammals have been wiped out in the United States and that at least 78 additional species—including reptiles, fish, and amphibians—are on the seriously endangered list.

The living things of our land and water are sensitive indicators of a healthy human environment. They, too, have been struggling to adapt to change, some with more success than others. The European gypsy moth, for example, adapted to pollution in the Birmingham industrial district of England by changing from dominantly light colored to dominantly dark in less than 100 years. The dark form now is safer from preying birds when it rests on soot-blackened trees. Not so fortunate in their effort to escape deadly air pollution, we now have learned, are the lichens, among the simplest form of plant life, and one of the hardiest, which have survived prolonged desiccation in every climate zone and at every altitude, but which could not survive the polluted air we breathe, and are now dying off.

This adds significance, I think, to the recent quiet reminder given us by the noted biologist Rene Dubos when he said, and here I am quoting him: "Modern ecological studies leave no doubt that almost any disturbance of natural conditions are likely to have a large variety of indirect unfavorable effects because all components of nature are interrelated and interdependent." End of quotation.

But if it is obvious that one way to halt the contamination of the environment is to prohibit automobiles, stop the generation of electricity, and shut down industry, it is just as obvious that this way is impossible.

What is possible is to find ways to bring the levels of pollution down to a point compatible with the requirements of human health and welfare—with the least possible disruption to the social, economic, and political structures upon which our way of life depends.

So we turn now to the Air Quality Act of 1967—because this is precisely what the Act is designed to accomplish. As I said at the outset of these remarks, we are going to be making some critical decisions this year about air quality as we move forward with implementation of the new legislation. The Air Quality Act sets forth specific provisions for the public to participate in these decisions. In a moment I want to talk with you very plainly about why it is important for each of you—both as conservationist and private citizen—to take part in this decision-making process. First, however, I think it is necessary, in order to establish a frame of reference for this discussion, to review very briefly the machinery by which the control program authorized by the Air Quality Act is being set in motion.

Under the Act, the Federal Government is to issue to the States criteria of the effects of various air pollutants on health and property, and is to issue information on the most effective and economical methods for controlling the sources of those pollutants. Once the States receive this information, they are expected to set air quality standards and develop plans for achieving them in air quality regions whose boundaries have been drawn by the Federal Government.

The National Air Pollution Control Administration now has issued to the States air quality criteria and control technique information on one of the most important families of air pollutants, the sulfur oxides and particulate matter. Further, we have designated air quality control regions in such major urban areas as New York, Philadelphia, Chicago, Denver, Los Angeles, and Washington, D.C., and we are in the process of drawing the boundaries around several other urban areas. We have established a priority list of 54 urban-industrial centers for designation as air quality control regions—and this means that, as rapidly as possible, every State will be involved in the regional control program established by the Air Quality Act.

This is a critical year, then, in the implementation of the Act. In the months ahead many large urban communities will for the first time be given a very real opportunity to participate in decisions which will affect the quality of the air they breathe for many years to come.

Two months ago I had the pleasure of hearing Senator Edmund Muskie speak at a conference called in Maine to discuss the air pollution problems of New England. Senator Muskie, as you all know, is one of the principal architects of the Air Quality Act, and I would like to repeat for you some of the thoughts he expressed at this New England conference on the campaign we now have underway.

"Whether or not the Air Quality Act Succeeds," Senator Muskie said, "depends upon the degree of commitment and cooperation we get from State and local government, from industry, and from the taxpayer and citizen.

"I suppose," he went on, "there are cynics who would argue that placing so much emphasis upon the development of such commitments runs against the lesson of history, because the lesson of history is that, increasingly, State and local governments tend to slough off responsibility for dealing with public problems until there is no recourse but national policy, national agencies, and national enforcement.

"That may or may not be the lesson of history, but it can be the lesson of the future unless we undertake in ways suggested by the Air Quality Act to revitalize the policy-making processes of our country at the State and local level, and revitalize the idea that public policy is not only the product of public agencies, but of the private sector and of individual citizens, not only on election day, but on a day to day, week by week, month by month basis, as citizens gather, as leaders in the private sector meet, to consider what they will or will not do to promote the public welfare."

The intent of the Air Quality Act, then, and the policy of the National Air Pollution Control Administration, is that air pollution be attacked as an individual problem in each region of the country, and that it be attacked by a combination of State and local governments guided by the explicit desires of the public in the region. The intended primary role of the Federal Government is to provide information and assistance to the States and to local governments to make certain that the machinery of the Act operates at peak efficiency.

I cannot emphasize too strongly the importance of broad participation in the public hearings on air quality standards and implementation plans that the States will hold in the coming months in those areas where air quality control regions have been established.

There are many segments of industry which will be directly affected by requirements for the prevention and control of air pollution. They will surely make their viewpoints and positions known at the hearings. It is proper that they do so. You and I have a personal stake in the continued viability of the private enterprise system which is the foundation stone of this Nation's economy. But we also have a very personal stake in America's health and welfare, and in protecting the environment upon which all of life depends. Not only are private citizens entitled to participate in the public hearings, they are also entitled to have sufficient information to make their involvement truly meaningful. State governments, which are responsible for holding these hearings, have an obligation to encourage all interested groups and individuals to express their views at the hearings; moreover, they have an obligation to take these views into consideration, along with the air quality criteria and reports on control techniques issued by the Federal Government, in setting air quality standards and developing plans for implementing and enforcing the standards.

There is still a period of time before the public hearings get underway. But it is by no means too early to begin preparing the groundwork for these hearings. There will be no time at the hearings themselves to prepare arguments and work out strategies to insure the drawing up of effective standards and plans for their achievement. The hearings, in my view, should be an anticlimax to the efforts which can be launched now. It is time now to undertake a continuing dialogue with the public officials who will be responsible, ultimately, for the decisions that are made—whether those officials are to be found in the Legislature, in departments of the State government, or in City Hall. It is time now, for the public to learn the technical language of air pollution control if they are to participate in a meaningful way in the framing of standards and implementation plans. And it is time to begin making your own decisions about the quality of the air you want to live with, and what kind of regulations you want drawn up to insure that this quality is not only achieved in a reasonable period of time, but also maintained throughout future community growth and development.

I can offer you no ready-made formula today which a region might use in drawing up an optimum set of air quality standards. I can, however, suggest some of the questions which ought to be answered before standards are adopted.

To begin with, I think it is important that we all have a clear understanding of what we are talking about when we speak of standards and implementation plans.

Air quality standards are prescribed maximum limits on the levels of pollution that can be reached in the ambient air during a given period of time. In selecting air quality standards, a region is, in effect, deciding how clean it wants its air to be. In other words, the standards represent the mini-

mum goals the region wants to reach. One of the more important of these goals is that of protecting people's health. And here there are a number of factors which must be borne in mind. For one thing, a pollution level which might be safe for one person, might not be safe for another. The general population of any community includes special groups of people who may be unusually sensitive to one or more types of air pollutants. Very young and very old persons and persons already afflicted with various chronic diseases are especially likely to be in this category. Exposures which fail to produce an identifiable effect on a group of industrial workers, for example, may significantly aggravate the condition of those with chronic respiratory diseases. Such variables should be taken into account when considering the air quality criteria of the effects of air pollutants on health.

While we are on the subject of the health effects criteria I should inject a caution here against any temptation, in setting standards, to rely on the air quality criteria as an indication of how much air pollution a human being can tolerate. From this position, of course, it is only a short step to the philosophy that there is room for more pollution in those places where the presumed limits of tolerance have not been reached. I cannot overemphasize the danger in such an assumption. Air quality criteria cannot be regarded as an insurance policy for society, particularly not at this point in the evolution of scientific knowledge. If all previous experience in evaluating environmental hazards is any guide, then it is quite likely that improved knowledge will show that there are identifiable health hazards associated with air pollution levels that had been thought to be harmless.

While questions of health protection are essential in setting air quality goals, there are many other decisions to be made in setting standards which will have an important impact both on our economic welfare and the quality of our lives. How much of the beauty and enjoyment of life are we willing to sacrifice to air pollution? We will have to answer this. We will have to examine the ways in which air pollutants affect agriculture, materials, visibility, property values, as well as all of the other ways in which air pollution impinges on man's environment and his general welfare—and then make our decisions and set our goals. We must also be realistic. We must set goals that can be reached, and reached in a reasonable length of time.

This brings us to the matter of developing the implementation plan which will provide a blueprint of the steps that will be taken to reach the goals set forth in the standards.

The heart of the plan for achieving a standard is an emission reduction strategy, which sets forth the sources to be controlled, the degree of control to be accomplished, and the time schedule.

The time it will take to reach the standard for a given type of pollutant will, of course, depend on a number of factors including the degree of difference between existing pollutant levels and those prescribed by the standard. The greater the difference, the longer it may take to close the gap. I think we can all agree, however, that the plan should permit no delay in protecting the public on those occasions when the weather fails us, and the potential for a several day exposure to high levels of pollution threatens. An adequate implementation plan will specify procedures which, although they may be interim procedures, will prevent such a threat from being realized.

Roughly speaking, we would expect the implementation plans to be designed to show significant progress at intervals of, say, every one or two years. And if the total time proposed for reaching the standards not to exceed five to seven years.

Finally, in deciding our own control strategy, we should do everything we can to make sure that it does not achieve control or pollution in one area of the region, at the expense of increasing pollution in another area of the region.

From the viewpoint of this Federation and its basic purposes, I am sure that an area of particular concern might be the inclination, in some regions, to seek a solution to the urban air pollution problem through requiring the location of industrial plants at greater distances from the city boundaries. In some cases this may, of course, be desirable. But moving plants further into the countryside, without strict controls on emission levels, would only serve to spread pollution into new areas. The Air Quality Act requires that we prevent, as well as control air pollution. State plans which would not accomplish this purpose obviously would be unacceptable under the Act, and if submitted, would only serve to further delay the ultimate restoration of an acceptable air quality.

I know that the members of this audience will be taking an active role in the decisions ahead. I know this because the National Wildlife Federation has given ample evidence of its concern with air pollution control. I am reminded, for example, that three years ago Donald Jensen, one of the leaders in California's air pollution control efforts, was honored with one of the coveted National Conservation Awards which you will be distributing here tonight. I am conscious also of the fact that your organization is participating in direction of the national educational program on public involvement in air pollution control which—with partial financing provided by one of our grants—is being conducted by the Conservation Foundation.

In closing, let me simply say that we in the Federal air pollution program are most gratified with the increasing leadership being exerted by the National Wildlife Federation and other organizations in the conservation community in helping to restore and protect the quality of our air.

I am reminded of the opening paragraph of the National Wildlife Creed in which each of you declares: "I pledge myself, as a responsible human, to assume my share of man's stewardship of our natural resources."

You are carrying out that pledge in regard to air pollution. With your leadership—and the help of other responsible private organizations and citizens—I am sure that the Governors of the various States will submit to the Secretary, under the Air Quality Act, standards and implementation plans that he can readily approve, and further that control action under these plans will be taken in a timely fashion.

TWENTY-FIVE ADDITIONAL SPONSORS OF BILL TO ESTABLISH AN INDEPENDENT FEDERAL MARITIME ADMINISTRATION

The SPEAKER. Under a previous order of the House the gentleman from New York (Mr. HALPERN) is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, the continued decline of the American merchant marine, which once enjoyed supremacy on the Seven Seas, is—and should be—a matter of shocked concern to Members of Congress and the American public.

Since 1946 we have permitted our once proud merchant fleet to decay and disintegrate to the point where today only 5 percent of our country's import-export commerce is carried in American ships. Ninety-five percent of our trade is moved around the world in ships flying foreign flags.

The result, of course, has been that our maritime economy has suffered, the prosperity of our great port cities has been undermined, and our merchant fleet—in its function as our "fourth arm of defense"—has been weakened to an appalling degree.

But even this does not tell the full story of the deterioration of our maritime industry.

Last week the authoritative Lloyd's Register of Shipping reported that a world's record for total shipbuilding tonnage had been broken in 1968. Japanese shipbuilders also broke a record and remained in first place among nations by launching 17 million tons of shipping.

The United States, once the world's top merchant shipbuilder, did not break any records, however. The United States found itself in 10th place, having launched 441,000 tons of shipping last year.

Mr. Speaker, the contrasting figures deserve repeating. Last year the Japanese launched 17 million tons of shipping. The United States launched 441,000 tons—amounting to 2½ percent of the Japanese ship production.

But even the ships that we do build—or have built for us—we seem to be in a shameful hurry to get rid of. The runaway ship problem is becoming more and more acute. The Maritime Administration recently revealed that for the first time American-owned ships flying foreign flags and registered in foreign countries now have a carrying capacity that surpasses our domestic fleet. At least 434 U.S.-owned ships ply the oceans under foreign flags, and the number is increasing.

This unconscionable practice of runaway ships means the loss of thousands of jobs for Americans and millions of dollars in American tax revenues.

This, Mr. Speaker, is a capsule picture of the continuing disintegration of our one great merchant fleet and maritime industry. No single administration, no single political party is primarily to blame: the dissolution of our maritime strength has persisted, with the exception of the war years, since the turn of the century and has accelerated since 1946.

Because of this and on the basis of other facts and evidence, more and more Members of Congress are becoming convinced that our American merchant marine will never be revived and rehabilitated until we have reestablished the Maritime Administration as an independent, vigorous and autonomous Federal agency.

The reasons and the logic are clear. An independent Maritime Administration would have a much stronger and much more persuasive voice in the Halls of Congress and in the White House.

An independent maritime agency would not be submerged and lost, as it now is, in the bureaucratic jungle of a huge Cabinet department. An independent Maritime Administration would have a sense of purpose and the authority to take effective action against the decline in our shipbuilding and against runaway ships.

I wish to remind my colleagues that

this—an independent Maritime Administration—is actually the sense and sentiment of Congress. Last year this House and the Senate, also, overwhelmingly approved a legislative proposal to restore the Maritime Administration's independence. The bill died as a result of a pocket veto.

Today, Mr. Speaker, I am introducing a new bill, another bill, calling for the creation of an independent Maritime Administration. I am proud to say that my proposal, as offered, has 24 cosponsors, and this, in itself, is gratifying because this brings to approximately 160 the number of cosponsors—in the House of Representatives alone—of legislation designed to create an independent Maritime Administration.

The new sponsors of this legislation are: Mr. AYRES, Mr. BROOMFIELD, Mr. BROYHILL of Virginia, Mr. BUTTON, Mr. CAHILL, Mr. CARTER, Mr. CONABLE, Mr. CORBETT, Mr. DERWINSKI, Mrs. DWYER, Mr. FISH, Mr. FULTON of Pennsylvania, Mr. GUDE, Mr. HORTON, Mr. HUNT, Mr. JOHNSON of Pennsylvania, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCEWEN, Mr. SAYLOR, Mr. SMITH of New York, Mr. STANTON, Mr. WHALEN, and Mr. ZWACH.

We are hopeful of even more overwhelming approval during this session of Congress than was bestowed on this legislation in 1968; and we are hopeful, too, of White House approval.

We offer this bill with the conviction that it represents a virtually indispensable means and method of restoring the American maritime industry to its former glory and our merchant fleet as a bulwark of America's international trade, prosperity, and, above all, national security.

SOCIAL SECURITY AMENDMENTS

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

Mr. BINGHAM. Mr. Speaker, I am today introducing an omnibus bill, similar to the one which I introduced in 1968, calling for extensive amendments to various sections of the Social Security Act so as to enable older Americans to live more comfortable, independent, and dignified retired lives. This bill has been prepared after extensive consultations with the National Council of Senior Citizens.

The 13-percent increase in social security benefits and other changes made in the social security laws through legislation passed by the Congress in 1967 have proved gravely inadequate to meet the needs of older citizens. Benefits were inadequate in 1954, and have improved little since then. The 7-percent increases in 1958 and 1965, plus the 13-percent increase in 1968, amount to a total of less than a 7-percent real increase in benefits over 1954, when cost-of-living increases are taken into account.

Nearly 15 million retired workers and their dependents presently receive social security benefits. For nearly half of them, social security is the sole source of income. It is shocking to realize that between 5 and 7 million retired Americans who have worked and contributed to our current level of general prosperity are being forced to live their final years in poverty.

The bill I am introducing today would raise benefits by about 35 percent above the current level, and would establish a retirement income minimum of $100 a month for an individual and $150 a month for a couple. It would provide average benefits of $133 a month for individuals and $220 a month for couples.

In addition, to end once and for all the persistent gap between real living costs and social security benefits that has plagued social security recipients and the social security program since its inception, I am again proposing an automatic cost-of-living adjustment which would increase social security benefits each year to keep pace with rising consumer prices. This cost-of-living provision should be in addition to an adequate increase in benefits, not a substitute.

To provide further assistance for the many retired individuals who find it necessary to continue working to make ends meet, my legislation provides that the current limit on earnings permitted each year without penalizing deductions from benefits be increased from the current $1,580 to $3,600.

As the National Council of Senior Citizens and other organizations concerned with the problems of the elderly have pointed out, one of the most severe potential drains on the limited incomes of senior citizens is the expense of prescription drugs. The difficulties for many older Americans posed by the exclusion of these drugs from medicare coverage has been clearly and unequivocally illustrated in extensive congressional hearings. The bill I am introducing would extend part B benefits of medicare, for the extra cost of $1 per person per month, to prescription drugs, thus relieving the elderly of the crushing burden of drug costs.

New York State took the lead after 1965 in establishing a progressive and far-reaching program for extending medicaid benefits to the medically indigent under title XIX. By drastically cutting back on the percentage of Federal participation, the Congress in 1967 effectively penalized those States like New York which had organized good medical programs. Many States, including New York, now stand to lose many millions of dollars because of the withdrawal of significant portions of scheduled Federal contributions. The bill I am today introducing would eliminate the restriction and restore full Federal contributions to these programs. It also would make changes in the welfare laws to mitigate the harshest effects of the regressive 1967 amendments in that area, especially the severe restriction on welfare payments for aid to dependent children and Federal contributions to State programs for the medically indigent.

Finally, there are a number of other provisions in this bill which, though more limited in impact, are nevertheless significant for those who would be affected by them. For example: First, dependent parents of social security recipients should be eligible for benefits, just as other dependents now are; my legislation would make them eligible; second, an individual over 65 who is still employed should have the option of continuing his contribution to the social security system to raise his future benefits, or to halt his contributions and thereby freeze his benefit level at the age 65 figure; this legislation would provide that option; third, the inequities against working wives who are forced to choose benefits based on either their own wages or on their status as a wife should be replaced by a method of pooling credits; my legislation would allow such pooling; fourth, those over 65 who receive benefits as widows or widowers should not be penalized because of their subsequent remarriage, and this legislation would end such penalties.

The Congress has now had a full calendar year to recover from the long, hard battle that developed over the 1967 social security amendments. We cannot afford to rest any longer before getting on with the task of correcting the regressive measures contained in the 1967 legislation, and expanding the progressive measures that were enacted. The more than 21 million Americans who rely on social security and social security benefits for protection and income must not be ignored. The legislation I am introducing today would take us a long way toward meeting their minimum needs. The new boundaries of coverage and levels of benefits proposed in this legislation would not permit social security recipients to live in luxury. This legislation would, however, assure a more decent life for those who must subsist wholly or largely on social security benefits, and I appeal to my colleagues for prompt and favorable consideration of its provisions.

THE HONORABLE JOHN W. McCORMACK

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and include a tribute to the Speaker.)

Mr. PRICE of Illinois. Mr. Speaker, this morning, with my colleague from Illinois, the Honorable WILLIAM T. MURPHY, I was privileged to accompany a committee representing the Consulting Engineers Council of Illinois in the presentation of a historic photograph of Uncle Joe Cannon, a predecessor, to our distinguished Speaker.

Speaker MCCORMACK assured the committee that the photograph of former Speaker Cannon would be placed in a prominent place in his office.

In making the presentation the chairman of the Illinois group, Mr. Carter Jenkins, of Springfield, paid tribute to the record of Speaker MCCORMACK in his years of service to his country and drew a parallel between the problems of Speaker Cannon's period and the problems of the present time.

Besides Mr. Jenkins, other members of the presentation committee representing the Illinois consulting engineers were: Charles W. Grungard, Highland Park; Homer L. Chastain, Decatur; Lloyd I. Johnson, Rock Island; Robert G. Burkhardt, East Chicago; Richard Thacker,

Waukegan; James Van Praag, Decatur; and W. Robert Hahn, Springfield.

I know the full membership of the House agrees with the tribute paid to the Speaker by the engineers. Under unanimous consent I include it herewith with my remarks:

TRIBUTE TO HON. JOHN W. MCCORMACK, SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES, BY THE CONSULTING ENGINEERS COUNCIL OF ILLINOIS

Speaker McCormack, you hold with great distinction and honor a position in our Congress which was established by our Constitution. During your many years of national service, you have played a great part in protecting the freedom and liberty of the people of our country.

The Speaker of the House of Representatives occupies a high position, second in authority and prestige only to the President of the United States. In your 40 years of service as a Representative of the 9th District of Massachusetts, the State where Amreican liberty originated at Plymouth Rock in 1620, you have constantly championed our ideals of liberty, freedom, and democracy in a manner unsurpassed! During your long service in the House, you have been a leader in all causes to extend human rights to every citizen.

Your wisdom enabled you to realize the danger of Hitlerism when he began to rise to power, and your knowledge and judgment played a vital part in winning World War II and in destroying that type of human enslavement. This nation will long remember your contributions to our world position and our tremendous prosperity, as well as your readiness to respond to the call of our country in times of stress and peril.

Other men also have achieved fame as Speakers of the House, many of them known to you personally.

Illinois is one of the few states fortunate enough to have had one of its Representatives elected as Speaker. Our state will long remember Joseph Gurney Cannon who was born in North Carolina on May 7, 1836. He was admitted to the Illinois Bar in 1858 and first practiced law in Terre Haute, Indiana, and then in Shelbyville and Tuscola, Illinois. Later he moved to Danville, Illinois whch was his home for the remainder of his life. He was first elected to the 43d Congress and served with a few breaks through the 67th Congress. Speaker Cannon passed away November 12, 1926.

He rose to great heights through his genius in organization, in party discipline, and through the even greater authority attributed to the Speaker's position in those days. The name, "Uncle Joe" Cannon, recalls the almost 47 years of service of this noted Illinois citizen in the House, including 8 years as Speaker. We are proud of Speaker Cannon, who served under difficult national and international conditions of earlier days. However, the problems he sought to solve were not really similar to the ones which demand the utmost of your ability and patriotism to preserve the integrity and expanded world position of the United States.

Mr. Speaker, these visitors today represent the Consulting Engineers Council of Illinois, which is the state chapter of the Consulting Engineers Council of the United States. We take great pride in our profession and the part that it played in the economy of our nation, aided by constructive legislation passed by Congress, and by the several States. Never before has the Federal Government played so important a part in the economy of our profession as it does today. As citizens and as professional men of Illinois, we look to you to continue your aid to our nation in enacting laws for the benefit of all the people.

You have always been identified with problems of the man in the street, and you have created a record of which all patriots are proud.

In presenting this unique view of Speaker "Uncle Joe" Cannon, we ask that you accept it as our tribute to your own exceptional legislative career.

Some of us are old enough to remember Speaker Cannon and to have read of some of the accomplishments of his days in the Congress. We take the same pride in reading of your accomplishments and the outstanding record you are making as our Speaker.

Permit us, therefore, the Consulting Engineers Council of Illinois, to present this picture of Speaker Joseph G. Cannon, which we hope you will display in your office as being of a colleague who held the office of Speaker with honor and distinction in his day, as you are doing so notably at the present time. Thank you, Speaker McCormack and we wish for you the greatest of success in your high office.

AFL–CIO EXECUTIVE COUNCIL STATEMENT ON HOUSING

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, at its midwinter meeting the AFL–CIO executive council issued an enlightened statement on housing. The AFL–CIO fears the impact of spiraling interest rates and the monetary policies of the Federal Government pose a real threat to homebuilding.

The council said:

Most important of all, the 1968 Congress declared that "the highest priority and emphasis should be given to meeting the housing needs of those families for which the national goal has not become a reality."

Residential construction in general—and particularly the building of decent housing for low- and moderate-income families—is now threatened by unprecedented high interest rates and a squeeze on credit. The present monetary policies and practices of the federal government and the banks threaten a home-building recession, instead of a sustained increase of residential construction.

The statement also mentions the AFL–CIO's expansion of its mortgage investment trust fund. This is a coordinated national effort by the AFL–CIO to encourage its affiliates to invest their treasury, pension and welfare funds to provide adequate housing and create jobs. If American business and particularly our lending institutions were to embark on a similar large-scale, socially oriented program they would go a long way toward meeting the impending housing crisis in this country.

The statement is inserted in the RECORD at this point:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON HOUSING, BAL HARBOUR, FLA., FEBRUARY 24, 1969

Last year Congress enacted into law by an overwhelming bipartisan vote the historic Housing and Urban Development Act of 1968 to help meet critical housing and urban problems.

This law reaffirmed the national housing goal of "a decent home and a suitable living environment for every American family" proclaimed in a housing law back in 1949. In the Declaration of Policy of the 1968 Act, Congress found that "this housing goal has not been fully realized for many of the Nation's lower income families; that this is a matter of grave national concern; and that there exist in the public and private sectors of the economy the resources and capabilities necessary to the full realization of this goal."

Most important of all, the 1968 Congress declared that "the highest priority and emphasis should be given to meeting the housing needs of those families for which the national goal has not become a reality."

This declaration of intent and purpose of the Housing Act of 1968 must be fulfilled.

Fulfillment of this declaration of intent, however, is faced by several serious obstacles:

Residential construction in general—and particularly the building of decent housing for low- and moderate-income families—is now threatened by unprecedented high interest rates and a squeeze on credit. The present monetary policies and practices of the federal government and the banks threaten a home-building recession, instead of a sustained increase of residential construction.

Implementation of the Housing Act's intent requires full funding and full contract authority in Congressional appropriation acts to all of the laws authorizations. [Yet even such essential Congressional action—basic, as it is to carrying out the intent of the law—can be turned into mockery, unless the government shelters home-building from the ravages of extraordinarily high interest rates and tight money.]

We urge the government to take immediate and effective action to shelter residential construction—particularly low- and moderate-income housing—from the adverse effects of unprecedented interest rates and tight money.

The AFL–CIO has embarked upon an expansion of its Mortgage Investment Trust. A national campaign has begun to attract general treasury and pension and welfare funds of AFL–CIO affiliates and qualified labor-management funds into a mortgage investment program designed to do three principal things; to help provide adequate housing for America's families; to provide a safe, reasonable yield on the investment of union funds; and to create jobs. We encourage the participation of all our affiliates and the allocation of regular percetages of union investments in the AFL–CIO Mortgage Investment Trust.

We commend our building and construction trades affiliates for their cooperation in carrying out the social objectives of such AFL–CIO-backed projects. We note the launching of an AFL–CIO-backed project to rehabilitate 300 run-down houses in a St. Louis ghetto, through our Mortgage Trust Fund loan to a Negro community corporation at sub-market interest rates. This project was made possible by the agreement of our building trades unions, working on this job under a contract with a Negro general contractor, for the hiring of Negro trainees who are ghetto residents.

We also note that the "outreach" programs of our building and construction trades unions designed to give full access to skill training to minority-group youth are being energetically stepped up. These union-sponsored local programs are now in operation in 52 cities, with more than 2,500 in apprenticeship programs. In several cities, programs for ghetto youth and unskilled older workers that will enable them to become skilled craftsmen and to earn journeymen's pay are in operation.

AFL–CIO EXECUTIVE COUNCIL COMMENTS ON APPROPRIATIONS FOR DOMESTIC PROGRAMS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, on February 24, 1969, the AFL–CIO executive council commented on appropriations for domestic programs. They are rightfully concerned that job training and health programs have received less funding than authorized by the Congress. Of primary concern, however, is the fact that the 1968 Housing Act received only one-third of its authorized funds in the face of a 10-year goal of 6 million housing units for low- and moderate-income families.

The AFL–CIO recognizes that defense costs are difficult to hold down. However, they refer to other restraints on domestic programs such as the billions of dollars "committed to such obligations as interest costs on the national debt." They are dismayed at the new administration's indication that further budget cutting is in the offing.

The council's statement, which is inserted at this point in the RECORD, raises questions of concern for all Members of Congress:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON APPROPRIATIONS FOR DOMESTIC PROGRAMS, BAL HARBOUR, FLA., FEBRUARY 24, 1969

Congress will soon face a critical moral test in the funding of government programs for the coming fiscal year. The proposed 1970 fiscal budget, subject to change by the new Administration, faces close scrutiny by the nation's legislators and, as in the past, could fall victim to those who are hostile to basic social programs or who use the appropriations process for political mischief. Of critical importance is the future of funds for programs enacted by Congress to combat the nation's domestic ills and to improve the quality of America's lives.

As in the situation perennially, these hard-won programs are caught in an appropriations "crunch." In the proposed budget, billions of dollars are irredeemably committed to such obligations as interest costs on the national debt and to the payments of social security benefits. Other billions are pledged to meet past obligations, such as veterans programs. Still other billions for our national defense will be very difficult to hold in rein from ever-increasing costs. These budget funds alone total approximately $175 billion.

Remaining in the budget is $20 billion, which must finance all other programs, including social and economic commitments to decaying cities, to the schools, to the disadvantaged, the young, the old, the ill and the jobless.

Unfortunately, it is these commitments—enacted through bipartisan support—that will be singled out for the most critical attention and the most severe onslaught, all in the pursuit of "economy."

The fate of some of these programs in 1968 is sad history:

The 1968 Housing Act, for example, received only one-third of its authorized funds, far short of its promised start toward a ten year goal of six million housing units for low and moderate income families.

The Bilingual Education Act, to provide a start for children from homes where the language is other than English, received only one-fifth of its authorization and all other educational assistance programs received less than 50 percent of the funds authorized by law.

The 1968 Fair Housing Act received less than 20 percent of its budget request.

Other programs in job-training and health likewise received far less funding than Congress provided for in authorization legislation.

Contributing to the cutback in these programs was pressure caused by the enactment in 1968 of an expenditure limitation which required a $6 billion cut in federal outlays. The cutback, coupled with locked-in budget commitments, made obvious which programs would fall victim.

Once again these programs face funding crises in the new Congress; virtually all will require considerably greater funds to properly meet the original goals that Congress prescribed.

The AFL–CIO notes with dismay that already the cry for budget cutting has been heard from within the new Administration. Unfortunately, if implemented, the full brunt will be felt by vitally-needed but fiscally vulnerable programs. Educators, community leaders and other concerned Americans are vocally showing their grave concern for the dangers of any Congressional fiscal flirtations with these programs. The political fact of a Republican Administration and a Democratic Congress provides an arena of great political temptation, which will require great statesmanship and responsibility to resist. Budget-cutting for political one-upmanship must not become the sport of Congress and the Administration.

The AFL–CIO Executive Council supports full and adequate funding of all programs whose goals are the social progress of all Americans. We will oppose any attempt and any device to veto full implementation of these programs. For Congress to enact new programs which hold forth promises of a better life and then to cruelly deny the necessary funds is to tempt a disaster that would shatter far more than the nation's budget stability.

OUR FIRST GRAVE CONSTITUTIONAL CRISIS: PROCEEDINGS OF THE VIRGINIA CONVENTION, MARCH 23, 1775

(Mr. RARICK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RARICK. Mr. Speaker, in his immortal address before the Virginia Convention held at St. John's Church in Richmond on March 23, 1775, Patrick Henry made this profound observation:

I have but one lamp by which my feet are guided; and that is the lamp of experience. I know of no way of judging the future but by the past.

That was the statesmanlike stance for viewing events that sparked our country's first grave constitutional crisis.

The 1775 Virginia Convention was no ordinary political gathering. Its members included "the tongue, the pen, and the sword" of the war of American independence—Patrick Henry, Thomas Jefferson, and George Washington. Other great Virginians in it were Richard Henry Lee, Thomas Nelson, Jr., Edmund Pendleton, Benjamin Harrison, Richard Bland, Robert Carter Nicholas, and Peter Muehlenburgh.

The convention was not elected as a revolutionary body but was actually the Virginia House of Burgesses meeting as a convention in Richmond to free it from Governor Dunmore's interference at Williamsburg. Richmond at the time was only a small village and St. John's Church the only building suitable for such a meeting.

Although there were few, if any, real Tories, two parties developed in the convention: One, led by Patrick Henry, desiring to make immediate preparations for supporting New England patriots in the impending hostilities; and an opposition desiring to temporize with the hope that war could still be averted. The president of the convention was Peyton Randolph.

It is now 194 years since our first grave constitutional crisis and 108 years since our second and most tragic one—the War Between the States, 1861–1865.

For the past few years, events of transcendent gravity have swelled upon us with increasing frequency and we have dealt with them as they occurred. So serious are their implications that many thoughtful scholars feel that we are now in our third constitutional crisis.

It is indeed fortunate that a group of Virginia scholars prepared the text of the entire proceedings of the 1775 Virginia Convention for the purpose of their reenactment in St. John's Church on March 23, 1927. It is unfortunate that this stirring event is not publicly known as it should be, which fact stresses the importance of teaching basic American history in our institutions of learning.

Mr. Speaker, in order to make the entire proceedings of the 1775 Virginia Convention more readily available, I include it as part of my remarks, together with a list of the members of the convention who were present:

THE PROCEEDINGS OF THE VIRGINIA CONVENTION

(Held on the 23d of March, 1775, at St. John's Church, Richmond, Va.)

President Peyton Randolph: The Convention will come to order. The Reverend Selden will read prayers.

Rev. Miles Selden: O Lord, our heavenly Father, high and mighty ruler, King of Kings, Lord of Lords, the only ruler of Princes, who dost from Thy throne behold all the dwellers upon the earth, most heartily we beseech Thee with Thy favor to behold our most gracious Sovereign Lord King George and so replenish him with the grace of Thy Holy Spirit that he may always incline to Thy will and walk in Thy way. Endue him plenteously with heavenly gifts, grant him in health and wealth long to live, strengthen him that he may vanquish and overcome all his enemies, and finally, after this life, he may attain everlasting joy and felicity through Jesus Christ, our Lord. Amen.

The President: The clerk will read the minutes of yesterday.

The Clerk (John Tazewell): The Convention met according to adjournment. Pursuant to order, the Convention resumed the consideration of the proceedings of the Continental Congress.

A resolution was offered, considered and adopted, returning the thanks of the Convention and the Colony to the Virginia delegation in Congress.

A resolution was offered, considered and adopted, entirely and cordially approving the proceedings of the Continental Congress.

The Convention then adjourned until today at 10 o'clock.

Mr. Richard Bland: I move that the minutes as read by the Clerk be approved and adopted.

The President: All in favor will say aye; all opposed no. The minutes are adopted.

Edmund Pendleton: I have a resolution to present.

The President: The gentleman from Caroline.

Pendleton: The resolution is as follows:

"That the unfeigned thanks and most

grateful acknowledgments of this Convention be presented to the very respectable assembly of the Island of Jamaica for the exceeding generous and affectionate part they have so nobly taken in the unhappy contest between Great Britain and her colonies, and for their truly patriotic endeavors to fix the just claims of the colonists upon the most permanent constitutional principles.

"That the assembly be assured that it is the most ardent wish of this colony (and we are persuaded of the whole continent of North America) to see a speedy return to those halcyon days when we lived a free and happy people."

Robert Carter Nicholas: Mr. President.

The President: The gentleman from James City.

Robert Carter Nicholas: I rise to second the resolution of the gentleman from Caroline. We must stand firm for our country, but what days were happier than those of the near past, when Virginia, under the best of Kings, enjoyed a generous prosperity. I speak as Treasurer of the Colony, and take a natural pride in pointing to the solid condition of our currency compared with that of some other colonies.

(The vote was taken and the resolution adopted.)

The President: The Clerk will transmit a copy of these resolutions to the Speaker of the Jamaica Assembly by the earliest opportunity.

Patrick Henry: Mr. President.

The President: The gentleman from Hanover.

Mr. Henry: I could but unite in the vote of thanks for the truly patriotic address of the Legislature of Jamaica. That address was noble and inspiring, but, in my opinion, it is absurd to rest quietly expecting a return of the halcyon days of old. I beg to offer the following resolutions.

"Resolved, That a well-regulated militia is the natural strength and only security of a free government;

"That the establishment of such a militia is, at this time, peculiarly necessary for the protection and defense of the country, and that the known remissness of the government in calling us together in legislative capacity renders it too insecure in this time of danger and distress to rely that any provision will be made to secure our inestimable rights and liberties from those further violations with which they are threatened.

"Resolved, therefore, That this Colony be immediately put into a state of defense and that a committee be named by the Convention to prepare a plan for embodying, arming and disciplining such a number of men as may be sufficient for that purpose."

Richard Henry Lee: Mr. President.

The President: The gentleman from Westmoreland County.

Mr. Lee: I rise to second the resolutions of the gentleman from Hanover. I think they are timely and highly important. No member can question the fact that our state of affairs is very alarming. Sir, I yield to no man in proper loyalty to the King, but I will not agree to the sacrifice of a single particle of our inalienable privileges to any person on earth. We use but a natural right in making provision for our protection, we mean no aggression, no violence, no treason, but if the powers in England choose to regard this action as such, on them will fall the responsibility of the course taken by them. I hate to contemplate the possibility of collision with the mother country, and I know our weakness. But nature has come to our aid by spreading 3,000 miles of water between us and her, and if we have our disadvantages, so has England. It will put her at a vast disadvantage to have to transport over such a distance, in the contingency of war, her armies and supplies. But, sir, admitting the probable calculations to be against us, I will say with our immortal bard:

"Thrice is he armed that hath his quarrel just;
And he but naked, though lock'd up in steel,
Whose conscience with injustice is corrupted."

Benjamin Harrison: Mr. President.

The President: The gentleman from Charles City.

Mr. Harrison: I desire to raise my voice in opposition to the adoption of the resolutions at this time. I consider them as rash and inexpedient. The report from England, as we all know, is that our petition to the King passed at the late Convention has been graciously received. No sufficient time has passed for a reply to come to us. I am as warm a friend of liberty as any man in this Convention, and as little disposed to submit, but national civility and filial respect demand that we should do nothing hastily, offer no provocation. I speak as a farmer, for the farmers of Charles City County and throughout the Colony, and I deprecate any step which will stop the production of tobacco and corn and reduce the people to starvation.

Thomas Jefferson: Mr. President.

The President: The gentleman from Albemarle.

Mr. Jefferson: I am sorry to disagree with my friend from Charles City. I love him for his great heart and know his sturdy character for independence. But, sir, the colony should be prepared. I recognize no allegiance to Parliament—only to the King of England. England is tied to the Empire by the tie of the Crown only and is a self-governing dominion; and I regard these acts of Parliament—attempting to tax our people and shutting up the port of Boston, as the acts of a foreign power which should, by all the means in our power, be resisted. I call earnestly upon the Convention to support the resolution.

Mr. Pendleton: Mr. President.

The President: The gentleman from Caroline.

Mr. Pendleton: I hope this Convention will proceed slowly before rushing the country into war. Is this a moment to disgust our friends in England who are laboring for the repeal of the unjust taxes which afflict us, to extinguish all the conspiring sympathies which are working in our favor, to turn their friendship into hatred, their pity into revenge? Are we ready for war? Where are our stores—where our arms—where our soldiers—where our money, the sinews of war? They are nowhere to be found in sufficient force or abundance to give us reasonable hope of successful resistance. In truth, we are poor and defenseless, and should strike when it becomes absolutely necesary—not before. And yet the gentlemen in favor of this resolution talk of assuming the front of war, of assuming it, too, against a nation one of the most formidable in the world. A nation ready and armed at all points; her navy riding in triumph in every sea; her armies never marching but to certain victory. For God's sake, Mr. President, let us be patient—let us allow all reasonable delay, and then if the worse comes to the worst, we will have no feelings of blame. There is no man in this Convention more attached to the liberties of this country than is the man who addresses you. But think before we sacrifice perhaps everything to the spirit of indignation and revenge. Think of the strength and lustre which we derive from our connection with Great Britain—the domestic comforts which we have drawn from the same source—the ties of trade and business—the friends and relatives we have in England. The tyrannies from which we suffer are, after all, the tyrannies of a party in temporary possession of power. Give a little time, take no hostile action, and these tyrants will be overthrown in England and men in sympathy with America will assume authority. Our ills will pass away and the sunshine of the halcyon days of old will come back again. We must arm, you say; but gentlemen must remember that blows are apt to follow the arming, and blood will follow blows, and, sir, when this occurs the dogs of war will be loosed, friends will be converted into enemies, and this flourishing country will be swept with a tornado of death and destruction.

Mr. Nicholas: Mr. President.

The President: The gentleman from James City.

Mr. Nicholas: I agree heartily with the gentleman from Caroline. I consider the resolutions of the gentleman from Hanover as hasty, rash and unreasonable. But, more than that, I deem the militia upon which the gentleman depends as wholly insufficient. It will prove the bane of the war into which the gentleman from Hanover wishes to hurry us. Sir, I hope this resolution will be voted down but, sir, if the colony is to be armed, let us do it in the proper way. The late war with France proved the value of trained soldiers, and Virginia was envied by the other colonies for its two regiments of regular troops under the command of a distinguished gentleman present here. Let Virginia, if she means war, raise at once a force of 10,000 men to be trained and serve for the war. Short enlistments, such as this gentleman contemplates, will prove the bane of the war. But I speak for peace—not war, till it is forced upon us.

Thomas Nelson: Mr. President.

The President: The gentleman from York county.

Mr. Nelson: I am a merchant of Yorktown but I am a Virginian first. Let my trade perish. I call God to witness that if any British troops are landed in the County of York, of which I am lieutenant, I will wait for no orders, but will summon the militia and drive the invaders into the sea.

(*Several arise.*)

George Washington: Mr. President.

The President: The gentleman from Fairfax.

Mr. Washington: Mr. President, I am a soldier and believe in being prepared. For that and other reasons, I will give my vote for the resolutions of the gentleman from Hanover. Rather than submit to the present condition of things, I will raise one thousand men, subsist them at my own expense, and march myself at their head to the relief of Boston.

Patrick Henry: Mr. President.

The President: The gentleman from Hanover.

Mr. Henry: No man thinks more highly than I do of the patriotism, as well as abilities of the very worthy gentlemen who have just addressed the house. But different men often see the same subject in different lights; and, therefore, I hope it will not be thought disrespectful to those gentlemen, if entertaining, as I do, opinions of a character very opposite to theirs, I shall speak forth my sentiments freely, and without reserve. This is no time for ceremony. The question before the house is one of awful moment to this country. For my own part, I consider it as nothing less than a question of freedom or slavery. And in proportion to the magnitude of the subject, ought to be the freedom of debate. It is only in this way that we can hope to arrive at truth and fulfill the great responsibility which we hold to God and our country. Should I keep back my opinions at such a time through fear of giving offense I should consider myself guilty of treason toward my country and of an act of disloyalty toward the majesty of Heaven which I revere above all earthly kings.

Mr. President it is natural for man to indulge in the illusion of hope. We are apt to shut our eyes against a painful truth—and listen to the song of the siren till she transforms us into beasts. Is this the part of wise men engaged in a great and arduous struggle for liberty? Are we disposed to be of the number of those who, having eyes, see not, and,

having ears, hear not, the things which so nearly concern their temporal salvation? For my part, whatever anguish of spirit it might cost, I am willing to know the whole truth to know the worst and provide for it.

I have but one lamp by which my feet are guided; and that is the lamp of experience. I know of no way of judging the future but by the past. And judging by the past, I wish to know what there has been in the conduct of the British ministry for the last ten years to justify those hopes with which gentlemen have been pleased to solace themselves and the house? Is it that insidious smile with which our petition has been lately received? Trust it not, sir; it will prove a snare to your feet. Suffer not yourselves to be betrayed with a kiss. Ask yourselves how this gracious reception of our petition comports with those warlike preparations which cover our waters and darken our land. Are fleets and armies necessary to a work of love and reconciliation? Have we shown ourselves so unwilling to be reconciled that force must be called in to win back our love? Let us not deceive ourselves, sir. These are the implements of war and subjugation—the last arguments to which kings resort. I ask gentlemen, sir, what means this martial array if its purpose be not to force us to submission? Can gentlemen assign any other possible motive for it? Has Great Britain any enemy in this quarter of the world to call for all this accumulation of navies and armies? No, sir, she has none. They are meant for us; they can be meant for no other. They are sent over to bind and rivet upon us those chains which the British Ministry have been so long forging. And what have we to oppose them? Shall we try argument? Sir, we have been trying that for the last ten years. Have we anything new to offer upon the subject? Nothing. We have held the subject up in every light of which it is capable; but it has been all in vain. Shall we resort to entreaty and humble supplication? What terms shall we find which have not been already exhausted? Let us not, I beseech you, sir, deceive ourselves longer. Sir, we have done everything that could be done to avert the storm which is now coming on. We have petitioned—we have remonstrated—we have supplicated—we have prostrated ourselves before the throne, and have implored its interposition to arrest the tyrannical hands of the ministry and Parliament. Our petitions have been slighted; our remonstrances have produced additional violence and insult; our supplications have been disregarded; and we have been spurned, with contempt, from the foot of the throne. In vain, after these things, may we indulge the fond hope of peace and reconciliation. *There is no longer any room for hope.* If we wish to be free—if we mean to preserve inviolate those inestimable privileges for which we have been so long contending—if we mean not basely to abandon the noble struggle in which we have been so long engaged, and which we have pledged ourselves never to abandon until the glorious object of our contest shall be obtained—we must fight! I repeat it, sir, we must fight! An appeal to arms and to the God of Hosts is all that is left us!

They tell us, sir, that we are weak—unable to cope with so formidable an adversary. But when shall we be stronger? Will it be the next week, or the next year? Will it be when we are totally disarmed, and when a British guard shall be stationed in every house? Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance by lying supinely on our backs, and hugging the delusive phantom of Hope, until our enemies shall have bound us hand and foot? Sir, we are not weak, if we make a proper use of those means which the God of nature hath placed in our power. Three millions of people, armed in the holy cause of liberty, and in such a country as that which we possess, are invincible by any force which our enemy can send against us. Besides, sir, we shall not fight our battles alone. There is a just God who presides over the destinies of nations, and who will raise up friends to fight our battles for us. The battle, sir, is not to the strong alone; it is to the vigilant, the active, the brave. Besides, sir, we have no election. If we were base enough to desire it, it is now too late to retire from the contest. There is no retreat, but in submission and slavery! Our chains are forged, their clanking may be heard on the plains of Boston! The war is inevitable—and let it come! I repeat it, sir, let it come!

It is in vain, sir, to extenuate the matter. Gentlemen may cry, peace, peace—but there is no peace. The war is actually begun. The next gale that sweeps from the North will bring to our ears the clash of resounding arms! Our brethren are already in the field! Why stand we here idle? What is it that gentlemen wish? What would they have? Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but as for me, give me liberty or give me death!

The President: The question is on the adoption of the resolutions of the gentleman from Hanover. As many as are in favor will say aye—as many as are opposed will say no. The ayes have it and the resolutions are adopted.

MEMBERS OF THE CONVENTION PRESENT ON MONDAY, MARCH 23, 1775

Peyton Randolph, from City of Williamsburg.

Isaac Smith, from Accomac.

Thomas Jefferson and John Walker, from Albemarle.

John Tabb and John Winn, from Amelia.

William Cabell, Jr., and Joseph Cabell, from Amherst.

Thomas Lewis and Samuel McDowell and John Harvie, from Augusta.

John Talbot and Charles Lynch, from Bedford.

Andrew Lewis and John Bowyer, from Botetourt.

Frederick Maclin and Henry Tazewell, from Brunswick.

John Nicholas and Anthony Winston, from Buckingham.

Robert Rutherford and Adam Stephen, from Berkle.

Edmund Pendleton and James Taylor, from Caroline.

Benjamin Harrison and William Acrill, from Charles City.

Paul Carrington and Isaac Read, from Charlotte.

Archibald Cary and Benjamin Watkins, from Chesterfield.

Henry Pendelton and Henry Field, from Culpeper.

William Fleming and John Mayo, from Cumberland.

John Banister and William Watkins, from Dinwiddie.

Johnathan Clarke and Peter Muehlenburgh, Clerk of Dunmore County.

Henry King and Worlich Westwood, from Elizabeth City.

James Edmundson and Merriwether Smith, from Essex.

George Washington and Charles Broadwater, from Fairfax.

Thomas Marshall and James Scott, from Fauquier.

Isaac Zane and Charles Minn Thurston, Clerk of Frederick.

William Christian, from Fincastle.

Thomas Whiting and Lewis Burwell, from Gloucester.

John Woodson and Thomas Mann Randolph, from Goochland.

Nathaniel Terry and Micajah Watkins, from Halifax.

James Mercer, from Hampshire.

Patrick Henry and John Cyme, from Hanover.

Richard Adams and Samuel DuVal, from Henrico.

Robert C. Nicholas and William Norvell, from James City.

John S. Willis and Josiah Parker, from Isle of Wight.

Joseph Jones and William Fitzhugh, from King George.

George Brooker and George Lyne, from King and Queen.

Carter Braxton and William Aylett, from King William.

James Selden and Charles Carter, from Lancaster.

Francis Peyton and Josiah Clayham, from Loudoun.

Thomas Johnson and Thomas Walker, from Louisa.

Richard Claiborne and David Garland, from Lunenburg.

Edmund Berkley, from Middlesex.

Robert Burton and Bennett Goode, from Mecklenburg.

Lemuel Riddick and William Riddick, from Nansemond.

Burwell Bassett and Bartholomew Dandridge, from New Kent.

Thomas Newton, Jr., and James Holt, from Norfolk.

John Burton, from Northampton.

Rodham Nenner and Thomas Jones, from Northumberland.

Thomas Barbour and James Taylor, from Orange.

Peter Perkins and Benjamin Lankford, from Pittsylvania.

Robert Lawson and John Nash, from Prince Edward.

Richard Bland and Peter Poythress, from Prince George.

William Robinson and Christopher Wright, from Princess Anne.

Henry Lee and Thomas Blackburn, from Prince William.

Robert Wormley Carter and Francis Lightfoot Lee, of Richmond.

Edwin Gray and Henry Taylor, from Southampton.

George Stubblefield and Mann Page, Jr., from Spotsylvania.

John Alexander and Charles Carter, from Stafford.

Allen Cocke and Nicholas Faulcon, Jr., from Surry.

David Macon and Henry Gee, from Sussex.

William Langhorne, from Warrick.

Richard Henry Lee and Richard Lee, from Westmoreland.

Dudley Diggs and Thomas Nelson, from York.

Champion Travis, from Jamestown.

John Hutchings, from Norfolk borough.

The Hon. Peyton Randolph was President.

John Tazewell, Clerk.

THE POWER AUTHORITY OF THE STATE OF NEW YORK—PART I: A FUNNY KIND OF PUBLIC POWER

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, within the past 2 months, it has been revealed that the Power Authority of the State of New York—PASNY—the pioneer agency in the development of public power in this country, has entered into a strange and highly unusual agreement with the private power interests in New York. The record now shows that the effect—and perhaps the purpose—of this arrangement will be to strengthen the

private power monopoly in the growing nuclear power market in New York and undermine efforts to develop a low-cost public power resource to fight rising consumer electric bills.

The agreement was first exposed this past January as a result of the superb investigative reporting of Alan Emory in the Watertown, N.Y., Daily Times. The agreement calls for PASNY to join with the State's second largest private utility, Niagara-Mohawk Power Corp. in the construction and operation of a 845-megawatt nuclear powerplant on Lake Ontario near Oswego, N.Y.

POWER "WINDFALL"

Such an arrangement between a public agency and a private utility is entirely without precedent in the important and growing nuclear power field. But this is by no means the most remarkable aspect of the arrangement. Its most striking feature is its terms. Under the present proposal, the entire cost of the project—an investment of $222 million—will be borne by PASNY. Niagara Mohawk's only contribution will be to operate the facility. Neither PASNY nor Niagara Mohawk has spelled out the detailed terms under which Niagara Mohawk will provide expert personnel, but it seems highly unlikely that Niagara Mohawk's customers or stockholders would permit the corporation to contribute staff entirely as a public service.

Even better from Niagara Mohawk's point of view, the plant is to be located in the heart of Niagara Mohawk's service area barely 3,000 feet from a soon-to-be-completed Niagara Mohawk plant on a 702-acre plot PASNY has acquired for $805,000 from—guess who—Niagara Mohawk, of course. In very simple terms, the proposed joint facility will be a captive plant in the Niagara Mohawk system. Its power will be transmitted through Niagara Mohawk lines and excess will be available for the private utility's customers.

NUCLEAR WHITE ELEPHANT

As a tasty side dish to this highly unusual arrangement, PASNY has elected not to seek out the very best in modern technological development by acquiring the plant through open competitive bidding. Instead, the public power agency has quietly taken over a 2-year-old nuclear "white elephant" which Niagara Mohawk had contracted for Easton, N.Y., on the Hudson River. When engineering problems forced Niagara Mohawk to abandon the Easton project, the company was left with about $40 million in commitments with General Electric Co. for nuclear components and other equipment, which PASNY has now obligingly assumed.

It seems that the only element of public power in this arrangement is that PASNY is to put up all the money.

When this project was brought to the attention of Vermont's distinguished Senator GEORGE AIKEN, he commented with characteristic understatement, "That's a funny kind of public power."

In fact, the joint proposal is not public power at all. And as new details regarding the joint venture are exposed, it becomes increasingly clear that PASNY's involvement with the private utility interests have become so deep and so clouded as to jeopardize the very concept of public power itself.

INVESTIGATION OPENED

To protect the interests of New York State consumers and ratepayers, the distinguished minority leaders of the New York State Legislature, Senator Joseph Zaretzki and Assemblyman Stanley Steingut, have appointed an outstanding joint minority committee to investigate the PASNY-Niagara-Mohawk arrangement. The members of this committee will include Senators Paul Bookson, New York County, and James E. Powers, Monroe County, and Assemblymen Arthur J. Kremer, Nassau County, and Charles F. Stockmeister, Kings County. I am confident that this committee will thoroughly investigate the PASNY-Niagara-Mohawk "deal" and will recommend appropriate legislative action in the public interest.

The broader implications of this arrangement between a public power agency and a private power utility are quite serious and the public interest demands not only that this particular agreement be fully aired but that the basic questions of the purpose of public power and the responsibility of public power agencies be thoroughly reviewed and discussed. I propose to deal with all of these in a series of statements in the RECORD, beginning today with the introduction of the various news stories which reported the step-by-step exposure of the PASNY-Niagara-Mohawk agreement. The news stories follow:

[From the Watertown (N.Y.) Daily Times, Jan. 13, 1969]

STATE TO CONTRACT NUCLEAR OPERATION WITH POWER FIRM

WASHINGTON.—The New York State Power authority told the atomic energy commission today it planned to have its proposed new nuclear power plant near Oswego operated by the Niagara Power corporation under contract with the state agency.

The state and Niagara Mohawk have applied jointly to the A.E.C. for a permit to build the plant on the southeast shore of Lake Ontario, about seven miles northeast of Oswego on a site adjacent to Niagara Mohawk's nine mile point nuclear power station. The latter is nearing completion.

The application for the new facility placed the estimated cost, including nuclear fuel at $222,000,000. It said the plant was scheduled for commercial operation by May, 1973.

It will be known as the James A. FitzPatrick nuclear power plant, named after the chairman of the power authority.

The facility will use a boiling water reactor and have a gross electrical output of about 848,000 kilowatts.

Stone & Weber Engineering corporation is the architect-engineer for the project and will manage plant construction. General Electric company will furnish the nuclear steam supply system, turbine generator and other major components.

The joint application will be reviewed by A.E.C.'s regulatory staff and its advisory committee on reactor safeguards and a public hearing will precede any commission determination.

The new Oswego plant was proposed after Niagara Mohawk dropped plans for an atomic facility at Easton, N.Y., on the Hudson River. Objections had been raised by the state health and conservation departments and private conservation groups.

The land for the new plant was provided by Niagara Mohawk, and the state agreed to use equipment the utility firm had arranged to provide for the Easton operation.

Announcement of the substitute proposal was made early in August.

UTILITY NOT TO OPERATE NINE MILE POINT PLANT POWER AUTHORITY ASSERTS

NEW YORK.—The State Power authority today denied that its proposed 800,000 kilowatt nuclear power facility at Nine Mile Point, Oswego county, would be operated by the Niagara Mohawk Power corporation.

Announcement that the state and Niagara Mohawk had applied to the Atomic Energy commission for permit to build a plant on the shores of Lake Ontario was disclosed in Washington Monday.

A spokesman for the Power authority said that no contract had yet been negotiated with Niagara Mohawk but that whatever arrangement is made will be applicable only to taking advantage of specialized personnel including those highly skilled in the laboratory, technical, safety and maintenance field of nuclear powered electrical generation.

Because of the rigid requirements of the Atomic Energy commission in the above fields, the spokesman declared, it was a matter of "good economics" to take advantage of highly trained people who are associated with the Niagara Mohawk nuclear plant nearing completion at Nine Mile Point.

"This kind of special personnel is very hard to come by," the spokesman said, "and it only makes good sense to make use of those available and nearby."

The arrangement, he added, would be applicable only to the initial operation of the new Power authority plant expected to be ready in 1973.

"We will relinquish none of our authority in the running of the new plant," the spokesman declared.

The administration of the facility will be the responsibility of the Power authority. The spokesman said that the authority had already hired a chief nuclear engineer whose duties at the Nine Mile Point plant will be similar to those of the Power authority's chief resident engineers at Niagara Falls and Massena.

The authority for the sale and distribution of Power will not be relinquished to anyone. "It will remain with the Power authority," the spokesman added.

Heading the operation for the authority, when the facility is completed will be Ira Stubbart, a graduate of the U.S. Naval academy, and a nuclear specialist who has been associated in nuclear work at various points in the United States.

"We haven't got far enough into this yet to know exactly what the A.E.C. will require. We recognize the problem of getting personnel with the proliferation of nuclear power plant construction," the spokesman went on.

"It is only prudent business management," he said, of contracting to get the trained and licensed competent personnel.

Niagara Mohawk has been and is training people needed for this kind of work.

The spokesman emphasized again that the Power authority owns the site for its new plant, bought from Niagara Mohawk, and that the assignment of the General Electric reactor has been taken also from the utility.

How long the contract with the utility will last can not now be determined, the spokesman declared, but presumably it would be terminated at a time reflecting the best interests of the Power authority.

STORMY REACTION EXPECTED TO POWER PLANT APPLICATION

WASHINGTON.—A stormy reaction was predicted here today to the joint application of

the New York state power authority and the Niagara Mohawk Power corporation for licenses to operate a new atomic power plant near Oswego.

A brief survey of the application, which calls for two licenses, shows the power authority would build the plant and own the site, but would have Niagara Mohawk review the work and operate the plant, under contract, with its own personnel.

The power authority says it might decide to take over operation some time in the future, but leaves this question open and sets no time for a change.

The application says the new plant is designed to "optimize" the power output from the St. Lawrence and Niagara hydro-electric power plants and provide needed electric energy to high-load industry and to municipalities and rural cooperatives.

Any power left over, the application says, will be sold to other members of the New York state power pool.

Operation by Niagara Mohawk personnel, according to the power authority, will permit coordination with the utility firm's nearby facility at Nine Mile Point.

Niagara Mohawk, under the application, would have the responsibility for all safety measures at the production plant.

The application classifies the plant as a "research and development facility," a label formerly sought by utility firms to avoid intensive government regulation.

The question of whether electric power can be sold publicly by a research and development plant has triggered bitter political arguments around the country and is certain to arise again when the application is considered.

Some Washington observers have already called the research and development tag a misnomer since the plant's obvious goal is merely to sell electricity.

The application calls for two 40-year licenses, one to the power authority, the other to Niagara Mohawk.

It authorizes Niagara Mohawk personnel to engage in "appropriate" roles in running the facility and says power company people will initiate plant tests.

Listed as counsel in the application are Thomas Moore, power authority chief counsel, and Arvin E. Upton, member of a Washington law firm that represents Niagara Mohawk.

The application was signed by W. S. Chapin, power authority general manager, and Lauman Martin, Niagara Mohawk's senior vice president.

Senator Aiken Urges Careful Study on Power Unit-Utility Proposal

Washington.—Sen. George D. Aiken today warned New Yorkers to "consider very carefully" the proposed New York State Power authority-Niagara Mohawk Power corporation plan for a new atomic power plant in Oswego county.

"Otherwise," he declared, "they will find they have bought a pig in a poke."

The Vermont Republican is a member of the joint congressional committee on atomic energy.

Aiken is sponsor of legislation to broaden federal control over atomic power plants. Now regulation is limited to safety, medical and research activities.

The senator called for "good, thorough public hearings" on the James A. FitzPatrick plant, slated to be constructed 3,000 feet east of Niagara Mohawk's Nine Mile Point plant.

The state-utility application says Niagara Mohawk will operate the plant with its own personnel under contract with the state and be responsible for all safety measures. The state, the application says, will act as Niagara Mohawk's "agent" in dealings with the Atomic Energy commission here.

When Aiken was asked if he had ever heard of a similar arrangement, he replied, "I have now."

The senator pointed out that only builders of hydro-electric power plants now have to submit to federal regulation. Operators of steam and atomic plants have no such problem.

"The time has come for a different setup for licensing and regulating power plants so they are operated on a fair and uniform basis," he said.

"Atomic power plants should be considered in a different light than just medical, research and therapy," Aiken declared.

Controversy on Nuclear Plant Arrangement Being Intensified

(By Alan Emory)

Washington.—Crisscrossing lines of responsibility in the New York State Power authority-Niagara Mohawk Power corporation joint bid to build a nuclear power plant 3,000 feet east of the Nine Mile Point station have intensified the controversy over the proposal.

The plant was promoted as a state project, but the application states that Niagara Mohawk will operate it and have responsibility for its safety and that the state will act as the utility company's agent in dealings with the Atomic Energy commission.

Despite this operating strength by the company, the state is paying for the plant and the land and is the owner.

CONTRACT?

Although Power authority officials deny the state has any contract with Niagara Mohawk to run the plant, the application states flatly, "This facility will be operated by Niagara Mohawk, with Niagara Mohawk personnel, under contract with PASNY."

The Power authority says it "may at some future time make application" to the Atomic Energy commission to become "the sole operator" of the plant.

According to the joint application, Niagara Mohawk designates the Power authority as the utility company's agent to submit pertinent information to the A.E.C. and to receive information and communications from the A.E.C.

The application adds, "Responsibility for the safety and operation of the (James A.) FitzPatrick plant will rest with the production department of Niagara Mohawk. Persons in charge of the operation of the facility will be qualified and licensed as required by the commission."

The application is filed under a section of law that covers non-commercial operations. Reference to the plant as a "utilization" facility is regarded by experts as a neutral label.

FINANCING

The Power authority says $50,000,000 in one-year notes will help finance the project. Costs are listed as $188,000,000 for the plant itself, $7,000,000 for the transmission, distribution and general plant and $27,000,000 for the nuclear fuel inventory for the first core.

The plant will go up on 702 acres of land bought from Niagara Mohawk, with a boiling water reactor using about 240,610 pounds of contained uranium fuel in the first core. Heat produced by the reactor will be used to generate electrical power for sale to high-load-factor industries, municipal and rural electric cooperative customers and other members of the New York power pool.

The reactor will also produce "special nuclear material and by-product material."

Completion of the plant is expected between Dec. 31, 1972, and Sept. 30, 1973.

The output will be about 885 megawatts of electricity and 2,436 megawatts of heat.

NIAGARA MOHAWK

The application states that Niagara Mohawk "has been retained to operate the plant upon completion and perform the initial plant tests in coordination with Stone and Webster," the Boston engineering firm doing the design and engineering.

The power authority said its trustees passed a resolution last Nov. 18 determining that the atomic plant was needed to supply enough energy to make possible maximum use of the St. Lawrence and Niagara projects, to supply low-cost power to high-load-factor industries "which will build new facilities" or expand them in the authority's service area and to supply future needs of the authority's "existing" municipal and rural cooperative customers.

The rest of the power goes to the state power pool and to help meet critical power needs in New York and adjacent states as a result of delays in building several atomic, fossil-fuel and pumped storage power plants, the application says.

The state and utility say the safety of the boiling water-type reactor has been demonstrated by its successful operation and the public will not be endangered. The authority and Niagara Mohawk pledge a joint "comprehensive quality assurance program."

ACTIVITIES

Although the purpose of the plant is to generate electric power for sale, the application states that construction and operation are only "a part" of research and development activities.

These include core spray experiments, work on steam isolation valves and other items, but the application also indicates that the equipment is standard and well tested in other plants.

* * * * *

SAFEGUARDS

Numerous and redundant "safeguards" are incorporated to protect the public from exposure in the event of an accident, the application notes. Radioactivity levels resulting from the combined operation of the Fitz-Patrick and Nine Mile Point plants will be "within applicable regulatory limits," it adds.

The application also says:

The operator will control the discharge of liquid and gaseous "releases" and radioactive solid wastes will be shipped to a disposal area approved by the A.E.C.

"There are no industrial, agricultural or residential factors present which would tend to limit plant operation."

Two full-size quick-starting on-site diesel engine driven generator systems operate if alternating current service power is lost, and two battery systems come into use with a shutdown or accident.

Earthquake possibilities in the St. Lawrence valley are unlikely to have major impact on the plant. The nearest quake spots are near Lowville, where there was a severe tremor in 1853, and Attica, but the geology of neither has the quake potential of the St. Lawrence area.

STATE ATOM ELECTRICITY

The New York State Power Authority takes a narrow view of its responsibility as an agency of the people. The authority's joint proposal with the Niagara Mohawk power corporation for the authority to build and the utility to operate the Fitzpatrick atomic plant at Oswego is not within the public power policy as enunciated and understood either by the authority or by New York state in the past. By past the reference is to the hydroelectric development at Massena and the redevelopment at Niagara where the power plants generate a total of 2,750,000 kilowatts.

The public power principle is that the resources of the people, the water power of the St. Lawrence and the Niagara, are developed by the public agency in the interests of low-cost electricity. Atomic power is similarly a public resource because it was pioneered and made usable by the federal gov-

ernment through the investment of public monies, first for purposes of atomic weapons in World War II, and since then for peaceful utilization of atoms.

Niagara Mohawk at Nine Mile Point is in the final phases of construction for its own atomic power plant, an installation that exemplifies the imaginative enterprise of the modern day power corporation. This represents an investment by the utility toward the future electrical requirements of upstate New York. Niagara Mohawk planned and scheduled its huge investment almost six years ago. The decision was both hard and realistic, exactly the kind that a private corporation should make.

The power authority, which we have been led to believe has a separate role in power production, undertook the St. Lawrence and Niagara hydro plants 14 years ago as the first steps in asserting a responsibility toward the electrical energy production, demand for which was growing very fast. The authority at the time made the decision that for the present its best interests would be for hydro plants which would be succeeded in construction at the appropriate time by atomic plants.

Two years ago the authority backslid from its atomic ambitions and its plans for the future seemed only to include hydro and either an acquiescence or an agreement that electricity from nuclear energy would be the sole province of the private utilities. In 1967 protest against this restricted ambition of the authority resulted a year later in establishing through new law an atomic career for the authority.

A few months ago the authority announced that its first nuclear powered plant would be built adjacent to the Niagara Mohawk plant at Oswego. For a public and private plant to be located adjacently was not novel; however, now comes the plan for utilization of the state-owned generating station, a $250,000,000 to $300,000,000 publicly owned power plant. It is no more appropriate for the private utility to operate the public plant than it would be appropriate for the public authority to operate the private utility.

The two systems are based on different philosophies. One is a profit enterprise; the other is non-profit. Nowhere else in the country are private utilities running a public power agency. In view of the citizen concern expressed last year in Albany to make a clear assignment to the authority, it would appear that the biggest single public power agency in the state is showing the back of its hand to the very job it was supposed to do.

Governor Rockefeller should insist that the power authority recall its present application before the Atomic Energy commission and re-do the detail in such a fashion as to assure the federal government, the state of New York, and the people of this state that not only will the Oswego project be public from beginning to end, but that its development will be to expand electricity production at the lowest possible cost in behalf of the public which owns the resource. The application should further indicate that as a part of research and development, this will be the first in a series of state-owned nuclear generating facilities. Further, the application should make clear that the research and development which is undertaken at Oswego will be for the purpose of spawning new authority plants, their equipping, and manning.

FUNNY KIND OF PUBLIC POWER

(By Alan S. Emory)

The assumption by some of the industrial powers of the country that the people are just suckers at heart or not in the least interested in what is going on around them may or may not be a fact, but a couple of events here make a strong case for the affirmative.

The first is the joint application of the New York State Power authority and the Niagara Mohawk Power corporation for an atomic power plant license from the Atomic Energy commission. It may be untrue that the real plan is for the New York taxpayers to foot a $222,000,000 bill so Niagara Mohawk can have another nuclear power plant without having to pay for it.

It is undoubtedly true that there is a shortage of skilled technical talent although whether the power authority has to borrow from Niagara Mohawk may be open to challenge. The difficulty lies in the way the power authority went about it.

First, the power authority tells people in the utility field the Atomic Energy commission is wrong to say the state plans to have Niagara Mohawk run the plant under contract. Then the power authority tells an inquiring reporter there is no such arrangement with Niagara Mohawk.

The only trouble is, the application on file in Washington says so, in black and white, and in language that every one can understand. What is even worse, the application says the power authority will act as the utility company's "agent" in dealings with the A.E.C., rather than the other way around.

As Vermont Sen. George D. Aiken says, "That's a funny kind of public power."

The other case involves the decision by Alco Products, Inc., and its parent, Studebaker-Worthington corporation, to sell its plants in Schenectady and Auburn, as well as in Pennsylvania and Illinois. One of the top Studebaker-Worthington officials explains it by saying his firm is in the business of buying and selling other businesses, and whether this involves any moral obligations to the communities or people concerned is "a matter of interpretation."

When a corporate monster like Studebaker-Worthington appears everything disappears beneath the layers of corporate maneuvering. Subsidiary companies spring up overnight and the workers rarely realize who they are really working for. The parent firms are looking for quick profits or tax breaks incurred by purchasing, then unloading, a losing company.

Sometimes the result is that workers, like those Studebaker employes in Indiana, wind up with 15 cents on their pension dollar. Others, like those in Schenectady, are offered the alternative of moving to Montreal or risking their pension investments.

Studebaker-Worthington, as a matter of fact, has been gung ho for business for its Montreal plant, even though this meant business the plant in Schenectady would not get. Canada's gain was upstate New York's loss.

The picture was nearly complete when Alco's president, E. C. Forbes, flatly denied he had said, "Today we find ourselves in the difficult position of burying the body that has taken 15 years to die," only to be confronted with the press release he had issued with the exact quote, word for word.

What hope is there for the consumer or the worker and, in both of these cases, the ordinary citizen of New York state? Aiken and other senators are trying to win approval of a bill that would firm up federal regulation of all power plants—atomic and coal-fired, as well as hydroelectric—and provide some uniform control over the whole field.

The Federal Trade Commission and the house judiciary committee are both preparing investigations of the corporate "conglomerates" that play chess games with people, plants and communities as pawns and use tax loopholes for the rule book. The findings could be eye-popping.

Taking on the big guys entails some political risk, but the satisfaction of public service in keeping things on the up-and-up often makes the risk worthwhile.

FITZPATRICK SAYS AUTHORITY TRYING TO MINIMIZE COSTS FOR STATE'S NEW NUCLEAR STATION

(By John B. Johnson, Jr.)

OSWEGO.—Flanked by the president and two senior vice presidents of the Niagara Mohawk Power corporation, the chairman of the State Power Authority Tuesday night explained the philosophy that someday may make this lakeside community the nuclear power generating capital of the nation.

James A. FitzPatrick, the Plattsburgh lawyer, and Power authority chairman, told an audience of about 400 packed in the ballroom of the aging Hotel Pontiac that the authority was directing its efforts to minimizing costs in the installation of the 800,000 kilowatt, state nuclear power station.

"The Power authority's task at the Nine Mile Point site will be to provide reliable electric power to its designated customers at the lowest possible cost," Mr. FitzPatrick said.

Continuing, the chairman said:

"Should the arrangements it makes or the methods it employs be inconsistent with this purpose, then we should be properly subject to challenge in the public interest.

NEEDLESS DELAY

"Unless or until such inconsistency can be demonstrated, however, all interested in the success of the project should bear in mind that every premature or needless challenge means needless delay. Every delay means extra costs and every extra cost means a higher price for each kilowatt of electricity produced.

"We do not seek immunity from challenge neither do we claim infallibility. We seek only thoughtful and careful analysis of our activities and an opportunity, in our common interest, to be heard first on questions materially affecting the success of our mission."

The head table for the annual Greater Oswego chamber of commerce dinner was symbolic of the nuclear power arrangement unfolding here. James A. O'Neil, president of Niagara Mohawk, and Mr. FitzPatrick are the heads of the two power agencies developing the Nine Mile Point site.

Mr. O'Neil's private power company is completing the building of a 750,000 kilowatt nuclear facility, and this past summer the Power Authority announced that it would build a plant 3,200 feet away from the Niagara Mohawk plant.

"This is the site of one of the most outstanding examples of cooperation between private and public entities ever in the state of New York," Mr. FitzPatrick said.

SITE UPROAR

This new state-owned facility will be built around a nuclear reactor that Niagara Mohawk had ordered in 1966 for installation at a plant at Easton on the Hudson river.

That plant site was the subject of an uproar from conservationists and despite the advanced state of planning was crossed off the list of plant sites.

At the same time the Power authority was studying possible atomic power sites as part of its 1968 mandate from the state legislature to build atomic generating stations to sell power for the benefit of the people.

"While this study was in progress," Mr. FitzPatcrick said, "it was learned that Niagara Mohawk had encountered delays at Easton . . . These delays caused Niagara Mohawk to postpone its construction and to seek other arrangements for more promptly supplying its needs in the eastern section of its franchise territory.

"Thus, it came about that in August, 1968,

only two months after enactment of the enabling legislation, the authority entered into an understanding with Niagara Mohawk which later became the subject of a written agreement by which the authority was given assignment of the contractual commitments which Niagara Mohawk had made with the General Electric company for much of the equipment intended for installation at Easton."

CONTRACTS

By picking up the Niagara Mohawk contracts, Mr. FitzPatrick argued that the authority was buying a nuclear power station in 1969 for 1966 prices. He said that the work Niagara Mohawk had already done has meant a savings of two years in total project time and that will mean an ultimate construction cost savings of about $15,000,000.

But the relationship to Niagara Mohawk is significantly closer than use of equipment they could not use profitably, Mr. FitzPatrick explained.

The authority has agreed to hire Niagara Mohawk engineers and maintenance men to run the state plant, Mr. FitzPatrick cited as reason a distinct shortage of trained men who have the necessary knowledge to undertake operation of nuclear power generating facilities.

Furthermore, he said, the authority itself has never generated electricity with steam turbines, only with water-propelled turbines. The authority lacks the experience to operate this type of plant, he added.

Mr. FitzPatrick declared that with the plants on the same site the use of Niagara Mohawk personnel would mean extensive cost savings to both the authority and Niagara Mohawk. The nuclear plants run almost untended except during refueling time, he said. It is in this six-week period that maintenance is done, Mr. FitzPatrick continued. With the plants being refueled at different times in the year, one staff can handle both, he contended.

Asked if the contract had to be put out for bid, the chairman said "no," that the authority had the "responsibility" to "minimize" costs in any way it could, and that there was no other company that "could possibly meet" the price that Niagara Mohawk would be able to submit.

The power that the plant will generate will be owned by the people of state of New York, for use in firming the hydro-electric power from Massena and Niagara Falls, for industry that demands a great deal of electrical power such as aluminum, to supply needs of the municipal and rural cooperatives now buying power, and to assist in maintaining an adequate dependable power supply for the state the chairman said.

COST FACTOR

While Mr. FitzPatrick stressed that minimization of cost was the critical factor in the close alliance between the public and the private utility, he emphasized that elsewhere in the country public and private power generating utilities are building joint facilities.

"No longer is it feasible," Mr. FitzPatrick said, "for each utility to stand alone or for public agencies to remain aloof from the integrated transmission network which now connects the various regions in the United States with each other and with Canada.

"Throughout the country," he declared, "public agencies are attempting to either build large units and sell excess power to private utilities or obtain an interest in large units built and operated by private companies."

Mr. FitzPatrick cited projects in Four Corners, N.M., and Mohave, Nev., as examples of the joint operation of power stations. In these cases the plants are fossil fuel rather than nuclear power plants.

Mr. FitzPatrick was introduced by Rep. Robert C. McEwen, R., Ogdensburg.

STATE POWER AUTHORITY ACCUSED OF FUND USE TO AID MONOPOLY

(By Alan Emory)

WASHINGTON.—Rep. Richard L. Ottinger today accused the New York State Power authority of using public funds "to subsidize the private utility monopoly over nuclear power in New York."

The Westchester County Democrat charged that the authority plan to build a $222,000,000 atomic facility on Lake Ontario—with the Niagara Mohawk Power Corporation operating the plant with its own personnel, under contract to the state—represented "a wholly unwarranted subsidy of a private utility by a public agency of the state."

Ottinger told newsmen at a press conference in New York City the plan was "nothing more than a scheme to prevent the development of a low-cost power source to fight rising electric rates in the state."

The congressman, a member of the house communications and power sub-committee, said he had asked the atomic energy commission to reject the joint state-Niagara Mohawk application for the plant.

TAXPAYERS EXPENSE

Power authority sale of revenue bonds to finance the plant, transmission lines and nuclear core, Ottinger charged, would give the utility a "windfall" at taxpayers expense.

The state proposes to build the 838-megawatt plant on 702 acres of land bought from Niagara Mohawk and located 3,200 feet from the company's 750-megawatt Nine Mile Point plant.

Ottinger said the A.E.C. should reject the application because the project was designed to strengthen the existing private utility monopoly over the rapidly-growing nuclear power market, "it could well strike a death blow at efforts to hold down rising electric power costs by developing a low-cost public power yardstick in the nuclear field" and would do all this at the expense of the New York taxpayer.

"Niagara Mohawk's only investment in this windfall is to supply personnel and to operate the facility," Ottinger said.

The New Yorker called the plan a "partial repetition" of the Rockefeller administration's 1967 effort to shut the Power authority out of the nuclear field. When that failed a special Commission named by Governor Rockefeller recommended Dec. 20, 1967, that a significant role be given to the Power authority in developing atomic power resources.

"FUNNY POWER"

"The only significance in the role of the Power authority in this new plan is that it will put up all the money," said Ottinger. "As Sen. George Aiken of Vermont said, " 'That's a funny kind of public power.' "

Ottinger said the state law placing the Power authority in the nuclear field aimed at selling power "for the benefit of the people," while building a plant for the state's second largest private utility to operate was "nothing more than a traversity of the authority's legislative mandate."

Ottinger said "serious questions" had been raised by the way the Power authority entered into the arrangement with Niagara Mohawk, without any competitive bidding.

He cited Power authority Chairman James A. FitzPatrick's statement the authority obtained contract commitments Niagara Mohawk had already made with the General Electric company two years before because Niagara Mohawk dropped plans to build a plant on the Hudson river near Easton.

The arrangements were made three months after the legislature authorized the authority to get into the nuclear field.

TRAINED PERSONNEL

However, the congressman noted, FitzPatrick had claimed the state lacked trained personnel to plan and operate a nuclear facility.

In that case, he asked, "where did they get the trained personnel to evaluate the acquire Niagara Mohawk's extensive commitments in scarcely three months? This strains credibility beyond reason. Perhaps they got this expertise from the same place they plan to get their operating expertise."

Ottinger said the proposal benefited Niagara Mohawk by allowing it, "at no risk whatsoever and with no capital investment," to boost the capacity of its present Nine Mile Point plant, with excess power from the new plant becoming available for Niagara Mohawk customers.

If, as FitzPatrick claimed, the authority did not have trained men to operate an atomic power facility, Ottinger observed, the power authority should start now to develop the expertise and staffing needed to carry forward aggressively the legislative mandate to develop nuclear power for the people.

He criticized the lack of effective coordinated management that would "never be corrected by the use of personnel from the existing systems" in New York, noting that Niagara Mohawk, while second in plant, generation, sales and revenue in the state, was third from the bottom in profits.

"This is the expertise the power authority wants," he commented sarcastically.

LITTLE INFORMATION

According to Ottinger, the state application is "singularly barren of financial or operating information." He posed these questions today:

What is the extent of Niagara Mohawk's financial benefit from the project, or was it propsing to provide operating personnel and staff on a non-profit basis?

Why didn't the power authority let bids instead of buying land from Niagara Mohawk, taking over existing Niagara Mohawk contracts with General Electric and adopting all the pre-planning Niagara Mohawk had done on the project?

FitzPatrick said in Oswego Wednesday night this saved the state $15,000,000, but Ottinger asked today what evidence the chairman had for his estimate.

Ottinger also wondered aloud who would buy the tax-exempt bonds the power authority would issue to finance the plant, what commercial customers would benefit from the preferential rates authorized for the power authority and what benefits, if any, would get to the average New York citizen.

"It is vital that we dig" to get the answers, he declared.

HIGH RATES

Ottinger pointed out that New York state's electrical rates were second only to Alaska's in some residential categories and were the highest in the nation in one commercial category according to federal power commission figures.

The F.P.C. says that while New York's average monthly bill in one commercial category rose $6.54, the national increase was 44 cents; in neighboring Pennsylvania it dropped three cents.

In a consumer category New York's bill went up 60 cents, compared with three cents nationally, and Pennsylvania's dropped two cents. New York's average residential power bill has jumped from fourth to second highest in the country.

Ottinger said the state's unfavorable position was influenced by "the lack of a strong backbone of public power which can provide both a low-cost source of power and a yardstick to control power costs." He added, "A public power yardstick is the most effective tool for holding down electric costs. In the Tennessee Valley authority and Bonneville service areas, electric costs are one-half to one-third the cost in New York."

[From the New York (N.Y.) Post, Feb. 3, 1969]

OTTINGER LAMBASTES UTILITY'S NUCLEAR PLUM

Rep. Ottinger (D-N.Y.), today accused the State Power Authority of "using public funds to subsidize the private utility monopoly over nuclear power in New York."

In remarks prepared for delivery at a news conference at the New York Hilton Hotel, Ottinger said he has called on the Atomic Energy Commission to reject the Power Authority's application to build a $222 million nuclear power plant for the Niagara-Mohawk Power Corp. on Lake Ontario.

"This is nothing more than a scheme to prevent the development of a low-cost public power source to fight rising electric rates in the state," Ottinger said.

The cost of the proposed plant, Ottinger said, would be funded by the sale of state revenue bonds, with Niagara-Mohawk supplying only the personnel to operate the 800-Megawatt facility. The plant would be built on a 702-acre site which the Power Authority has purchased from Niagara-Mohawk, he said.

A BOON TO THE COMPANY

Ottinger noted that Niagara-Mohawk "will, at no risk whatsoever, and with no capital investment, more than double the nuclear capacity of its 750-megawatt Nine Mile Point facility near Oswego, which is nearing completion barely 300 feet from the proposed plant.

"Excess power from the 'joint' venture will be able to serve Niagara-Mohawk's customers," he pointed out.

Ottinger warned of even higher rates for electric power in New York, "outdistanced only by Alaska" in its high cost to the consumer.

He denied that the proposed plant was anything like the "public power yardstick" envisioned by the nuclear generating stations to sell power for the benefit of the people.

"To propose such a facility staffed and operated by the state's second largest private utility is nothing more than a travesty of the Authority's legislative mandate," Ottinger said.

"BACKBONE" NEEDED

He added that both "the lack of a public power backbone" and the lack of effective utility management were responsible for high electric rates in the state. Only the development of better management skills by the Power Authority can correct this situation, he said.

"At the very best," Ottinger said, "Niagara-Mohawk people would be running the plant and serving two masters—public and private power. We cannot permit this conflict to arise."

[From the Albany (N.Y.) Times-Union, Feb. 4, 1969]

OTTINGER RAPS POWER DEAL

NEW YORK.—Rep. Richard L. Ottinger said Monday he has requested the Atomic Energy Commission to reject a State Power Authority application to build a nuclear power plant because of "suspicious" financial arrangements.

The Westchester Democrat charged at a news conference there has been no public revelation of the financial details of an agreement between the authority and the Niagara-Mohawk Power Corp.

(In Albany, a Niagara-Mohawk spokesman said the utility would not comment because it had not seen a text of Ottinger's statement.)

Ottinger, a member of a House communications and power subcommittee, said the authority purchased 702 acres of land on the shores of Lake Ontario from Niagara-Mohawk and plans to finance a $222-million nuclear power plant, which the private firm will operate.

"The project represents a wholly unwarranted subsidy of a private utility by a public agency of the state," Ottinger said. "Niagara-Mohawk's only investment in this 800 megawatt 'windfall' is to supply personnel and to operate the facility."

The authority submitted its application for AEC approval of the project on Dec. 31. If approved, the plant would be in operation sometime in 1972.

Ottinger called the contract arrangement "unusual and disturbing." He charged the Power Authority has not yet revealed the price of the 702 acres of land it purchased from Niagara-Mohawk and that the amount of land "seems a bit excessive."

[From the Watertown (N.Y.) Daily Times, Feb. 4, 1969]

OTTINGER BLASTS NUCLEAR PLAN—LAND AND REACTOR DEALS ARE HIT

(By John Gilmore)

The tale of two nuclear power plants had Oswego in a crossfire between a Westchester congressman and the New York Power Authority chairman today.

However, neither Rep. Richard Ottinger, D-N.Y., nor James A. FitzPatrick of Plattsburgh, authority chairman, managed to touch upon the central feature of their dispute—and the reasons plans for similar nuclear plants have been cancelled on Cayuga Lake near Ithaca and the Hudson River at Easton, across from the Saratoga battlefield.

Those plants were cancelled because of "thermal pollution."

The spat began when Ottinger charged at a New York news conference Monday that "suspicious" financial arrangements had been made between the authority and Niagara Mohawk Power Corp.

Ottinger said he would recommend that the Atomic Energy Commission reject the state permit to build the plant.

FitzPatrick replied that perhaps Ottinger was confused, because there are actually two nuclear power plants at Nine Mile point near Oswego and Lake Ontario.

One is a 750-megawatt plant costing approximately $160 million being built by Niagara Mohawk and scheduled for completion late this year.

The second, announced Aug. 8, 1968, is the James A. FitzPatrick nuclear power plant, named after the chairman. It will be a 880-megawatt affair, costing about $220 million.

The FitzPatrick plant, located about 3,000 feet from the Niagara Mohawk plant in Oswego, is an outgrowth of the now-defunct Easton project.

Niagara Mohawk had proposed the Easton project, but decided against it when the Hudson River Valley Commission recommended last March 22 disapproval of the plant. The commission said heated water—or "thermal pollution"—discharged from the plant would destroy wildlife in the river, with "no legal or administrative safeguard" to prevent it. Thermal pollution of Cayuga Lake, reported by conservation groups, resulted in a Dec. 2 cancellation of New York State Electric & Gas Corp. plans to build a similar nuclear plant on Cayuga.

Although Niagara Mohawk decided not to build at Easton, it had still contracted with General Electric Co. to buy a reactor. On Aug. 7, FitzPatrick solved that problem by announcing the state authority would assume Niagara Mohawk's GE contract, buy Niagara Mohawk land at Nine Mile Point, and build a plant that would "supplement power produced by the Niagara and St. Lawrence hydroelectric facilities" and provide power to high-load factor industries and rural utilities.

This arrangement was characterized by Ottinger as representing "a wholly unwarranted subsidy of a private utility by a public agency of the state." Ottinger charged there had been no financial disclosure of the land and reactor deals, and "Niagara Mohawk's only investment in this 800 megawatt 'windfal' is to supply personnel and to operate the facility."

FitzPatrick, replying in Plattsburgh, said it was possible Ottinger was confusing the two plants.

"We purchased the land from Niagara Mohawk for two reasons: the site has already been studied by the AEC, and, since Nine Mile Point will have been in operation several years (by the time the new plant is completed in 1973), we can utilize Niagara Mohawk's experience for routine plant work," FitzPatrick said.

"The reactor was ordered by Niagara Mohawk when it failed to get approval for a nuclear plant at Easton. Instead, we took over the contract, getting a reactor for prices prevalent in 1966, when Niagara placed the order. This amounts to a savings of $15 million in construction costs alone, and permits us to advance the completion date by two full years."

FitzPatrick also said the authority had bought the 702 acres "at cost from Niagara Mohawk," and denied Ottinger's charge that both plants had been evaluated by the same consulting firm.

Ottinger charged the contract with GE had been taken over without bidding or public hearings. "I think the public deserves to know the details of the arrangement and what Niagara Mohawk's benefits will be," Ottinger told newsmen.

He accused the authority with not making it clear to the public just how electricity would be sold, and called the arrangement "a subterfuge of the intent" of state legislation approved last March giving the authority power to operate nuclear plants.

LEGISLATORS TAKING HARD LOOK AT STATE'S NUCLEAR PLANT PLANS

WASHINGTON.—New Yorkers in congress are taking a hard look at the controversial proposal to the Atomic Energy Commission for a $222,000,000 atomic power facility at Nine Mile Point on Lake Ontario.

Other Democrats may follow the lead of Rep. Richard L. Ottinger, D., Westchester, who has charged the New York State Power authority with trying to subsidize a plant for the Niagara Mohawk Power corporation.

Some Republicans, feeling caught in the middle, are trying to come up with a comment that will indicate their concern without seeming to rebuke the Power authority for its close ties with Niagara Mohawk in the new venture.

The Power authority says it will contract with Niagara Mohawk to have utility company personnel operate the plant and be responsible for its safety. This, plus the purchase of equipment Niagara Mohawk had ordered for its planned, but abandoned, facility at Easton, on the Hudson river, would save at least $15,000,000, plus valuable time, according to Authority Chairman James A. FitzPatrick, after whom the atomic plant will be named.

Sen. Jacob K. Javits, R., N.Y., who was critical of Gov. Nelson A. Rockefeller's abortive plan to shut the Power authority out of the nuclear field two years ago, has expressed private concern over the new controversy.

Javits has not yet made a public comment on the issue, but one is expected following the congressional Lincoln Day recess. The senator favors a significant mix of public and private power.

Aides of Sen. Charles E. Goodell, R., N.Y., are ready to brief the senator on the power situation, and two of Goodell's top staffers have worked in Washington state, where public power has strong bi-partisan support.

Goodell has made it clear he is not afraid of bucking state administration policy if he feels it is wrong.

In the house Rep. Daniel E. Button of Albany has aides looking at the power issue.

Among the questions still unresolved are:

The details of the operating contract between the Power authority and Niagara Mohawk.

The procedure under which Niagara Mohawk abandoned its Easton plant project and agreed to sell the equipment to the Power authority for use on Lake Ontario.

Failure to give the public all the pertinent non-technical details at the outset.

A.E.C. officials say they had been alerted last year to the filing of a State Power authority application and were surprised when it came in signed by the authority and Niagara Mohawk.

[From the Oswego (N.Y.) Palladium-Times, Feb. 15, 1969]

OTTINGER CURIOUS—STATE POWER AUTHORITY QUERIED ON PROPOSED ATOMIC PLANT HERE

(By Alan Emory)

WASHINGTON.—The New York State Power Authority was asked today how Niagara Mohawk Power Corp. employe's would be needed for the new Atomic Power Plant at Nine Mile Point and how much the state agency would have to pay for them.

Rep. Richard L. Ottinger raised the question of whether Niagara Mohawk would reap any profit by providing its employes and whether the operating personnel would be full-time or part-time company men.

The Westchester County Democrat seemed to be asking how Niagara Mohawk could permit workers needed at the company's existing Atomic Plant at Nine Mile Point to leave their posts to work at the new facility or whether the company was going to hire new staff just to rent them out to the Power Authority.

Ottinger has sent Authority chairman James A. FitzPatrick a letter with a dozen questions about the proposed 848-megawatt Atomic Plant that the power authority proposes to build 3,200 feet from the existing Niagara Mohawk facility, using Niagara Mohawk personnel to operate the new one.

The questions covered electricity sales and rates, eventual buyers, whether savings would be passed on to consumers, plant location and staff experts, as well as the employee arrangement with Niagara Mohawk.

FitzPatrick said his agency needed Niagara Mohawk operators because it lacked the staff expertise to operate its own Atomic Plant now.

Ottinger pointed out that the Tennessee Valley Authority entered the nuclear field three years ago with no previous plant experience, but developed its own staff expertise and planned to have its first nuclear facility operating next year.

In that light, the congressman asked FitzPatrick, "What special factors exist that make it impossible for pasny to develop in-house staff expertise to operate its own nuclear facility?"

Ottinger said the questions he raised were of vital concern to all who are interested in assuring New York State of an abundant reliable supply of low-cost power to meet the needs of our growing population. "So far," he added, "the record does not provide Adequate Information."

Ottinger asked FitzPatrick how many employes would be needed to operate the new plant, how many would be provided by Niagara Mohawk and of that number which would also work full or part-time at the nearby company plant or many other Niagara Mohawk facilities.

He wanted to know what power Authority control would be exercised over the pay for Niagara Mohawk employes, how Niagara Mohawk would be reimbursed for the workers' pay and whether the company would receive more than the simple cost of compensation.

These were other questions raised by the congressman in his letter to FitzPatrick:

Would Power sold to private utilities from the Power Authority-Niagara Mohawk plant be cheaper than Power from Niagara Mohawk's own Nine Mile Point operation and, if so, would the ultimate consumer get the saving?

Does the State Public Service Commission have authority to require the utility companies using Power from the new plant to pass on the savings to the consumer?

Will there be any geographical limitations on the sale of the power and, if so, what are they?

Why the Power Authority did not propose building its first Atomic Power Plant "in the generation—short, high-power-cost downstate metropolitan area" and whether it had any plans to build low-cost public power nuclear facilities to meet that area's needs.

Are their any escalator clauses in the General Electric Co. contracts for equipment and, if so, what the increase in cost would be to the Power Authority compared with the original Niagara Mohawk cost?

The average monthly plant capacity available over a year's time.

The annual output of the plant in kilowatt-hours. What part of the energy would be used to firm up Power Authority existing Hydro-Electric capacity, sold to municipalities and rural cooperatives, sold directly to high-load-factor industries already Power Authority customers and to new industries of this type and sold to private power companies for re-sale as dump, firm or peaking power.

Ottinger asked FitzPatrick to specify the potential public system buyers, the potential purchasers of power for re-sale, the potential new industrial buyers and the rates to be charged each category of customer.

He also requested copies of all contracts and memoranda on G.E.-Niagara Mohawk agreements covering the new plant, cost and feasibility studies and contracts or memos covering the provision of Niagara Mohawk employes to run the new plant and how they would be paid.

The congressman said the public interest required "prompt and detailed answers" to the questions.

[From the Schenectady (N.Y.) Gazette, Feb. 17, 1969]

POWER CORP. TIMING ON A-PLANT DISPUTED

(By Alan Emory)

WASHINGTON—Questions about how much conservationist opposition contributed to the Niagara Mohawk Power Corp.'s decision not to build a planned atomic power plant at Easton on the Hudson River have been raised by the disclosure that some time before the firm announced it was dropping the Easton plan it had agreed to sell its equipment to the New York State Power Authority.

The disclosure came in a consultant report for the power authority prepared by the firm of S. M. Stoller Associates of New York City.

The report, dated July 25, said Niagara Mohawk had offered the Easton plant equipment to the authority "months before." A power authority official said later the quotation appeared in a "preliminary" Soller report and that the "final" report said "weeks before."

The official said the offer had been made about June 1, just after the State Legislature had passed and Gov. Rockefeller had signed, a bill authorizing the state power agency to build its own nuclear plant.

Early in August—about seven weeks after the Power Authority said it received the Niagara Mohawk offer—the utility company said it was quitting the Easton proposal and the state said it would construct its own plant near Oswego, taking over the General Electric Co. equipment for the Easton plant and constructing the facility on Niagara Mohawk land next to the private company plant.

The Power Authority's application to the Atomic Energy Commission for a plant license was co-signed by Niagara Mohawk. It said the plant would be operated by Niagara Mohawk personnel, that Niagara Mohawk would be responsible for plant safety and the Power authority would act as Niagara Mohawk's "agent" in all dealings with the A.E.C.

Niagara Mohawk placed the blame for the Easton abandonment on license delays it said were caused by conservationist opposition, but private industry sources circulated the report that rising construction costs might have had more to do with the change of plans.

Other industry sources revealed that when Niagara Mohawk started work on its Nine Mile Point plant it had thoughts about constructing a second facility on the same stretch of land later on.

The Stoller report refers to the existing Niagara Mohawk plant as Nine Mile Point 1 and the new facility as Nine Mile Point 3. It makes no reference to Nine Mile Point 2.

Rep. Richard L. Ottinger, D-Westchester, who has called the plans for the new facility a state subsidy for Niagara Mohawk, has written Power Authority Chairman James A. FitzPatrick asking for detailed information on what Niagara Mohawk employes will run the new plant, how much they will get paid, whether Niagara Mohawk will make a profit on the employe compensation, what arrangements are being made for the sale of power, to whom and at what rates, and whether any savings will be passed on to consumers.

FitzPatrick said the Power Authority needed Niagara Mohawk personnel because it had no experts of its own. Ottinger noted that the Tennessee Valley Authority had no experts when it entered the nuclear field three years ago, but got its own and will have a plant operating next year. He asked FitzPatrick what made the New York situation different from T.V.A.'s.

[From the Watertown (N.Y.) Daily Times, Feb. 27, 1969]

NO PROFIT FOR UTILITY IN PACT OVER PERSONNEL AT STATE PLANT

WASHINGTON.—The New York State Power authority contract with the Niagara Mohawk Power Corporation is expected to show no profit to the utility company for providing personnel to operate the Power authority atomic power plant at Nine Mile Point.

Informed sources told The Times today that the Power authority would hire some of its own personnel to work at the plant along with the Niagara Mohawk employes.

Not all of the Niagara Mohawk workers are expected to come from the company's existing Nine Mile Point facility. Some will be shifted from company steam plants.

In any event, the sources emphasized, the arrangement would limit payments to Niagara Mohawk's personnel costs and would provide no profit.

The sources also expressed some concern that questions raised about the Power authority-Niagara Mohawk tieup might delay approval of a license from the Atomic Energy Commission and imperil the saving on the authority by placing the new plant in operation by mid-1973, instead of 1975.

They said the promise of Niagara Mohawk personnel to run the state-owned and financed plant was essential to obtain an A.E.C. license. The sources said the Tennessee Valley Authority had been able to staff its atomic plant within three years because of its vast "empire," and the Power authority had no similar reservoir of skilled personnel.

Although the state-Niagara Mohawk contract is not final, several key sections have been agreed on, including the cost-of-personnel feature.

Power authority experts have also stressed that some features of the original agreement

between Niagara Mohawk and the General Electric Company, which is supplying the basic equipment, might have been satisfactory for the utility firm, but do not meet the state's requirements and will have to be modified.

According to one report, Niagara Mohawk was supporting the Power authority construction of the Nine Mile Point plant because it felt power would be available faster and cheaper—and with Niagara Mohawk a potential customer—than if the utility company built the facility on Lake Ontario itself.

The report supported the argument that Niagara Mohawk dropped plans for its atomic plant at Easton, on the Hudson river, because delays prompted by opposition by conservationists had boosted estimated costs.

Power authority experts are also confident that their output can be sold anywhere in New York state and still fall within the legal guideline of its "service area." Modern technology, they agree, make the old ideas of restricting the service area to the Niagara-St. Lawrence region obsolete.

The Power authority is worried that extensive delays on the state atomic plant could jump eventual power prices so high that industry would be more interested in the electricity in some other part of the country.

The argument holds that there are not enough public electric systems to consume the plant's output, so industry must fill the gap, and to make the power attractive to industrial customers the rates must be low enough to compete with rates in other parts of the nation so businesses will remain in New York.

Rep. Richard L. Ottinger, D., Westchester, has asked Power authority Chairman James A. FitzPatrick for a rundown on the agency's personnel arrangement with Niagara Mohawk and the rates it plans to charge for its Nine Mile Point power.

FITZPATRICK SAYS POWER PLAN ATTACKS "HASTY, ILL-CONCEIVED"

(By Alan Emory)

WASHINGTON.—New York State Power Authority Chairman James A. FitzPatrick has criticized Rep. Richard L. Ottinger for "hasty and ill-conceived attacks" on the proposed state-Niagara Mohawk Power corporation atomic plant on Lake Ontario.

The angry 1,200-word FitzPatrick letter, however, failed to answer any of the questions the congressman posed about power authority payment to Niagara Mohawk for loan of its operating personnel, plans for sale of the power and the monthly and annual generating capacity of the Nine Mile Point facility.

FitzPatrick accused the Westchester Democrat of "deluging the authority with questions" and then "going to the press without waiting for answers."

"This is obviously not conducive to an intelligent exchange of information," he added.

Ottinger's first request for specific information about the Power Authority-Niagara Mohawk contract to run the new atomic plant—to be located 3,200 feet from Niagara Mohawk's present Nine Mile Point operation—was sent to FitzPatrick Feb. 12. A more detailed series of inquiries followed a week later.

The bristling FitzPatrick reply dated Feb. 27, did not answer any of the questions put by Ottinger nearly two weeks before.

The power authority chairman said the volume of the press clips on Ottinger's correspondence to the state agency indicated "more interest in creating issue than concern for the facts."

NO REFERENCE

FitzPatrick made no reference at all to Ottinger's requests about power to firm up the state unit's hydroelectric capacity, sales to public systems and to industry, geographical limits on the power sales, why the Power authority could not create its own nuclear power staff, how many Niagara Mohawk people would run the state-owned plant and what they would be paid.

Instead, he said many of Ottinger's questions could be answered by reading the authority's annual reports, while others "involve policy and determinations not yet made by the authority."

FitzPatrick cited agreements between the Tennessee Valley Authority and the Bonneville Power Administration with private utilities in separate sections of the country, calling them "in no way novel."

Neither agreement cited by the chairman, however, paralleled the Power Authority-Niagara Mohawk situation.

T.V.A. signed a ten-year "coordination agreement" with Middle South Utilities System, mainly providing for an exchange of information and system data, as well as regional studies, according to last month's issue of Republican Power Engineering.

The same publication, cited by FitzPatrick, said Boneville had signed to buy a year's output of a plant clearly owned by Pacific Power and Light Company.

Neither situation cited by FitzPatrick involved a public power plant operated, under contract, by private company personnel with the public unit putting up all the money.

OTTINGER ACCUSED

FitzPatrick accused Ottinger of "completely disregarding information" the Power Authority had furnished him. He charged the congressman with using Plattsburgh as an example of low-cost power and at the same time "berating" the Power Authority, which furnishes Plattsburgh with low-cost power.

Ottinger had pointed out that Plattsburgh bought St. Lawrence power from the Power Authority.

FitzPatrick appeared unhappy about Power Authority sales to public power customers.

He told Ottinger, "We have always provided for all the needs of our municipal and R.E.A. customers even though, by doing so, we have had to curtail deliveries to the private utilities."

The Power Authority chairman declared that a separate transmission system designed only for authority power would be "wasteful" and added that the cost of a high-voltage underground transmission was prohibitive.

The public, he said, had a right to expect "cooperation" between power agencies and the efficient use of rights-of-way without "undue uneconomical paralleling of lines."

FitzPatrick distinguished between the Power Authority role as a "power wholesaler" and that of a public power system or private company as a "retailer."

FitzPatrick said Ottinger's questions "implied" that coordination with private companies in use of generating and transmission facilities "represents an improper activity on the part of the authority" and he "rejected" such implications.

He said the 1965 northeast blackout proved the need to strengthen interconnected power systems, and that the 1968 law authorizing the state agency to build a nuclear plant would require "cooperation and coordination."

FitzPatrick said the Power Authority shared Ottinger's interest in inter-system stability and adequate power supply and felt confident its projects and arrangements would greatly enhance such objectives.

He added it would be "ironic" if Ottinger backed attacks that might "in any way delay or impede provision of large segments of the power which you undoubtedly understand is so badly needed."

PRICES COULD BE HIKED ON GEAR FOR NUCLEAR POWER FACILITY

(By Alan Emory)

WASHINGTON.—The chairman of the New York State Power Authority says there will be no price increase in the nuclear steam supply system ordered for the state's Nine Mile Point atomic power plant, but that other items ordered from The General Electric Co., are still under negotiation and may be subject to price escalation.

James A. FitzPatrick also says it would be "premature" to detail how many employes the authority will hire from the Niagara Mohawk Power Corp., to run the state-financed plant or what their duties will be.

"The authority has not yet finalized its agreement with Niagara Mohawk for use of Niagara Mohawk personnel," FitzPatrick said in a letter to Rep. Richard L. Ottinger, D., Westchester.

"Niagara Mohawk will be paid for the use of its personnel on a reimbursement-of-cost basis."

FitzPatrick told Ottinger it was "not impossible" for the Power Authority to develop its own staff of experts to operate the plant 3,200 feet from Niagara Mohawk's private company plant at Nine Mile Point, but it could not do it now to provide the economy and safety afforded by Niagara Mohawk's staffing it initially.

He cited Niagara Mohawk's experience with steam power and for four years "with a similar nuclear plant," giving assurances the authority "could not have otherwise offered."

FitzPatrick said that, although a public agency, the Power Authority was "not foreclosed . . . from carrying out reasonable dealings with private utility companies."

Ottinger has raised questions about power output and sales provisions in the State-Niagara Mohawk Plan, along with details of payments to the company for use of its personnel. FitzPatrick said in a Feb. 21 letter, a copy of which has just been obtained, that Ottinger was seeking a "great quantity of technical data" and, while it would take a lot of "time and expense" to analyze the requests, the authority would try.

FitzPatrick cited the need to firm up the capacity of the St. Lawrence and Niagara Hydro-Electric Power plants as a major reason for locating the atomic plant upstate. He noted that a chance for "early construction" was provided at Nine Mile Point and the authority "took advantage of the opportunity."

He added that present authority customers were upstate and "in general," "industry using large quantities of electric power does not locate in a metropolitan area."

The chairman conceded that there were no geographical limits for marketing state-produced power in the state law—just the "consideration of economics," but that the law did restrict the authorty to building plants in its "area of service."

As for new Power Authority atomic plants, FitzPatrick said the agency needed an assured market for and revenue from power from present facilities before trying to sell bonds for new projects.

FitzPatrick said he did not yet know what industrial customers would buy authority nuclear power, but added the agency had always maintained "one rate for all customers obtaining hydro power and does not anticipate making any change."

Sale of power will be subject to a public hearing and approval by the governor, he told Ottinger and the authortiy would be "solely responsible for dispatching the power."

The chairman said "that unquestionably" authority power would be cheaper than power from Niagara Mohawk's private Nine Mile Point facility. He said that power sold to Niagara Mohawk and other private utilities from the state-financed plant would be

sold "as prescribed in the Authority Act." Information on power sold to utilities would be available to the Public Service Commission, he observed.

Output from the Power Authority-Niagara Mohawk plant will run about 6,000,000,000 kilowatt-hours of energy a year, according to FitzPatrick. Energy needed to firm up the St. Lawrence and Niagara plants will depend on the flow from the Great Lakes watershed he told Ottinger.

According to FitzPatrick, Niagara Mohawk had to sign the liecnse application to the Atomic Energy Commission as a "technical requirement." He insisted however, that to call the plant a "PASNY-Niagara Mohawk" facility was a "distortion of fact," since the authority owned the land and would own the plant "exclusively."

FitzPatrick called the congressman's request for contract memoranda and other details "not . . . reasonable." He defended the "businesslike" operation of his agency by noting it was subject to audit by the state comptroller and had to furnish financial and other data to the Federal Power and Atomic Energy Commission.

Filling detailed requests for information like Ottinger's, he claimed, would drastically impair the authority's "ability to operate effectively and efficiently."

SAVINGS CLAIMED BY POWER UNIT CHIEF SERIOUSLY QUESTIONED

(By Alan Emory)

WASHINGTON.—Federal power experts investigating the proposed New York State-financed atomic plant on Lake Ontario have raised serious questions about claims by Power Authority Chairman James A. FitzPatrick that he can save $15,000,000 by taking over commitments made by the Niagara Mohawk Power Corp.

The probers are zeroing in on major expense items the Power Authority may not require for the proposed $222,000,000 nuclear plant at Nine Mile Point.

One possibility receiving special attention is that the Power Authority might have saved considerable money by soliciting competitive bids for equipment. The authority has argued that assuming Niagara Mohawk's commitments to the General Electric Co. saved both time and money.

At the urging of Rep. Richard L. Ottinger, D., Westchester, the probers are looking into equipment ordered for Niagara Mohawk's now-abandoned atomic plant at Easton, on the Hudson River, and the amount of land the Power Authority is purchasing from Niagara Mohawk on Lake Ontario 3,200 feet from Niagara Mohawk's own private-company plant.

MAJOR ITEM

A major controversial item has been the Power Authority agreement to have Niagara Mohawk personnel run the state-financed atomic plant. Gov. Nelson A. Rockefeller's special committee on power recommended, at the end of 1967, that the Power Authority be authorized to "construct and operate" necessary facilities, including nuclear facilities.

In an interview today, Ottinger said it was "imperative" that the Power Authority launch "an aggressive program to make the benefits of low-cost power available to consumers throughout the state."

The Power Authority-Niagara Mohawk plant near Oswego "will not accomplish this goal," he declared.

Ottinger, replying to criticisms by FitzPatrick, agreed that a separate transmission system to serve the new plant would be wasteful and pointed out he had "never suggested otherwise."

In fact, he noted, he urged the state legislature to give the Power Authority the right to require other utilities to make excess transmission capacity available as needed to make "optimum use" of state produced power.

"I am a strong advocate of coordination and strengthened interconnection of power system," he observed. Ottinger, has sponsored a bill to give the Federal Power Commission authority to assure maximum coordination and interconnection of those systems.

PLATTSBURGH

He cited the low-cost power for the city of Plattsburgh, which buys energy from the state-owned St. Lawrence hydro-electric plant, and said if the Power Authority were to "exercise its legislative mandate to make a strong backbone of public power available throughout all of New York, other consumers could benefit as the residents of Plattsburgh have."

Ottinger said he and FitzPatrick should have equal concern for "halting the outrageous increase in power costs that burden New York consumers." He cited the latest F.P.C. power bill report showing increases in the state as being largely responsible for a rise in the national average.

The congressman took a dig at FitzPatrick's unhappiness over references to the new Nine Mile Point facility as a Power Authority-Niagara Mohawk plant.

Both applied for licenses to the A.E.C., he noted, and the application "repeatedly" described the plant as a joint venture. It was also signed by both.

"If I were FitzPatrick," Ottinger declared, "I should be much more sensitive about having this referred to as the James A. FitzPatrick plant, but I will be glad to do so in the future if he feels so strongly about it."

[From the Oswego (N.Y.) Palladium Times, Mar. 10, 1969]

PROPOSED LAKE ONTARIO PLANT—OTTINGER DEMANDS STATE LEGISLATURE INVESTIGATE NUCLEAR POWER PROJECT

(By Alan Emory)

WASHINGTON.—The New York State Legislature was asked today to conduct "an immediate investigation of the proposed James A. FitzPatrick nuclear power plant on Lake Ontario."

Rep. Richard L. Ottinger charged that New York State Power Authority Chairman FitzPatrick, after whom the proposed plant was named, had greatly inflated claimed savings of $15 million by taking over obligations of the Niagara Mohawk Power Corp.

The Westchester Democrat said the figure was refused by S. M. Stoller, Inc., a New York City consulting firm that prepared a report backing the Power Authority plans.

According to Ottinger, the report showed the Power Authority was assuming more than $4½ million in "built-in costs that could be eliminated by letting the project out for competitive bidding" and $6.3 million in "extras" and "additional components" Niagara Mohawk had specifically ordered for its now-abandoned nuclear plant at Easton on the Hudson River.

The Power Authority agreed to take over Niagara Mohawk's obligations to buy equipment from the General Electric Co., claiming this would save time and money. The $15 million saving figure was used by FitzPatrick at a speech to the Oswego Chamber of Commerce Jan. 28, and applied to "construction costs alone."

Ottinger quoted the Stoller report as saying there were potential savings on the nuclear steam supply system over a new bid of from $500,000 to $3 million.

The Congressman called the Stoller savings estimate "loaded," claiming it did not compare costs with those that might result from open competitive bidding, but "only with costs from 'a new bid from General Electric.'"

Arguing the present price includes "unnecessary and extra hidden costs," Ottinger listed these items in a letter to FitzPatrick:

$200,000 to store equipment made for the Easton plant and not now usable at Nine Mile Point.

Between $664,000 and $918,000 in "extra and unnecessary interest charges."

$3.9 million to "change the firm price to a commercial operation date of October, 1973, and to change the location of the plant from Easton to Nine Mile Point."

$3.5 million in "extras ordered by Niagara Mohawk" for the Easton plant.

$2.8 million for "additional components of the Niagara Mohawk contract for the Easton plant."

$500,000 for "environmental studies."

Ottinger pointed out that the studies had already been conducted by Niagara Mohawk for its own Nine Mile Point plant, 3,200 feet from the proposed FitzPatrick facility, and are part of the public record in Atomic Energy Commission files. He said the Power Authority had "free access to them at no cost whatsoever."

The Power Authority's own figures show that it would cost only $60,000 to train personnel to run the plant, and Ottinger said this proved the saving by using Niagara Mohawk-trained operators would be "negligible."

He said the figure was "less than three-tenths of one per cent of the total cost of the plant" and would represent "a worthwhile permanent investment for PASNY if the Authority intended to carry forward an effective public power program in the nuclear field."

Ottinger also questioned the Authority purchase of 702 acres of land from Niagara Mohawk for $805,000 as the plant site. He said this might be "between seven and 10 times the investment actually needed."

Consolidated Edison needed only 235 acres for three atomic plants with a total capacity of 2,115 megawatts, he observed—about one-third the FitzPatrick plant land to produce two and a half times the capacity of the FitzPatrick plant.

Ottinger cited the Stoller report's references to "reservations" held by the A.E.C. about "plant design features, design methods and quality assurance" on the abandoned Easton facility that might well require "additional engineering evaluations and-or equipment capability or additional safeguards."

The Stoller report says the Power Authority would have to pay for any changes to correct engineering deficiencies in the two-year-old facility it is "taking off Niagara Mohawk's hands," Ottinger notes.

Ottinger said the Stoller report was "heavily biased" in favor of the Power Authority plan, but he said it still revealed FitzPatrick had "misrepresented the proposal's advantages in an apparent effort to win public approval."

He said FitzPatrick had inflated the report's potential savings figure by between 500 and 3,000 per cent.

The congressman is expected to carry his demand for a state legislative investigation to Albany Tuesday in a meeting with Democratic Minority leaders Stanley Steingut of the Assembly and Joseph Zaretzki of the Senate.

[From the New York Times, Mar. 10, 1969]

DISPUTE ON STATE ATOMIC PLANT THREATENS TO RENEW POWER FIGHT

(By Richard L. Madden)

WASHINGTON, March 9.—A dispute over the use of Niagara Mohawk Power Corporation personnel to operate a proposed nuclear power plant of the New York State Power Authority is threatening to reopen a two-year-old political battle over public versus private power in the state.

Up to now, the controversy has involved Representative Richard L. Ottinger, a Westchester Democrat, who charges that the proposed project is "a wholly unwarranted subsidy of a private utility" by a public agency, and James A. FitzPatrick, chairman of the power authority, who argues that the proposed arrangement will save the authority time and money.

In a letter to Mr. FitzPatrick made public today, Mr. Ottinger accused the authority chairman of "misrepresentations" and said he would ask leaders of the Legislature to begin "an immediate investigation." Mr. Ottinger plans to meet with Democratic legislative leaders in Albany on Tuesday to press his request.

Two years ago Democratic legislators, aided by the late Senator Robert F. Kennedy, quashed a proposal by Governor Rockefeller that would have limited the power authority to hydroelectric projects and reserved the nuclear power field for the private utilities.

After a special committee restudied the matter, the Governor modified his proposal and the Legislature last May enacted the revised measure giving the state a role in the development of nuclear power.

At issue now is a joint request to the Atomic Energy Commission from the power authority and Niagara Mohawk, under which the authority would build and own an 800-megawatt nuclear power plant on the shores of Lake Ontario near Oswego, 3,200 feet from a similar Niagara Mohawk nuclear plant being completed at Nine Mile Point.

According to the joint application, the power authority's facility will be operated by Niagara Mohawk with the private utility's personnel under the contract with the power authority.

According to Mr. Ottinger, the authority bought the 702-acre site from Niagara Mohawk for $805,000 and acquired previous commitments that Niagara Mohawk had made to buy nuclear equipment from the General Electric Company.

Mr. Ottinger has charged that Niagara Mohawk personnel would be "serving two masters" and that the proposed arrangement, circumvents the Legislature's efforts to develop low-cost public power as a "yardstick" against rising electric power costs to consumers.

[From the New York (N.Y.) Post, Mar 11, 1969]

STATE A-POWER SELLOUT CHARGED

(By Paul Hoffman)

ALBANY.—Rep. Ottinger charged today that the State Power Authority had "sold out" the nuclear power program pushed by the late Sen. Robert Kennedy.

The Westchester Democrat, appearing at a Capitol press conference with his party's legislative leaders, called for an investigation of the Power Authority's dealings with Niagara Mohawk, the giant upstate utility.

Ottinger said the Power Authority's contract with Niagara Mohawk involved the agency in a "conflict of interest" which made it incapable of providing a "yardstick" on nuclear power prices.

He has already asked the Atomic Energy Commission to deny the authority's application to build a nuclear plant near Oswego, on the Lake Ontario shore.

REOPENS GET FUND

In raising the issue, Ottinger reopened a controversy which seemed settled a year ago when Gov. Rockefeller and Kennedy worked out a compromise for the state's $8 billion nuclear power program.

For more than a year, Democratic lawmakers at Kennedy's behest blocked Rockefeller's bill to develop atomic generating capacity unless the State Power Authority was included along with the private utilities. Rockefeller eventually gave in.

The Oswego plant is one of the first to be built under the program.

Ottinger said the authority had bought the land for the plant from Niagara-Mohawk for $805,000, along with a commitment to purchase some 40 million of equipment for it from General Electric.

The plant—designed to provide a "yardstick" for Niagara-Mohawk's nuclear power prices—actually will be run by Niagara-Mohawk under contract with the Power Authority with "shocking irresponsibility" on the contracts.

He said the land price of $805,000 was "between seven and ten times the investment actually needed," citing an engineering study prepared for the Power Authority, he said that savings of $4.5 million on equipment purchases could be realized through competitive bidding.

The Congressman also challenged the authority's savings on construction costs. He quoted authority chairman James A. FitzPatrick as saying the arrangement with Niagara-Mohawk meant a $15 million savings. Then he noted that the engineering study—prepared by S. M. Stroller, Inc.—said the saving would be $500,000 to $3 million, if new bids were let.

Ottinger called the entire project "a white elephant" which the authority had obligingly taken off Niagara-Mohawk's hands.

He noted that New York's electric bills—already the highest in the continental U.S.—are going up while those in 35 other states are going down.

"It is imperative that the Power Authority undertake an aggressive program to make the benefits of low cost power available to consumers throughout the state," he said. "The present Power Authority—Niagara-Mohawk facility will not accomplish this goal."

Ottinger has frequently feuded with Gov. Rockefeller on issues of conservation and power. He helped block the state-approved nuclear power plant on Storm King mountain in the Hudson Valley. He also pushed through federal legislation for the Hudson River compact over Rockefeller's objections.

[From the Watertown (N.Y.) Daily Times, Mar. 11, 1969]

STUDY OF POWER ARRANGEMENT SLATED BY NEW COMMITTEE

(By Frank P. Augustine)

ALBANY.—Minority leadership of the State Legislature today appointed a committee to look at the arrangement between the State Power Authortiy and Niagara Mohawk Power Corp. relative to construction of an 800 megawatt nuclear power plant by the authority at Nine Mile Point.

The committee will launch its study immediately and expects to have the report ready in four to six weeks.

The decision by Senate Minority Leader Joseph Zaretzki and Assembly Minority Leader Stanley Steingut to launch the study was made during remarks at a press conference in the capitol presided over by Congressman Richard Ottinger.

Mr. Ottinger came to Albany this morning to appear for an investigation into the whole power situation as it affects the Power Authority and its contract with Niagara Mohawk Power Corp.

Serving on this special committee are Charles F. Stockmeister, assemblyman from Monroe County, Assemblyman Arthur J. Kremer, New York, Senators Paul Bookson, New York, and James Powers, Monroe County.

Senator Zaretzki in brief comments accused the Power Authority of bringing in a "ringer," Niagara Mohawk, to run a public agency. He attacked the move as defeating the yardstick principle for which purpose the Power Authority was originally created. He referred to the arrangement as a "gimmick."

"We no longer have a public power authority," he said. "What we now have is a semi-public power authority." He expressed confidence that the joint minority committee would come up with some solid answers.

Mr. Steingut, in designating his committee choices, said that it was very important for the legislature to act in determining if there had been circumvention of the intent of the Power Authority role.

ANSWERS ASKED

During the question and answer period, Congressman Ottinger in effect accused Governor Rockefeller of being entirely in favor of the Power Authority's action and he said he was hopeful that perhaps the governor would be more explicit in providing detailed answers to questions the congressman had asked Power Authority Chairman James L. FitzPatrick.

Mr. FitzPatrick received some sympathy from Senator Zaretzki who said, "Jim would like to do a job but he's not being allowed to do it."

The reference by Mr. Zaretzki was in answer to a question about how much control Governor Rockefeller exercised over the Power Authority.

Mr. Kremer expressed the belief that the minority committee could make a substantial contribution with an objective study. He felt that the majority, meaning the Republicans, would not want an objective study at this time. He said that recommendations should be forthcoming as the result of the study for legislative action next year. One purpose of the study, he said, was to keep the public informed of what the intent of the Power Authority is.

Mr. Steingut declared that he expected no difficulty in getting cooperation from persons that the committee would call. He felt that subpoena powers were not essential at this time, but if they became so, they could be obtained.

[From the Watertown (N.Y.) Daily Times, Mar 11, 1969]

POWER AUTHORITY ACCUSED OF TRYING TO ASSIST UTILITY

ALBANY.—Rep. Richard L. Ottinger today accused the New York State Power Authority of trying to "take a nuclear white elephant" off the hands of the Niagara Mohawk Power Corp., with New York electricity consumers picking up the tab.

Ottinger, at a meeting with Democratic state legislative leaders here, challenged the announced agreement under which the Power Authority would assume Niagara Mohawk's two-year-old commitments with the General Electric Co. for $40,000,000 in plant components.

Niagara Mohawk personnel would staff the state-financed atomic power plant at Nine Mile Point, near Oswego, under contract with the Power Authority.

Ottinger called the arrangement "highly unusual."

He said it would allow Niagara Mohawk to benefit from a "captive" nuclear plant and strengthen a private utility monopoly over the growing nuclear power field.

Niagara Mohawk announced in August it was dropping plans to build an atomic plant at Easton on the Hudson River. The Power Authority simultaneously announced its first atomic plant next to Niagara Mohawk's on Lake Ontario.

Ottinger maintains the state assumption of Niagara Mohawk commitments to G.E. contains more than $4,500,000 in "extra hidden costs which could be eliminated by letting the project out for competitive bidding" and $6,300,000 in extras and additional components the Syracuse company had ordered just for the Easton plant.

The congressman urged an independent engineering study to determine how many of

the extras were actually needed at Nine Mile Point and what savings could result from putting out a "single package" for competitive bidding.

Final costs will not be known until federal power experts complete an analysis of the Power Authority commitments, Ottinger noted, calling the $4,500,000 figure "very conservative."

The upstater, a member of the House Communications and Power sub-committee, said he talked with Assembly Minority Leader Stanley Steingut and Senate Minority Leader Joseph Zaretzki about steps to "halt the power give-away" and extend low-cost public power benefits to "all New York consumers."

[From the New York Times, Mar. 12, 1969]

STATE DEMOCRATS TO INVESTIGATE POWER PROPOSAL

(By William E. Farrell)

ALBANY, March 11—The Democratic leaders in the legislature formed a committee today to investigate a proposed nuclear plant to be owned by the New York State Power Authority and operated by the Niagara Mohawk Power Company.

Assembly Minority Leader Stanley Steingut and Senate Minority Leader Joseph Zaretzki agreed to form the committee, which has no official status in the Legislature, at the request of Representative Richard L. Ottinger, a Westchester Democrat.

At a news conference in the Capitol, Mr. Ottinger charged that the agreement between the Power Authority and Niagara Mohawk contained "more than $4.5-million in unnecessary hidden costs." The agreement calls for the construction of a $222-million nuclear power plant at Oswego, N.Y.

Mr. Ottinger's statement was dismissed by Governor Rockefeller at a news conference he held as "completely inaccurate."

William S. Chapin, general manager and chief engineer of the Power Authority, said in an interview that Mr. Ottinger's charge was "ridiculous."

He declined further comment, saying the authority would release a detailed statement on the Representative's charges when the Power Authority chairman, James A. Fitzpatrick, returned from a vacation, possibly at the end of the week.

Mr. Ottinger, who is a member of the House Communications and Power Subcommittee, said he came here to discuss legislative steps to "halt the power giveaway and extend the benefits of low-cost public power to all New York consumers." He described the proposed venture between a public authority and a private utility as "highly unusual."

Mr. Ottinger distributed copies of a letter to him from Glenn S. Seaborg, chairman of the Atomic Energy Commission, that said that "there are no other nuclear plants operating or being constructed which fall in this category."

The joint agreement was upheld by Governor Rockefeller today at his news conference. Mr. Rockefeller said that the Power Authority was "trying to get as cheap power as they can" and that the authority had "contracted the rendering of the services by an outfit that has an already successful operation in this field."

In announcing the four-man Democratic committee, Mr. Zaretzki said that the agreement was a "gimmick" that would create a "semipublic" authority. "We must maintain the New York Power Authority as a purely public agency," he said.

"HIDDEN COSTS" ITEMIZED

Mr. Steingut said the committee would study "whether there has been a circumvention of the legislative intent when the Power Authority was created."

Mr. Ottinger said he was piqued because the authority, despite repeated requests, had not provided him with the data he had requested.

"I think they have plenty to hide," he said.

Mr. Ottinger itemized the charge of "hidden costs" as follows:

$3.9-million in relocating installations and equipment to Oswego from a plant Niagara-Mohawk abandoned in Easton, N.Y.

$200,000 for storage of equipment for the Easton plant.

$664,000 in "extra and unnecessary interest charges."

Mr. Fitzpatrick, the authority chairman, recently defended the authority's venture with the Niagara Mohawk in an interview here.

He said that by agreeing to purchase equipment contracted for by Niagara Mohawk, there would be an over-all saving of $15-million because the equipment would be bought at 1966 prices.

He also said savings would result by using skilled Niagara Mohawk personnel who will also operate a private nuclear plant very close to the authority's proposed plant.

Mr. Fitzpatrick said the plan would "get the plant on the line faster, safer and cheaper."

[From the Buffalo (N.Y.) Courier-Express, Mar. 12, 1969]

N-POWER PLANT: OTTINGER'S CHARGE DENIED BY ROCKY

(By Dale C. English)

ALBANY.—A congressional charge that State Power authority customers face at least $4.5 million worth of hidden costs over construction of a nuclear power plant near Oswego were branded "completely inaccurate" here Tuesday by Gov. Nelson A. Rockefeller.

The charge was made by Rep. Richard L. Ottinger, D-Westchester County, and centered on an agreement between the SPA and Niagara Mohawk Power Corp. over construction of the huge facility at Nine Mile Point on Lake Ontario near Oswego.

Ottinger, a member of the House Communications and Power Subcommittee, called the $4.5 million figure "very conservative," and said that the final cost will not be known until Federal power experts have completed an analysis of SPA commitments.

NO COMPETITIVE BIDDING

The Courier-Express disclosed last September 19 that no competitive bidding was involved in the transaction—a factor which Ottinger says is part of the $4.5 million extra cost to SPA customers.

Ottinger was in Albany to meet with Democratic leaders of the State Legislature to discuss legislative steps, he said, "to halt the power giveaway and extend the benefits of low-cost public power to all New York consumers."

In the process, Ottinger told the legislators that New York State has the highest power costs in the nation with the exception of Alaska.

He proposed to fight high costs by requiring the authority "to undertake an aggressive public power marketing program which . . . could cut consumer bills in half."

NMP SCRAPS PLANS

Under the agreement between the SPA and Niagara Mohawk, the plant at Nine Mile Point would be built by the authority but operated by Niagara Mohawk.

That situation began in October 1966, when Niagara Mohawk announced plans to build a 750,000-kilowatt nuclear power station at its Easton site on the Hudson River 14 miles north of Troy.

However, last Aug. 8 Niagara President Earle Machold announced the company was scrapping those plans because of difficulty with the Easton site. However, much highly technical equipment worth about $40 million had been ordered from the General Electric Co., one of four firms in the country which makes such hardware.

Negotiations were opened between the SPA, Niagara Mohawk and GE to permit the authority to take over the project, variously estimated to cost between $160 million and $222 million.

NUCLEAR WHITE ELEPHANT

The authority takeover without competitive bidding would result in an undisclosed saving because it permitted the plant to get built two years sooner than it would have under the Niagara Mohawk operation, an SPA spokesman told The Courier-Express last September.

Ottinger charged Tuesday that the plan benefits Niagara Mohawk by taking a "nuclear white elephant" off the company's hands at the expense of the authority and strengthens "the private monopoly over the growing nuclear power field." The Niagara Mohawk equipment intended for the Easton plant would be used at Nine Mile Point.

Ottinger then said SPA data showed "between $4.5 million and $4.7 million in extra hidden costs which could have been eliminated by letting the (Nine Mile Point) project out for competitive bidding."

"HIDDEN COSTS" SPELLED OUT

These include, he said:

—$3.9 million to "change the firm price to a commercial operation date of October 1973 and to change the location of the plant from Easton to Nine Mile Point."

—$200,000 for the storage of equipment already fabricated for Easton but not presently usable at Nine Mile Point.

—Between $664,000 and $918,000 in "extra and unnecessary interest charges."

He said the costs were further padded by $6.3 million in extras for additional components Niagara Mohawk ordered specifically for the now-abandoned Easton plant.

"I think it's just a completely inaccurate statement," Gov. Rockefeller said at a press conference.

Power Authority personnel, Gov. Rockefeller stated, "are trying to get as cheap power as they can, and to build up a high-priced professional staff of their own would take a great deal of money because there is a shortage of top-flight technical personnel in this highly complex field."

The governor pointed out that the authority contracted for the operation of the plant by Niagara Mohawk from "an outfit that has an already successful operation in this field."

[From the Ossining (N.Y.) Citizen Register, Mar. 12, 1969]

ON UPSTATE CONTRACT: ELECTRIC POWER FIGHT RENEWED

(By Emmet N. O'Brien)

ALBANY.—Electric power yesterday suddenly became a prime issue in the 1970 state elections.

The old fight between private and public power developed rapidly in a day of press conferences during which:

1—Gov. Rockefeller upheld a State Power Authority contract with Niagara Mohawk Power Corp., largest upstate power utility for a nuclear power plant operation on Lake Ontario.

2—Democratic minority leaders named a unique "minority joint legislative committee" to probe the relationship between the two.

3—Rep. Richard L. Ottinger, D-Westchester, who has been delving into the power deal for several months, charged that Rockefeller was the "prime mover" in the contracts.

ISSUE REVIVED

Not since Gov. W. Averell Harriman and the early SPA contracts has the public power

issue been raised in New York. It was a traditional Democratic argument under Gov. Alfred E. Smith and was taken over by Republican Gov. Thomas E. Dewey to get the Niagara Falls and Massena SPA power facilities built.

Ottinger has revived it, with bellicose support from Sen. Joseph Zaretzki and Assemblyman Stanley Steingut, minority leaders. Rockefeller joined the issue at his press conference.

Behind it all is the decision of Niagara Mohawk to abandon its plans for a nuclear plant at Easton, Washington County, north of Troy. That was on the upper Hudson River, and conservationists strongly protested that thermal pollution would kill the stream. The utility then had designed a plant and contracted with General Electric for nuclear equipment.

When Easton became unfeasible, Niagara Mohawk sold the plans and contracts to the State Power Authority. At the same time, it also sold a site at Nine Mile Point on Lake Ontario, within 3,000 feet of its own plant now under construction and a contract to use Niagara Mohawk personnel to operate the state nuclear power unit.

SURRENDER SEEN

The last was the main rub yesterday. Democrats charged it surrendered the SPA to the private utility.

Rockefeller took a different view:

"They are trying to get as cheap power as they can, and to build up a high-priced professional staff on their own would take a great deal of money because there is a shortage of top-flight technical personnel in this highly complex field.

"They have contracted for the rendering of the services of an outfit that has an already successful operation in this field.

"Now this is standard procedure in this country for a government to contract for services with engineers, architects and so forth. It is just like the Atomic Space and Development Authority operation in Cattaraugus County. They could have set up their own personnel. It would cost a good deal more. But they contracted with a private corporation in the field to manage and operate the property."

OTTINGER INACCURATE

Asked about an Ottinger charge that there was $4.5 million unnecessary expense in the Niagara Mohawk deal, Rockefeller replied: "Well, I think it's just a completely inaccurate statement."

Ottinger, in town to discuss the power issue with Democratic legislative leaders, Zaretzki and Steingut, took a sharply different view than Rockefeller, whose congressman he is.

"Gov. Rockefeller was the prime mover in trying to hand this nuclear power over to the utility," he said at a joint press conference with the leaders.

"I am sure that he has plenty to hide."

Zaretzki charged that the state was losing a most valuable yardstick in gauging the proper price of electricity by allowing the private utility to operate the state plant.

"We will never know why electricity is three times cheaper in Plattsburgh than in New York City" he said. "They are destroying the yardstick."

He and Steingut announced the appointment of a "minority joint legislative committee" to investigate the SPA-Niagara Mohawk contracts. The committee has no legislative powers and no appropriations ("we will help them from the leader's research staff") but will have the force and influence of the Democratic party asking questions.

The committee named consists of Sens. James E. Powers, Monroe and Paul P. E. Bookson, New York and Assemblymen Charles F. Stockmeister, Monroe and Arthur J. Kremer, Nassau.

[From the Watertown (N.Y.) Daily Times, Mar. 12, 1969]

ROCKEFELLER DENIES APPROVING POWER AUTHORITY-UTILITY PACT

(By Frank P. Augustine)

ALBANY.—Gov. Nelson A. Rockefeller denied Tuesday that he had approved the contract between the State Power Authority and Niagara Mohawk Power Corp., for operation of the authority's proposed 800-megawatt nuclear power facility at Nine Mile Point.

The governor's reply came at a news conference in answer to a question arising over the recent inquiries by Congressman Richard L. Ottinger of Westchester over the arrangements between the Power Authority and the private utility in the function of the state's plant to be completed by 1973.

"This is not an area that comes within my responsibility—the Power Authority has authority in their own name to conduct their own negotiations."

Mr. Rockefeller was willing to comment on what the Power Authority has done.

"I simply say this: That they are trying to get as cheap power as they can, and to build up a high-price professional staff of their own would take a great deal of money because there is a shortage of top-flight technical personnel in this highly complex field."

Mr. Rockefeller, in effect, gave the same reasons for the decision by the authority as that given by the Power Authority chairman, James FitzPatrick.

"They have contracted," the governor continued, "for the rendering of the service by an outfit that has an already successful operation in this field."

"STANDARD PROCEDURE"

He said it "was standard procedure" in this country for a government to contract for services with engineers, architects and others.

"It's just like the power—it's just like the Atomic Space and Development Authority operation in Cattaraugus. They could have set up their own personnel. It would have cost a great deal more. But they contracted with a private corporation in the field to manage and operate the property."

Mr. Rockefeller termed "completely inaccurate" a statement by Congressman Ottinger that there were more than $4,500,000 in unnecessary hidden costs in the authority's agreement with Niagara Mohawk.

Moments after the governor had finished his press conference which covered a variety of subjects, Congressman Ottinger together with Senate Minority Leader Joseph Zaretzki and Assembly Minority Leader Stanley Steingut held a press conference. Theirs dealt solely with the Power Authority issue.

Informed by reporters of the governor's comments on the hidden cost charge, Mr. Ottinger retorted:

"I hope that the governor can be a little more precise than Mr. FitzPatrick."

The Power Authority chairman, the congressman continued, had not given him specific questions sought about a month ago.

INVESTIGATION

Out of the conference came the announcement of a legislative minority committee to conduct an investigation.

"I am sure," Assemblyman Steingut declared, "that we will be able to ascertain all the facts."

The committee will have no funds to work with since it does not have legislative authorization. However, both Senator Zaretzki and Mr. Steingut said the appointees on the committee would have access to the staffs utilized by the minority leadership of both houses.

Questioned that its minority status would make the committee a purely political operation, Mr. Steingut said he believed the job could still be done. Trying to get a bipartisan committee would take time, the assemblyman said.

"We can't afford the luxury of time if we are to be successful," he said.

Mr. Ottinger declared that there will be an investigation into the arrangement between the two power entities by the congress, but that an investigation on the state level was essential.

"There are state aspects in this," he said, "that require this investigation. That's why this (state) committee has been named."

AEC CHIEF KNOWS OF NO PRECEDENT IN POWER ARRANGEMENT

(By Alan Emory)

WASHINGTON.—The chairman of the Atomic Energy Commission says he knows of no precedent for the publicly-financed, privately-operated nuclear power plant proposed for Nine Mile Point.

Glenn S. Seaborg virtually called the plan for the New York State Power Authority to finance and build and the Niagara Mohawk Power Corp. to operate under contract an 838-megawatt atomic plant a one-of-a-kind proposition.

The A.E.C. chief's comment appeared to contradict strongly statements by Power Authority Chairman James A. Fitzpatrick that there were plenty of precedents for the Power Authority-Niagara Mohawk operation.

Both entities signed the application for A.E.C. licenses for the $222,000,000 power project on Lake Ontario.

In a letter to Rep. Richard L. Ottinger, D., Westchester, Seaborg said the new Nine Mile Point project was "the only project under review by the commission submitted by a state public power agency and an investor-owned utility as joint applicants."

"There are no other nuclear plants operating or being constructed which fall in this category," he added.

Fitzpatrick had cited projects in New Mexico and California to support this argument that the New York arrangement was not all that new.

Seaborg called attention to two separate applications filed with the A.E.C. in September, 1967, requesting a review of the proposed Bolsa Island Nuclear and Desalting Plant to be located offshore of Bolsa Chica Beach in Orange County, Calif.

The utilities involved were Southern California Edison Co., San Diego Gas and Electric Co., and Los Angeles Department of Water and Power.

Seaborg said, however, that "Both applications have since been withdrawn by the utilities."

Fitzpatrick has also cited an exchange of information arrangement between the Tennessee Valley Authority and a group of private utility firms and an agreement by the Bonneville Power Authority to purchase the entire output of a private company plant in the Northwest.

FEDERAL "STRIKE FORCES" AGAINST ORGANIZED CRIME GET MORE HELP FROM FBI

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, recent news that the FBI has now committed itself to fuller participation in the "strike force" method of attacking organized crime is indeed significant and encouraging.

It is encouraging because, as one of the most effective investigative units in the world, the FBI brings to the "strike

forces" a wealth of sophisticated investigative tools and expertise sorely needed in the battle against the underworld.

It is significant not only because it enhances the coordination and effectiveness of Federal activities against organized crime, but also because it sets an example for State and local entities currently seeking ways to more effectively cope with that menace.

The Legal and Monetary Affairs Subcommittee of the House Government Operations, of which I am chairman, has, for the past 2 years, conducted a study of the Federal effort against organized crime. Among the conclusions reached pursuant to the study is that "the Federal Government has not borne its obligations with the constancy and force that its role in the overall battle against organized crime demands." This situation was found to result, in large part, from the attitude of some Federal agencies to abstain from total involvement in the overall Federal effort. The report emanating from that study—"Federal Effort Against Organized Crime, Report of Agency Operations," H.R. 1574, 90th Congress, second session—well documents that situation.

In November 1967, as chairman of the subcommittee, I exchanged letters with FBI Director J. Edgar Hoover about the role of the FBI in "strike force" operations. Questions had arisen about the degree of FBI involvement, and indeed, about whether it should be involved in "strike force" operations at all. In pertinent part, Mr. Hoover's letter states:

With reference to your specific inquiry, we have maintained daily contact with the Department's "Strike Force" assigned to the Buffalo, New York, area since November, 1966, providing the members of that group with information coming to our attention regarding individuals involved in organized crime. It is, therefore, certainly not true that we have failed to cooperate with this task force, even though we do not at the present time have any Agent personnel assigned exclusively to work with it.

The FBI has clearly indicated to the Department that we will handle any investigation which it desires us to conduct and which falls within our investigative jurisdiction. Our position is that the supervision of these investigations should remain within the FBI and that we continue to direct the activities and the assignment of our personnel so that the maximum utilization of available Agents can be achieved at all times.

Historically, our program embodies the separation of the investigative and prosecutive aspects of the drive against organized crime and, as a general rule, we have found it to be true that greater efficiency results and responsibilities become more clearly established when investigators investigate and prosecutors prosecute. Under this system, the supervisory direction and the assignment of personnel are left in the hands of professionals experienced in the handling of sensitive investigations in a most complex field of activity.

Mr. Speaker, in a letter to me, as chairman of the Legal and Monetary Affairs Subcommittee, the former Assistant Attorney General in charge of the Justice Department's Criminal Division, Mr. Fred Vinson, in discussing this problem, stated on December 8, 1967:

Technically, this is correct, for the FBI has not detailed its agents in the manner required for full participation in any such task force. However, in point of fact, the FBI's contribution to any such task force is very significant as the FBI is the only federal agency which is oriented to development of strategic intelligence in the organized crime field, this intelligence, supplied to the Organized Crime and Racketeering Section and to other agencies on a continuing basis, is indispensable to our organized crime program. I might also add that the position of the FBI is that it will investigate promptly any matter within its jurisdiction which is referred to it by the strike force.

As I am sure you know, the FBI and the Internal Revenue Service have between them carried the major investigative burden of the organized crime program.

The question concerning integration of investigative and prosecutive functions has long been debated in law enforcement circles at all levels of government. Whatever the proper mode of operation may be, it cannot be doubted that organized crime knows no State boundaries or agency jurisdictions. Nor has a significant diminishment in organized crime activities been brought about by the separation of prosecutive and investigative functions at the Federal level. As the committee report pointed out, only through greater coordination among the Federal agencies, working in conjunction with State and local agencies, can there be any real hope for victory in this fight.

The brunt of the battle against the underworld must be carried on by State and local law enforcement agencies. The Federal Government, however, by the very nature of organized crime, has a vital role to play in the overall effort. To maximize the Federal effort, all Federal agencies capable of contributing to the fight must render full devotion and cooperation. To do otherwise would, in my opinion, put a severe strain on the organized-crime-fighting capabilities of State and local law enforcement entities, which are already under intense pressures to utilize their resources to curb street crime and civil disorders.

The assistance rendered by Justice Department "strike forces" to local law enforcement agencies has been quite meaningful and productive. The benefits derived by local law enforcement agencies from these "strike forces" are counted not only in the number of indictments brought against organized crime figures, but also in the rapport established between Federal and local agency personnel. In effect, "strike forces" provide invaluable training to local agency personnel and greater involvement by the FBI in "strike force" activities can only add to this educational byproduct.

The degree of FBI participation in "strike force" activities has not yet been defined. It is to be hoped that it entails the direct assignment of special agents to organized crime operations. In any event, the Bureau's increased participation gives greater assurance that the best available resources at the command of the Federal Government stand ready to be employed in the battle against the underworld.

For this reason, I commend the Director of the FBI for his action.

LEGISLATION TO REPEAL PROVISIONS OF 1967 SOCIAL SECURITY ACT WHICH LIMIT FEDERAL FINANCIAL PARTICIPATION IN AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM

(Mr. FRASER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, I am introducing legislation today to repeal the provisions in the 1967 Social Security Act which limit the Federal financial participation in the aid to families with dependent children program.

The AFDC freeze, when it takes effect, means that the number of children who are eligible for AFDC benefits in any State cannot exceed for Federal matching purposes the proportion of AFDC children to all children in the State as of January 1968. According to the 1967 act, the freeze was to take effect on July 1, 1968. Last year, however, the implementation of the freeze was postponed until July 1 of this year.

Unless we act before July 1 to repeal the freeze we will find that the serious financial problems confronting State and local welfare systems will merely be compounded. In many States, the number of needy children in the under-18 age group is increasing more rapidly than the total under-18 population group. These States will be faced with several alternatives. Either they will have to make the Federal dollars stretch further by cutting assistance for all recipients or they will have to increase the percentage of State and local funds which finance this assistance to make up for the lack of Federal aid for new recipients.

In my State, Minnesota, welfare departments are required by law to provide a specified level of assistance to all eligible recipients. Even now current programs do not meet the existing need and any legislative action cutting assistance levels is highly unlikely. Thus, in Minnesota the freeze will merely result in shifting more of the cost of welfare from the Federal Government to the State and county governments.

Hennepin County, in which my district is located, will be faced with an estimated additional cost of $700,000 for assistance payments during the second half of 1969 as a result of the freeze. The State of Minnesota will face the same cost which represents its share of payments to new recipients living in the county. In 1970 the cost of the freeze to the county and to the State for its share of county expenses is expected to total $2.8 million. I am sure that this situation can be duplicated in hundreds of urban counties throughout the country. During this period when the financial pressures confronting State and local governments are even greater than the pressures confronting the Federal Government, we should be talking about increasing Federal aid, not cutting back.

The long-range objective of the freeze, to reduce the number of AFDC recipients, is certainly laudable. But an arbitrary cut-off of funds is not the way to

achieve this objective. Instead we should be increasing employment and educational opportunities so there will be less need for welfare and so that more people now receiving assistance will become self-supporting. In general, the 1967 Social Security Act is a move in the right direction—with its provisions for work incentives and day care service for working mothers. Unfortunately, the freeze is a step backward. It should be repealed as soon as possible.

The bill follows:

H.R. 9232

A bill to amend title VI of the Social Security Act to repeal the provisions limiting the number of children with respect to whom Federal payments may be made under the program of aid to families with dependent children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 403(d) of the Social Security Act is repealed.

(b) Section 403(a) of such Act is amended by striking out "(subject to subsection (d))" in the matter preceding paragraph (1).

INEQUITABLE FEDERAL INCOME TAX SYSTEM

(Mr. DINGELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DINGELL. Mr. Speaker, perhaps the greatest single issue facing the 91st Congress is the grossly inequitable Federal income tax system.

It is imperative that the Congress act to reform the income tax system in order that the burden of paying for Federal services will be more equitably apportioned among our people.

I am one of those who has been working for years to reform our tax system, and to close the many tax-avoidance loopholes in the present statutes. Unfortunately, successive administrations failed to come forward with tax equity proposals and the Congress did not act on its own initiative.

The situation has become so critical that former Secretary of the Treasury Joseph W. Barr has warned of the possibility of a "taxpayers' revolt."

In testimony before the Joint Economic Committee on January 17, 1969, Secretary Barr stated:

> The middle classes are likely to revolt against income taxes, not because of the level or amount of the taxes they must pay but because certain provisions of the tax laws unfairly lighten the burdens of others who can afford to pay.
>
> People are concerned and indeed angered about the high-income recipients who pay little or no Federal income taxes.

Secretary Barr, of course, had in mind the so-called loopholes in the present tax laws which allow some $50 to $70 billion of income to completely escape Federal taxation.

The question arises, "Who is it that enjoys the major benefit of tax loopholes?" We all know that it is not the average wage earner who has his Federal income tax deducted from his paycheck. It is the high-income recipient who too often escapes with little or no Federal income tax liability. In 1967, for example, 21 persons with incomes of more than $1 million paid no Federal income tax whatsoever; 155 individuals and couples with incomes in excess of $200,000 paid no Federal income tax.

A great many profitable corporations are equally adept at avoiding Federal income taxes. As I noted in an earlier address to the House, the 22 largest U.S. petroleum companies in 1966 reported gross profits of $6,809,111,000 but had an income tax liability of only $585,115,000, or 8.5 percent of their gross profit. Most corporations are required to pay regular Federal income taxes at the rate of 48 percent of their gross income.

The Federal Government in theory has a progressive income tax structure for individual taxpayers with rates varying upward to 70 percent for those persons with incomes in the higher brackets. In fact, however, a study of 1966 income tax returns shows clearly that the amount of taxes paid by higher income individuals, on the average, bears little relationship to the graduated tax schedule.

The study of 1966 income tax returns shows that the effective tax rate—on amended adjusted gross income, with certain exceptions—was as follows:

Annual income and average tax

	Percent of income
Under $5,000	7.4
$5,000 to $10,000	9.4
$10,000 to $20,000	12.2
$20,000 to $50,000	18.0
$50,000 to $100,000	27.3
$100,000 to $200,000	31.9
$200,000 to $500,000	32.0
$500,000 to $1,000,000	30.7
$1,000,000 and over	28.4

These figures clearly demonstrate that the concept of progressive taxation is more theoretical than actual. Further, these figures do not take into account the plethora of State and local sales and use taxes, which, in proportion to income, usually fall more heavily upon middle- and low-income families.

While Federal tax rates are lower now than they were 5 years ago, the total tax bite, including Federal, State, and local, has substantially increased in most jurisdictions.

The Nation's 50 million moderate- and low-income taxpayers face the prospect that there will be a 1-year extension of the 10-percent surcharge on Federal income tax payments. The surcharge, unfortunately, merely compounds the unfair bias in the Federal tax system. It is evident that a wealthy person or corporation utilizing tax loopholes to escape regular income tax liabilities will not be hit by the surtax, since 10 percent of nothing is nothing. For these and other reasons, I voted against the surtax bill when it was before the House during the 90th Congress.

The proposed extension of the 10-percent surtax would yield an estimated $9 billion in additional revenues during fiscal year 1970. I am rather dubious about the necessity of extending the surtax for another year. The Federal Government does need the additional revenue which would be provided by this extension, but there are other and more equitable means of raising these funds.

I am referring to tax reform measures which I have introduced, and which are now before the House Committee on Ways and Means.

One of my tax reform measures would produce an estimated $9 billion in new Federal revenue by plugging 13 of the more notorious loopholes in the Federal income tax system. I shall detail the provisions of this bill later in this statement.

Another of my bills would produce at least $7 billion in new revenue if it were made a part of the present tax system. This measure would impose a minimum tax of 10 percent on loophole or tax-sheltered income above $10,000 a year. This is not a complicated proposal. It would not require long study or lengthy hearings. Its prompt enactment would mean that individuals and corporations with substantial incomes would make an immediate, albeit modest, contribution to the operations of the Federal Government. With this measure on the books, the Congress could proceed in better conscience with the lengthy deliberations which will be required to achieve full-scale tax reform.

A third measure I am sponsoring would increase the personal income tax exemption of a taxpayer from $600 to $1,200, including the exemption for a spouse, the exemption for a dependent, and the additional exemptions provided for aged and blind persons. The present exemption of $600 was established in 1948 and is totally unrealistic when considered in terms of 1969 prices and living costs. Establishment of a $1,200 personal income tax exemption is an essential element in our effort to achieve equity in the Federal tax system.

Treasury Department estimates indicate that the proposal to increase the personal income tax exemption would result in a reduction in Federal revenues of about $6 billion. Enactment of my other tax reform measures would more than compensate for this revenue loss.

The broad loophole-closing bill which I mentioned earlier would do the following:

First. Tax capital gains which are otherwise untaxed at the time of death, thereby raising $2.5 billion in additional Federal revenue.

Second. Remove the unlimited charitable deduction device which costs the Treasury some $60 million a year.

Third. Eliminate special tax treatment for stock options thus raising an additional $150 million.

Fourth. Eliminate the $100 dividend exclusion and thereby increase Federal revenues by $225 million.

Fifth. End the benefits derived from multiple corporations which cost the Treasury $200 million a year.

Sixth. Remove the tax exemption on certain industrial development bonds for a savings of $50 million a year.

Seventh. Create a municipal bond guarantee corporation as an alternative to tax-exempt bonds and thus provide

the Treasury with $900 million in added income.

Eighth. Reduce the mineral depletion allowance from 27½ to 15 percent for oil and from 23 to 15 percent for 41 other minerals for a savings to the Treasury of $900 million a year.

Ninth. Establish the same rate for gift and estate taxes, thus increasing Federal revenues by $150 million a year.

Tenth. Eliminate arrangements which allow payment of estate taxes by the redemption of Government bonds at par for a savings of $50 million.

Eleventh. Place limitations on hobby farmers' use of farm losses to offset other income for a savings to the Treasury of $400 million per year.

Twelfth. Eliminate accelerated depreciation on speculative real estate for an increase in Federal income of $150 million a year.

Thirteenth. Repeal the 7-percent investment tax credit with a resulting increase in Federal revenues of $3 billion.

In the closing days of the Johnson administration, former Assistant Secretary of the Treasury Stanley Surrey approved a revision in income tax regulations as they relate to commercial banks which will boost Federal revenues by an estimated $100 million a year. The old rules permitted commercial banks to take an automatic deduction equal to 2.4 percent of their outstanding loans as a bad debt reserve. Since experience in recent years has shown that bad debt losses of commercial banks are considerably less than 2.4 percent of outstanding loans, the old formula gave commercial banks what was in effect a tax windfall.

The revised Treasury regulations do not allow the automatic bad debt deduction to be applied to classes of loans, such as U.S. Government obligations, which can be considered almost totally safe. I consider the new regulations to be a step in the right direction; however, I do not feel they go far enough. In my view, the bad debt deduction for tax purposes should be limited to the actual bad debt losses experienced by commercial banks.

Under present income tax laws, mutual savings banks actually come off much better than did the commercial banks. Under a complicated formal arrangement, mutual savings banks as a group are afforded tax treatment of bad debt reserves which is so generous that these institutions are virtually tax exempt—paying an effective rate of tax of about 1 percent of their income.

Proposals have been made to the Ways and Means Committee which would revise the bad debt laws for mutual savings banks to provide somewhat greater equity. Under the proposal, it is estimated that the Federal Government would receive some $40 million in additional revenues each year. Even under this proposal, however, mutual savings banks would continue to enjoy bad debt deductions greatly in excess of actual losses and thus would obtain favorable tax rates. As a result of the proposal, it is expected that the effective tax rate on the "economic income" of mutual savings banks will approximate 13 to 18 percent. I feel this reform is long overdue and, in fact, probably should be made more stringent.

Mr. Speaker, the House Committee on Ways and Means and the Senate Committee on Finance jointly have published a 475-page, 3-part document setting forth the studies and proposals for tax reform which were developed by the Treasury Department during the administration of President Johnson.

In commenting on these tax studies and reform proposals, former Secretary of the Treasury Henry H. Fowler stated:

> Most of our individuals, families, and business firms are paying their fair share of the Federal tax bill which yielded $150 billion in fiscal 1968. They do this primarily by a process of voluntary self-assessment, under a system of tax administration that employs the most modern technology and methods of management, and operates efficiently and at low cost. Furthermore, as a result of major steps that have been taken in recent years . . . our tax system is today better attuned than ever before to the requirements of high-level investment and economic growth.
>
> We can take pride in these facts.
>
> At the same time, however, we must recognize that there are other facts about our tax system which we cannot, by any means, view with pride.

Secretary Fowler cited examples which he said "as believers in justice and fairness we can only deplore." He added:

> Through situations such as these, and other types as well, a minority of the population pays far less than its share of tax while others may bear special hardships to meet their tax liabilities. Many of these special benefits and devices are intricate, subtle, and difficult for the average person to understand. But all of them flaw our tax system and undermine the standards of justice and fairness which should prevail. For the minority who benefit, these special advantages add up to substantial windfalls.

Mr. Speaker, I agree that our Federal tax system is grossly inequitable in many of its provisions. It is of utmost importance that the Congress take prompt action to eliminate tax inequities and bring about renewed confidence on the part of the citizenry in the fairness and justice of the Federal tax laws.

THE ANTI-BALLISTIC-MISSILE SYSTEM

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, over the past 2 days I have inserted in the RECORD copies of resolutions expressing my constituents' objections to the location of an ABM site in Hawaii. In the first instance the resolution offered by Councilman Brain Casey was adopted by the city council of the city and county of Honolulu. In the second instance the resolutions offered by members of the house and senate of the State legislature now in session are still being considered. From the numbers of cosponsors on these house and senate resolutions, I feel certain, however, that they will also be adopted.

Today I have the privilege of inserting in the RECORD a copy of a resolution adopted by the Hawaii County Democratic Party on March 12, 1969, which states as follows:

> Whereas, President Nixon has temporarily suspended activity on the Sentinel Anti-Ballistic Missile system while its cost, effectiveness and international repercussions are studied;
>
> Whereas, most reputable scientists not connected with the military agree that the Sentinel ABM system would be worthless as a protective device since it would send up missiles with atomic warheads to intercept enemy atomic bombs, scattering radioactive fallout over our own land and people;
>
> Whereas, the $5.5 billion authorized for the Sentinel ABM system would be only a start on an ABM system that might ultimately cost $100 billion and would probably be obsolete before it is finished;
>
> Whereas, taxpayers money would better be spent in solving the pressing problems on the home front, such as the decay of our cities, pollution of our environment, poverty of our people, and needed public works;
>
> Whereas, Senator Dan Inouye and Representatives Patsy Mink and Sparky Matsunaga have courageously called for abandonment of the Sentinel ABM project, leaving only Sen. Hiram Fong of the Hawaii congressional delegation uncommitted;
>
> Therefore, be it resolved, that the Democratic Committee of the County of Hawaii commend and support our Democrats in Congress for their opposition to wasting taxpayers' money on an ABM missile system which would benefit only the munitions makers and the military;
>
> Be it further resolved, that copies of this resolution be sent to President Richard Nixon, to Senators Hiram Fong and Dan Inouye, to Representatives Patsy Mink and Sparky Matsunaga, to the Hawaii County Council and to the press.

DROPOUTS SHOW REMORSE

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, one of my constituents, James M. S. Ullman, Esq., of Meriden, Conn., recently sent me some newspaper clippings regarding an exhaustive survey undertaken by two Meriden schoolteachers of high school dropouts. The two teachers, Patricia Shanahan and Charles Byron, conducted this 4-month-long survey voluntarily. They are to be commended for their diligence and unselfishness.

I recommend these Meriden Journal clippings to anyone interested in the dropout problem and what some teachers might do about it. The chagrin which these dropouts now express regarding their abused opportunities is much to the point in these days of troubled education.

The articles follow:

[From the Meriden (Conn.) Journal, Tuesday, July 30, 1968]

TWO TEACHERS MAKE SURVEY—DROPOUTS: WHY THEY'RE QUITTING

(EDITOR'S NOTE.—This Spring, two teachers—Miss Patricia Shanahan and Charles Byron—at Lincoln Middle School submitted their own dropout survey to the Board of Education. The co-authors spent more than four months talking with men and women who had dropped out of school.)

(By Sandy O'Brien)

To the student who has quit school the label "dropout" is bad. It is depressing. To most people "dropout" means trouble.

But two teachers who surveyed 65 students who quit school here found that not one left for disciplinary reasons.

The chief reason for leaving was found to be failure in school subjects due to lack of relevant material in the classroom. A close second was poor teacher relationship. Reading disability was third.

The initiative to compile a report on dropouts came right from the classroom with hopes that the result would focus attention on "this dilemma affecting our schools and society."

The report, which has been submitted to the Board of Education, was written by Miss Patricia Shanahan, a social studies teacher, and Charles Byron, physical education teacher, both at Lincoln Middle School.

Miss Shanahan writes: "Many have asked us in the course of preparing this report, 'But, why are you two doing this?' It is not a nice answer that I have to give. Personally, we were just sick at the number of former students that come back to visit with us informing us that they have 'quit.' Coupled with these students, we have had to stand by and watch our present students leave us. I am an eighth grade teacher. The normal age group for this grade is 12 and 13. This year I began with 23 students in my homeroom, of whom 15 were between the ages of 14 and 15. Now, as a consequence, I have seven 16-year-old students.

"You tell me what they are thinking about as they pass through the corridors filled with students, as young as 9 and 10. What sort of common experience do these young men have a chance of attaining with the rest of the school community? I have already lost five of my students. Unfortunately, I don't expect it to end."

Byron said he identified with the students. "I was a dropout. It took me 35 years to get my high school diploma, and I tell the kids, 'I hope it doesn't take you that long,'" he said. (Byron went on to Arnold College, now Bridgeport University, and received his degree when he was 39. He was awarded a master's degree by the University of Hartford when he was 42.)

"I had a boy for two years, not a bad kid. But he was too old for the eighth grade. Now he's on his way to California." Byron said.

"A lot of my boys wanted to go to Wilcox Technical School, but they couldn't make it. We should use every agency we have and get behind these kids. This is a concern of the complete community—they should not be just the school's concern, but everyone's concern," he said.

Both Miss Shanahan and Byron feel that there are several things that "must be done."

Their report states:

"First and foremost, consideration must immediately be given to a revision of our curriculum. We have worked with these students; to ask them to sit in confined classrooms for eight hours a day is asking the impossible. Why? These are students who will not complete high school, and furthermore, some of these students are unable to read beyond the third grade level. We are not recommending a watered down curriculum, but rather a more pertinent or practical curriculum.

"On the junior high school level such programs as practical English and math, as well as increased trade training should be considered. They have been considered in some schools, but not implemented. On the high school level the work study program could be implemented. Greater emphasis on trades in the high school is recommended. Wilcox, although offering an excellent program, affords no opportunity for the type of student we are discussing. The entrance qualifications alone would prohibit him from receiving any benefit.

"Increased reading emphasis must be instituted on all levels. When a child, never mind a whole class, achieves eighth grade standing unable to read the most basic texts, great problems are bound to occur."

In answer to the question, "Why did you leave school?" several responding to the survey replied poor teacher relationships. "Some consideration should be given to a possible inservice training program to revise or upgrade training teachers received in child psychology. Special emphasis would be placed on the slow-learner or 'problem child.' We are constantly reminded that this is a new generation, yet many teachers are responding to them with techniques learned long ago," the report says.

Byron feels that the new junior and senior distributed education program is a start. "It will be too late for some, but everything has to have a start," he said.

Miss Shanahan added, "I wrote a survey on dropouts, but I know while I've written a report, tomorrow I'll lose another."

[From the Meriden (Conn.) Journal, Aug. 1, 1968]

TODAY'S STUDENTS WANT ANSWERS

(By Sandy O'Brien)

"I like my kids. They won't accept platitudes. They're sharper than I was at their age and they study a lot harder."

There are miles of differences between students and classrooms when it comes to comparing schools today and the schools as Miss Patricia Shanahan, a Lincoln Middle School teacher, knew them when she was a student less than 10 years ago.

"When I came to Meriden to teach I was totally shocked at how old they were at 13. I remember being a senior and not knowing some of the things these kids know in seventh grade," she pointed out. "And I had never seen poverty or slums."

Miss Shanahan, who grew up in Bennington, Vt., was a member of the first senior class to graduate from the city's parochial school "where the discipline problem was non-existent."

"We (the teachers and the students) were like one big family. We thought nothing of dropping into the principal's office. It never dawned on me that students got lower than a B," she said.

Miss Shanahan is a member of the Meriden Education Association, Connecticut Education Association and the National Education Association. She is the daughter of Mr. and Mrs. William P. Shanahan of Bennington. During the school year she lived at 624 Broad Street. This Fall she will make her home at Lake Beseck, Middlefield.

But for Charles Byron, school was a different story. A native of Meriden, Byron dropped out of school after finishing the eighth grade at St. Rose.

"I was fourteen. I had had it," he recalls. For 17 years he drifted from one factory job to another.

Then in 1942 he joined the army and wound up working in Torney General Hospital in Palm Springs, Calif., as an orderly.

It was there that he met a 19-year-old boy named Leonard Shelhamer from New Jersey.

"And it was this kid who was blind, 50 per cent deaf, and missing an arm, who made me realize how ungrateful I was as I griped about my past. I enrolled in a nearby high school."

"I was 35-years-old when I received my diploma and class book in the mail," Byron said.

When he returned home he enrolled in Arnold College (now the University of Bridgeport) and received his degree in elementary education. In 1952 he received his master's degree from the University of Hartford.

"I couldn't have done it without the encouragement from my wife. Every time I got discouraged she'd say 'Charlie, I know you can do it,' and that's what I tell my students. "No kid wants to be a nothing."

Byron's leadership has carried him beyond the walls of Lincoln. For the past 17 years he has taught Sunday School at Connecticut School For Boys. He has served as president of the Eagles, president of the Salvation Army Advisory Board and president of the Catholic Diocese Bureau. He is a council member of the Boy Scouts and a former member of the Community Action Agency Board.

He is a member of the Meriden Education Association, the Connecticut Education Association, the National Education Association and the Meriden Federation of Teachers.

Byron and his wife, the former Rae Elizabeth of Rhode Island, live at 265 New Hanover Ave.

The couple has two children, a son Michael, who will be a senior at Danbury Western State College, who plans to teach emotionally disabled children, and a daughter, Kathleen, who graduated this June from Platte High School. The family spends their summers at Lake Beseck in Middlefield.

A breakdown of their survey showing ages, education level and present occupation follows:

Age	Years in school	Other education	Occupation
36	8	Night school	Carpenter.
32	11	do	New Haven Railroad.
31	10	Training school	General foreman.
31	11	Barber school	Barber.
31	11	None	Carpenter.
30	10	do	Equipment operator.
29	10	Wilcox Night School	Tool grinder.
28	11	Night school	Machine operator.
27	11	U.S. Air Force	Foreman.
27	11	None	Insilco.
26	9	Army (2 years) accounting.	Proprietor billiard room, mailman
26	11	Navy	Roofer.
25	12	None	Dry cleaner.
25	12	do	Roofer.
25	10	do	Factory-setup man.
25	11	Night school	Assistant owner-hairdresser.
25	12	do	Transmission mechanic.
		Correspondence and training school.	
24	12	Night school	Cook.
		Training school	
24	13	Navy, training school	Pipefitter-welder.
24	8	None	Carpenter.
23	12	do	Owns business.
23	12	do	Mailman.
23	12	do	Carpenter.
22	9	do	New departure.
22	12	Night school	Unemployed.
22	10	do	Housewife.
21	10	None	Machine operator.
21	10	do	Trucker.
21	13	Night school	Army.
20	10	None	Shipper.
19	13	Night school	Marine Corps.
18	12	None	Army.
20	10	do	Shipper.
18	12	do	Molder.
18	11	Night school	Canada Dry Co.
18	13	None	Machine room.
24	8	Training school	Army.
21	12	None	Cook.
18		Night trade school	Apprentice carpenter.
18	12	None	None.
18	12	Training school	Carpeting.
18	9	do	Machinist.
18	12	do	Floor covering.
18	10	None	None.
17	10	do	Youth Corps.
17	12	do	Bodyman.

[From the Washington (D.C.) Post, June 9, 1967]

TALE OF TWO DROPOUTS

(By John Chamberlain)

I've just heard the dropout story to cap all dropout stories. It involves a double-bar-

reled narrative, with two happy endings where even one would have been remarkable.

Dropout No. 1 was a factory worker from Meriden, Connecticut, named Charlie Byron. He had quit high school before graduation, and had puttered along getting nowhere until the U.S. Army grabbed him at age 31. Billeted at Horney General Hospital in Palm Springs, California, in 1943, with an uninspiring job as an orderly, Charlie started griping one day about his wasted life to a blind, one-armed and 50 percent deaf patient named Leonard Shelhamer from North Caldwell, New Jersey. Shelhamer, who had been injured while working as a demolition crew member with the 79th Infantry Division at Camp Laguna, Arizona, when a mine blew up, thought it odd that a man with perfect sight and hearing and two good arms should be quarreling with his fate.

"If you think you're bad off," he told Charlie, "What about me? You can read."

The encounter led to a friendship, and, with some further prodding, Charlie Byron took advantage of his Army orderly off-hours to go back to high school. Eventually he was shipped to the China-Burma theater in the Far Pacific. He took a California high school diploma with him.

The story of Charlie's education didn't stop there. I met him in Washington in 1945, when he came back from the war to marry the girl who happened to be my secretary, Charlie had an idea: He wanted to go in for physical training, but to get the sort of job he wanted in a good school, he had first to get a college degree. Four years later he had one, and, not satisfied with that, he went on for his master's.

Going back to his home town of Meriden, he found his job as coach and director of physical education in Lincoln Junior High School. He and his wife Rae adopted two children who are not school dropouts; the son is a junior in college, the daughter is a National Honor [Society] student as a high school junior.

I've known Charlie's story for a long time. But the other half of the tale came to light only recently. Charlie often wondered what had happened to his blind, one-armed, and partially deaf World War II friend who had encouraged him to go back to school. Tracking him down, Charlie discovered that Shelhamer had become the service officer for the Blinded Veterans of New Jersey. Charlie learned that, where Shelhamer had stimulated him to go back to school, he, in turn, had stimulated Shelhamer to do the same thing. Though badly handicapped by his injuries, Shelhamer had taken a three-year leave from a job with the New Jersey State Employment Agency to get a bachelor's degree from Fairleigh Dickinson University, plus graduate work at Rutgers and Seton Hall. He is currently only two subjects short of a master's degree in employer-employe relations.

Recently Charlie Byron and Len Shelhamer traded compliments at an annual convention of the New Jersey Blinded Veterans Association. Charlie, the principal speaker, and his subject, unsurprisingly, was "High School Dropouts." Pointing to Shelhamer, he said:

"This man changed the whole course of my life." After Charlie's speech, Shelhamer remarked that "when I heard the old boy was going through school at the age of 35, I decided to do something about myself."

Thus the double happy ending of the tale of two dropouts.

FEDERAL GRANTS TO IMPROVE EDUCATIONAL TECHNOLOGY

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on March 13 I introduced a bill, H.R. 8838, to establish a program of Federal grants for the improvement of educational quality through the more effective use of educational technology. I was joined in the sponsorship of this legislation by the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

H.R. 8838 is a companion bill to S. 1189, a bill introduced on February 28 by the distinguished chairman of the Senate Labor and Public Welfare Committee, the senior Senator from Texas (Mr. YARBOROUGH).

Chairman PERKINS has referred the bill to the Select Subcommittee on Education, of which I have the honor to be chairman, and it is my hope and intention that the subcommittee hold hearings and take other appropriate action on this legislation during this session.

Mr. Speaker, I want at this point to take a moment to make clear that my sponsorship of this bill is not at all intended to convey my support of every word and figure in the proposal. I believe that educational technology holds great promise for the improvement of the quality of American education and for the development of instructional techniques which can be of major significance in surmounting some of education's most pressing problems. I believe, too, that Congress, as a major supporter of education programs, has a responsibility to develop a national policy with regard to educational technology and in particular with regard to its financial support.

I have, therefore, introduced H.R. 8838 in order to provide a vehicle for hearings and for whatever legislative action those hearings indicate is needed in this field. I hope that both those who favor the bill as it now stands and those who have suggestions for changing it will give the members of our subcommittee the benefit of their suggestions as we consider this measure.

Last year, the Honorable Wilbur Cohen, then Secretary of Health, Education, and Welfare, appointed a Commission on Instructional Technology, under the chairmanship of Dr. Sterling McMurrin, dean of the University of Utah Graduate School and formerly U.S. Commissioner of Education. This Commission is expected to file its report during the summer. In order to have the broadest possible base of data and range of alternatives before the subcommittee, we shall defer starting hearings on H.R. 8838 until after the McMurrin Commission's report is available to the members. In the meantime, however, I shall be happy to receive and to make a part of the eventual hearing record any comments that persons concerned about educational technology may wish to let me have, in care of the Select Subcommittee on Education, room B-345A, Rayburn House Office Building, Washington, D.C. 20515.

EDUARDO MONDLANE

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, those of us who watch hopefully for the emergence of balanced, progressive leadership on the African Continent suffered a great loss in the recent assassination of Dr. Eduardo Mondlane of Mozambique.

This extraordinarily able African leader brought to Mozambique's fight for freedom an organizational genius and a humanitarian spirit that are not often found in nationalist movements.

The story of Eduardo Mondlane's emergence as an African leader begins in 1962. At that time he left a teaching post at Syracuse University to return to Dar es Salaam to organize exiled Mozambican refugees into a working political unit. Frelimo—Frente de Libertacao de Mozambique—under his Presidency became the focal point for Mozambique's struggle.

Two years after its first Dar es Salaam Congress, Frelimo had 250 well-trained guerrillas; 5 years later, 8,000 troops able to fight the sophisticated weapons of the Portuguese Army.

Even more surprising than Frelimo's rapid military organization is its well-organized political structure. Under Dr. Mondlane's leadership, political expansion kept pace with military success. This meant that each newly conquered territory became incorporated into Frelimo's political structure. Frelimo workers maintained and expanded health and education facilities in cooperation—very often with missionaries who had been in the territory for some time.

MONDLANE'S HUMANITARIAN SPIRIT

Mr. Speaker, I referred earlier to Dr. Mondlane's humanitarian spirit. With your permission, I would like to elaborate on that spirit.

In spite of the injustice and racial oppression under which he has lived, Dr. Mondlane, as President of Frelimo, established a nonracial policy in its fight against the Portuguese Government. In a 1967 interview in Africa Report, he explains this policy as follows:

> We do not encourage attacks on civilians of any kind, be they black, white, colored, or Asian, so long as they are not armed to fight against us and are not cooperating with the Portuguese army. The reason for our prohibition of attacks on civilians of all races is that we are not fighting against the Portuguese people as such. We are fighting the Portuguese Government and its colonial, exploitative, imperialist establishment in Mozambique. Any Portuguese whites or Asians or any people who are not traditional Mozambican people who may wish to stay in Mozambique after we become free are welcome—even as members of Frelimo.

BACKGROUND

Eduardo Mondlane was born in 1920. His educational prospects as a young boy did not extend much beyond the level of a primary certificate with a possibility of some kind of vocational training.

That he had by 1953 arrived in the United States to begin study for a B.A. degree from Oberlin College and later received a Ph. D. in sociology from Northwestern University is proof of his determination and strength of will.

I met Dr. Mondlane during this period

at a national student conference of the Methodist Church.

He joined the staff of the United Nations in 1957 after completing a year of postgraduate study at Harvard University.

Five years later, with the announcement of Tanganyikan independence, Dr. Mondlane became convinced that it would be possible for Mozambique to gain its independence within his lifetime. Toward this end he took a teaching position at Syracuse University while he prepared to return to Africa the next year to organize Frelimo.

Mr. Speaker, Eduardo Mondlane has been for Mozambique far more than a political leader. He has been an educator as well. Together with his wife, Janet, an American whose home is in Indianapolis, Ind., my State, he built in Dar es Salaam the Mozambique Institute with which he hoped to accomplish three goals:

First, to fill the gap between the primary level education of African schools and the secondary level schools of English-speaking African nations.

Second, to help Mozambican students gain scholarships for study abroad.

Third, to provide technical training.

Mr. Speaker, last year while attending a conference in Nairobi, Kenya, I had the pleasure of spending an evening with this extraordinary African leader, a remarkable man by the standards of any nation. He was a compassionate person with the leadership ability to translate his concern for the injustices he witnessed into effective action.

His genius for organization, as well as the foresight and understanding he brought to the troubled contemporary African scene, made him an invaluable contributor to the development of that continent.

His death is a loss to America, for he was a friend of our own country.

Mr. Speaker, I insert at this point in the RECORD several articles concerning Dr. Mondlane:

[From Venture, vol. 21, No. 3, March 1969]

EDUARDO MONDLANE

Africa lost one of its great leaders when Euardo Mondlane, president of the Mozambique Liberation Front was murdered in Dar-es-Salaam on 3 February.

Mondlane's contribution to the struggle for African liberation and development was a vital one. Frelimo has pioneered among the national liberation movements of Southern Africa a coherent revolutionary strategy of integrated activity in the military, political, economic, social and educational fields. Its strategy is inspired and shaped by an identifiably African political philosophy, and shares much with the thinking of Julius Nyerere and the Tanzanian example. Frelimo shares Nycerere's ideals of non-alignment, self-reliance, socialism and democracy and is applying them to the armed struggle to replace Portuguese colonial rule in Mozambique with a new social and political order.

Frelimo's political creed has developed in response to the lessons learned in applying it in the war zones and liberated areas of Mozambique. Frelimo is more than a nationalist movement; it is, in the areas it controls, a government, and no mere government in exile. Party leaders move regularly and freely through the northern provinces of Mozambique. Frelimo has brought an administrative structure, educational and welfare services (albeit rudimentary in the face of obvious handicaps) and the possibility of popular participation, to areas of Mozambique which have known only the stultifying hand of Portuguese colonial rule. More than that the movement has worked to reconstruct the economy of the liberated areas, and is tackling from the base the problems of rural underdevelopment.

Mondlane from the party's beginnings recognised the importance of education, both academic and political, and the urgent need for administrative and vocational training at all levels. The work of the Mozambique Institute under the direction of his wife Janet Rae Mondlane has been a vital element in Frelimo's development. Its activities include wide-ranging educational programmes both in Tanzania and in Mozambique itself, training administrators for the liberated areas, training medical aides and directing welfare work among Mozambican refugees.

This then is the legacy of Eduardo Mondlane who left the soft option of American University life and the corridors of the UN to lead his people in their fight for political and economic independence. (His book *The struggle for Mozambique* will be published by the Penguin African Library in May. He wrote about Frelimo and the war in the July/August 1968 issue of *Venture*.) His intellectual energy and his enthusiastic capacity for human relationships won him many friends in all continents and he learned from many different creeds and social orders, yet his own personal contribution was distinctively African.

Superficial observers tended to assume that Mondlane was Frelimo, and that Frelimo was Mondlane. Yet he had no taste for the cult of personality and constantly emphasised the collectivity of Frelimo's leadership. The ideas and institutions that Mondlane did so much to develop are the organic product of seven years of collective struggle and find their most recent embodiment in the decisions of the second Frelimo congress held in July last year in the Niassa province of Mozambique, and in the subsequent resolutions of the central committee.

Mondlane's living memorial is a soundly structured movement which will be further developed. Frelimo remains a model for other movements engaged in the struggle for self-determination in Southern Africa.

It has inevitably been suggested that Mondlane's death was the result of divisions within Frelimo. Of course no guerilla movement is entirely free from internal differences, and in contemporary Africa it is easy for outside agencies, not least the principle enemy in the struggle, to exploit these. In the last 18 months Frelimo has not escaped such difficulties, but sources of strain were recognised by the collective leadership which successfully worked to correct them by democratic methods. The true nature of difficulties which gave rise to disturbances at Frelimo's secondary school and more seriously in its Dar-es-Salaam office in the first half of 1968 was recognised both by the Tanzanian government and by the Oau liberation committee. The disorders were the work of elements external to Frelimo, but doubts as to Frelimo's unity were not at first easily dispelled.

The July congress eliminated these doubts, and left Frelimo greatly strengthened. Delegates from all over Mozambique expressed their confidence in the policy followed during the six years since the first congress in 1962 and reaffirmed their confidence in the Frelimo leadership (and on issues where there was a division, majority votes were taken). The congress discussed in detail problems arising from the political and social structure developing in the liberated areas, including the working relationship between the military and the civilian administration, methods of increasing production through agricultural and trading cooperatives and the development of local industries.

Frelimo's educational and welfare programmes were also scrutinised. The congress further agreed on important structural reforms which broadened the base of the congress and of the central committee, which was re-established, with elected members and a strictly legislative function. Executive functions now rest with the executive committee, consisting of the president and the vice-president and the secretaries of the specialised departments—defence, organisation, external affairs, social affairs, and so on. These are appointed by the president.

At the end of August 1968 in its new character as a legislative body the central committee met to draw up new lines of action, analysing in detail the work of all departments, changing the structure of some of them and approving their programmes. (Details, which reveal the sophistication of the organisation, can be read in *Mozambique revolution*, official organ of Frelimo, obtainable through the Committee for Freedom in Mozambique, 1 Antrim Road, NW3.) In the field of external relations which was the direct responsibility of Vice-President Simango it was noted with satisfaction that committees of support for the struggle of the Mozambican people have been created in many countries, including recently in the west. The importance of improving understanding of Frelimo's position abroad was stressed.

The practical support which Eduardo Mondlane and other Frelimo spokesmen have succeeded in attracting in the United States, in Scandinavia and recently in Britain are a vital element in Frelimo's struggle. The three Scandinavian governments support the Mozambique Institute's educational and welfare programmes, and a number of religious and humanitarian non-governmental organisations in Europe and the United States also make important contributions. The message that the healthy and stable development of Mozambique, Angola and Guinea-Bissau lies in self-determination has made headway in the west. The shift in the Anglo-American position on the occasion of the last UN vote is some evidence of this (see *Venture*, January 1969).

Indeed the most likely motive underlying the assassination of Eduardo Mondlane is the recognition on the part of the enemies of African advancement in Mozambique that Mondlane and the Frelimo leadership had successfully foiled attempts to sabotage the movement from within and were making diplomatic progress in the west. It was no doubt hoped that the death of Mondlane would check Frelimo's progress.

Western supporters of the struggle for freedom in Portugal's colonies will be helping to carry on the work of Eduardo Mondlane if they continue to contribute materially to Frelimo's programmes, particularly in the field of education and welfare. They should also work for further changes in western policies toward Portugal which continues to derive strength from her position within NATO and EFTA. It is through such channels, particularly NATO, that pressures must be exerted in favour of change. Meanwhile the African people of Mozambique will continue to bury their dead and maintain their struggle in all its aspects. In Mondlane's own words: "It is not that a change of attitude on the part of the west will alter the outcome of the struggle. But it could, we feel, help to determine the time it may take for us to win."

[From the Observer, Feb. 4, 1969]

MOZAMBIQUE REBELLION LOSES A WISE LEADER

(By Colin Legum)

LONDON, February 4.—The killing of the leader of the Mozambique freedom movement, Dr. Eduardo Mondlane, in a beach-hut in Dar-es-Salaam is undoubtedly a major *coup* for the Portuguese who saw this 48-year-old academic-turned-revolutionary as

their most formidable revolutionary opponent.

But while his murder on February 3 is a great setback for the National Liberation Front of Mozambique (Frelimo), it is not likely to be a fatal blow.

Mondlane—a soft-spoken, gentle revolutionary with an affection for bow ties and a deep love for his white American wife and their three children—had expected to be killed. He told me so when he was last in London in March 1968. He had lived under the shadow of assassination ever since 1963 when he resigned his comfortable job with the United Nations Trusteeship Committee and severed his relations with his *alma mater*, Syracuse University, New York, where he was a professor of sociology, to become a professional guerrilla leader.

Time and again, he found his movement—which has its headquarters in Tanzania—infiltrated by Portuguese agents—white and black. Recently, too, he told me he had uncovered South African security agents wno had offered to serve as volunteers.

While in London, he never slept in the same hotel for more than two nights on the advice of the British security men. In Africa he made a point of never covering the same course during his daily six-mile dawn run to keep fit.

But although he always took precautions against the risk of assassination, he never avoided risks. He insisted on crossing into Mozambique at regular intervals, despite the intensive efforts made each time by the Portuguese security to track him down.

When I once asked him what would happen if he were killed, he replied: "The Portuguese will be making a great mistake if they think that Frelimo's future depends on me. We now have a trained and mature leadership which can pick up wherever I leave off. It is probable—because of the advanced state of our military organisation—that the new leadership will come out of the senior fighting cadres, rather than from the exile, civilian political leaders. We have some outstanding men in the field."

But Frelimo's senior commanding officer, who would undoubtedly have been an automatic choice to succeed Mondlane, was killed in action about 18 months ago.

Eduardo Mondlane's great gift of leadership was to weld four rival liberation groups into a single, united movement—and to keep them united. Only a tiny sectional group, Corema—which has neither real strength nor influence—remained outside the National Front.

Like all national fronts, Frelimo was caught up in internal dissensions. This, as Mondlane explained, was bound to happen. "We have everybody—from Communists to westernised Christians—represented in our movement." It was his achievement that he was able to overcome the periodic crises which disturbed internal relations. But he felt that these difficulties were related mainly to the nature of exile politics. He believed that the ideological differences, sharpened by frustration, would disappear within the discipline of an effective fighting army. "What happens after independence will be determined by the experience of the liberation struggle," he said.

Another of Mondlane's outstanding contributions was his success in retaining Frelimo's position as a non-aligned force. But this wasn't easy, since most of his arms and unconditional support came from the Communist countries. He tried very hard to balance this with Western suppport—especially from unofficial groups in the United States, Britain and Scandinavia. He was criticised, at times, for spending too much time travelling to Western capitals—a suspicion strengthened by his marriage to an American girl. But he argued that this policy was necessary if he was ever to achieve effective international support, not limited to one part of the world. He went regularly also to Russia, Eastern Europe and, on occasion, to Peking as well. He was, perhaps, the only liberation leader who was equally welcome in both Western and Communist capitals. He always insisted on all military and financial supplies intended for Frelimo—from whatever source—being channelled through the Organisation of African Unity.

Though strongly academic in his approach, Mondlane showed a surprising aptitude for the realities of a revolutionary struggle. He was far and away the most outstanding leader thrown up by any of southern Africa's many liberation movements.

From 1963, when he began to take over the leadership of what soon became Frelimo, he based his revolutionary ideas on the simple precept that an effective struggle must be waged on the soil of the country that was being liberated—not from exile outposts; and that it must be based on a military type of administration rooted in the peasant communities.

He spent three years building up this grass-roots organisation, infiltrating his trained men and arms into areas prepared in advance, before he allowed a single shot to be fired.

Though he would never criticise him publicly, he felt that Ché Guevara's campaign in Bolivia was a bit of romanticism which was bound to fail because he had failed to win over the peasants in the area where he was trying to operate before becoming entirely engaged in a military struggle. He looked on many of the so-called revolutionary leaders and movements of today as romanticists given over to amateurish adventurism. It amused him to be accused, as he often was, of being a "bourgeois". But he was tolerant of the "romantic revolutionaries"—especially of those in Europe.

"The only time these revolutionaries bother me," he once told me, "is when they try to take their armchairs into the struggle itself. That gets me really worried."

For a revolutionary, Eduardo Mondlane was surprisingly free of bitterness or violent feelings. "The Portuguese," he used to say, "are as much the victims of their regime as we Africans are. Perhaps our own contribution will be to help them to get rid of their own tyrants one day."

He was essentially a man of moderation and capable of extraordinary objectivity. When he was in London I took him one night for relaxation to see the satirical play "Mrs. Wilson's Diary." While the rest of the audience laughed uproariously, he kept on asking questions: "Does Mr. Wilson (Britain's Prime Minister) really drink so much? Is Mrs. Wilson really such a feather-headed flapper? Is Roy Jenkins (Chancellor of the Exchequer) really interested only in getting rid of Mr. Wilson?"

Afterwards, he said he thought it was outrageous that a play should be staged which did not base itself, at least, on basic truths. "I would never allow it," he said. And this reaction was on the side of the British Prime Minister whom he had every reason to feel badly about.

Mondlane also set an important example to other African leaders by refusing to exaggerate the extent of his movement's successes, or to underestimate the hardness and length of the struggle in which they were engaged.

Thus he never set a time by which he thought Mozambique would be liberated. He knew it wouldn't happen for years to come. "Even when we reached the point where the Portuguese military effort begins to fail," he told me recently, "we are then more than likely to find ourselves up against the tougher military strength of the South Africans".

While Frelimo now claims to be strongly established on ground covering one-fifth of the total area of Mozambique, Mondlane would always point out that this applied only to the rural countryside—not to the towns. The success of the effort, he said, was to deny the Portuguese the ability any longer to make their writ run in the areas we control—the provinces of Cabo Delgado and Niassa. They have been thrown on to the defensive."

Nor did he see the liberation struggle simply as a question of winning militarily. The task was one of creating the conditions for a new society at the same time as waging a military struggle.

New institutions had to be created by the army and the peasants which would, in time, become the framework for a new political system. Cadres had to be trained—not only for the army but also for administration and government. That was why he put so much effort into getting youngsters into the Mozambique Institute in Dar es Salaam for secondary school training, and subsequently for university training. There are young Mozambicans now being educated in both Western and Eastern universities to qualify them for specific jobs.

He saw his rôle as a revolutionary not simply as defeating the colonial power, but in successfully creating a thoroughly decolonised society as part of the total struggle.

He could be ruthlessly tough with his own people, and sharply critical of those who misrepresented what their struggle was about. Yet the main impression he left on those who knew him well was essentially one of great gentleness.

The real tragedy of his death is that it has robbed Mozambique of its natural leader—the peasant son of a minor chief who knew the needs of the peasants and the townsmen, and who was richly experienced in international affairs. He had come to understand the weaknesses of African societies struggling to achieve true independence; and he could combine intellectualism with militancy.

He was the type of leader Africa could ill afford to lose. In time to come, the Portuguese, too, might learn that so far from being their bitterest enemy he might have been the one leader whose essential tolerance could have saved them from something worse than merely having to accept the loss of one of their colonies—for he was always willing to see the settled Portuguese remain in Mozambique, provided they accepted the inevitability of political change. His successors might be a good deal less tolerant.

[From the Observer, Feb. 7, 1969]

BRITISH GOVERNMENT ASKED TO HONOUR FREEDOM FIGHTER

(By Colin Legum)

LONDON, February 7.—Eight British M.P.s—seven Labour and one Liberal—today tabled a motion in the House of Commons deploring the assassination of the Mozambique liberation movement leader, Dr. Eduardo Mondlane, in Dar es Salaam on February 3.

Dr. Mondlane was buried today in Tanzania's capital where President Julius Nyerere ordered a full State funeral in his honour. The huge crowd of mourners was headed by the President and his full Cabinet, as well as by a dozen African Foreign Ministers from East and Central Africa who are attending a conference in Dar es Salaam.

The Labour sponsors of the Mondlane motion are Frank Hooley, Frank Judd, Andrew Faulds, Alex Lyon, Edwin Brookes, Joan Lestor and Roy Hughes; the Liberal is David Steele. They want the British Parliament not only to pay tribute to Mondlane's outstanding leadership in his "fight for democratic freedom in southern Africa"; but to go further in expressing confidence that "this struggle will ultimately succeed, whatever hardships and sacrifices lie ahead."

Since this is an "Early Day" motion there is no certainty that Parliament will, in fact, have an opportunity of debating it. But the sponsors intend it to serve as a reminder to the British Government that its policies in

southern Africa are not acceptable to many radical backbenchers. It is also intended to flush out Portugal's friends in the House of Commons by challenging them to introduce a conflicting motion of their own.

Meanwhile, the mystery of who fixed the time-bomb to the chair in Mondlane's beach-hut retreat remains unsolved. Not unexpectedly, the Portuguese authorities were quick to dissociate themselves from complicity—although they did not condemn the act. Instead, they sought to focus responsibility on elements within Mondlane's own movement, Frelimo.

President Nyerere has ordered an intensive investigation by his security people to discover the assassins. For Tanzania, the centre of many of southern Africa's liberation movements, this assassination is a grave affair, as it points up possible weaknesses in its internal security.

It has been revealed in Dar that preliminary police inquiries have led them to reject the theory that Mondlane was killed by dissenting elements within Frelimo.

The police now have positive evidence of a book-shaped parcel having been received by Mondlane—either on Saturday or Monday—from a West European country, possibly West Germany. It was marked "private and confidential". But there was no sign of this parcel after the explosion—which was so powerful that it knocked a servant in the garden to the ground.

Tanzania's police are working on the theory that the killing was the work of PIDE—Portugal's special security police. They believe that Mondlane was blown up by either a sophisticated trigger device attached to chair, or by a time-bomb in a package.

The police have kept the American owner of the beach-house in which Mondlane was killed—Miss Bessie King—at the police station where she had been helping with the investigations. Both the Police and the United States Embassy are emphatic that there is no question of her having been arrested, but insist that she is voluntarily helping the police in their work and that she is free to leave at any time. She was absent from the funeral today.

Miss King, a wealthy dealer in gems, has been a long-standing friend of Dr. Mondlane and his American wife, Janet.

It is too soon yet to speculate about Mondlane's successor. The final decision will not be taken until Frelimo's supreme council can be summoned. But since many of its key members are military leaders engaged in operations deep inside Mozambique it might take time before the new leader becomes known.

[From the Tanzania Standard, Feb. 4, 1969]

MONDLANE ASSASSINATED—BOMB BLAST AT BEACH HOUSE

(By David Martin)

Dr. Eduardo Mondlane, the President of the Mozambique Liberation Front (Frelimo), was assassinated in Dar es Salaam yesterday. He died in a beach house on the edge of the city in a bomb explosion.

Police reconstructing Dr. Mondlane's death believe that a time bomb was planted in the chair where he normally worked and that it exploded at 11.20 a.m. killing the liberation leader instantly.

The 49-year-old former university lecturer had gone to work at a beach house owned by an American woman, Miss Betty King, who is a director of International Gems (Tanzania) Ltd., so that he would not be disturbed.

Last night a number of people, including Miss King, her servants and members of Frelimo, were at the Central Police Station helping police with the enquiry which is under the personal supervision of the Director of Criminal Investigations, Senior Assistant Commissioner of Police, Mr. Geoffrey Sawaya.

The Inspector-General of Police, Mr. Elangwa Shaidi, told "The Standard" in an interview late last night: "Many of the circumstances surrounding Dr. Mondlane's death are a mystery, but we are following up a number of clues and a great number of people are undergoing interrogation."

It was understood that a large number of Mozambicans had been taken into custody for questioning. Several hundred police officers in and around the capital were assisting in the inquiry.

CRACKED WALLS

Late last night steel-helmeted Armed Field Force Unit policemen were guarding Miss King's locked beach house, keeping everyone away. But the bomb blast had blown out windows, wrecked and splintered furniture and cracked walls, Mr. Shaidi said.

The Inspector-General appealed to members of the public who had seen anyone in the vicinity of Miss King's house between the time she left for work at 8 a.m. and the time Dr. Mondlane arrived which it is believed to be at about 11 a.m. to report immediately to the nearest police station.

Army bomb disposal experts have removed fragments of the charge for analysis and last night Mr. Shaidi said he believed the explosive may prove to be T.N.T.

The explosion was reported by one of Miss King's house servants. The time has been fixed at about 11:20 a.m. and one of the servants who was standing in the garden was knocked over by the blast.

Dr. Mondlane's American wife, Janet, is in Stockholm and expected to return to Tanzania today.

Last night President Nyerere issued a message of sympathy on behalf of the Tanzanian people and leaders of all 39 Organisations for African Unity countries were being informed of his death.

FORMER TEACHER

Dr. Mondlane has been described as Portugal's most wanted man.

Thin and mild-mannered, he was once a teacher of anthropology at Syracuse University in the United States where he met and married his wife.

Highly sophisticated and a former official of the United Nations, Dr. Mondlane returned to Africa in 1963 to lead Frelimo.

Now, Frelimo is the only Mozambican party officially recognised by the Organisation for African Unity, though there are at least two minor groups.

Dr. Mondlane said recently his forces controlled about a fifth of the territory which occupies a large slice of the eastern part of Southern Africa.

The Front started its guerrilla activities on September 26, 1964.

Another liberation movement, the Movement for the Liberation of Angola, M.P.L.A. cancelled celebrations scheduled for today to mark its eighth anniversary.

MWALIMU PAYS TRIBUTE

President Nyerere yesterday ordered that Dr. Mondlane should be buried with all the honours deserving a fighter who died for his country's freedom.

In a special announcement yesterday he said the death of Dr. Mondlane was a tragedy to all who knew him and all who love Africa's freedom. Those who committed the evil deed were enemies of Africa's freedom.

The President on behalf of the Government and people of Tanzania gave condolences to all Frelimo fighters and the people of Mozambique. "To the people of Tanzania and Mozambique. I would like to say: Mondlane died for uhuru. The best way of crying for him is to increase efforts for the liberation of Africa".

The Zambian Minister for Foreign Affairs, Mr. Elija Mudenda, now in Dar es Salaam for the East and Central African Foreign Ministers' conference said he was shocked and so would be President Kaunda and the people of Zambia.

The Ethiopian Foreign Minister, Dr. Ato Katema Yifru, also in Dar es Salaam said the death would be a drawback to the liberation movements not only in Mozambique but throughout those countries still under colonial rule and also Africa as a whole.

PERSPECTIVES AND RECOMMENDATIONS, BY THE INTER-CITY SEMINAR ON TRAINING THE HARDCORE

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, more and more leaders in American business and industry and other areas of activity are becoming concerned about the problems associated with training hardcore unemployed.

One of the most thoughtful and valuable contributions to the solution of this important problem in American life is a report prepared recently by a group of businessmen who are actively involved in hiring, training, and upgrading the hardcore unemployed.

In the group—the Inter-City Seminar on Training the Hardcore—are representatives of some of the largest and most important business and industrial firms in the Nation. For nearly a year—since July 1968—members of the group have been meeting monthly in several different cities.

A few weeks ago, the group prepared, on the basis of their common experiences and discussions, a paper that is aimed at defining policy in this general area of national concern. I might here note that much of the work involved in the seminar was done by the Urban Research Corp., Chicago, Ill., whose president, John Naisbitt, was one of the participants in the seminar.

Mr. Speaker, several Members of the House of Representatives and the Senate met with the Inter-City Seminar a few days ago and were greatly impressed by what we learned. For this reason and because I believe this report to be so constructive, I include it at this point in the RECORD:

PERSPECTIVES AND RECOMMENDATIONS BY THE INTER-CITY SEMINAR ON TRAINING THE HARDCORE

The Inter-City Seminar on Training the Hardcore is composed of a group of businessmen who are actively involved in hiring, training and upgrading the hardcore unemployed. The members represent twelve companies and organizations in six different cities:

William J. King, Equal Employment Planning Manager, Ford Motor Company, Detroit, Michigan.

F. R. Kaimer, Manager-Relations, Hotpoint, Chicago, Illinois.

Henry M. Morgan, Manager, Human Relations Division, Polaroid Corporation, Cambridge, Massachusetts.

William Enes, Vice President, Hoffman-La-Roche, Inc., Newark, New Jersey.

William T. Rice, General Staff Supervisor-Urban Affairs, Michigan Bell Telephone Company, Detroit, Michigan.

Ray J. Graham, Director, Special Employment Programs, Sears, Roebuck and Company, Chicago, Illinois.

Frank H. Conway, General Personnel Supervisor, New England Telephone and Telegraph Company, Boston, Massachusetts.

William Ellison, Vice President, Mantua Enterprises, Inc., Philadelphia, Pennsylvania.

John Naisbitt, President, Urban Research Corporation, Chicago, Illinois.

Louie Echols, Director, Operations, Urban Research Corporation, Chicago, Illinois.

Donn Kesselheim, Director, Educational Planning, Urban Research Corporation, Chicago, Illinois.

Walter P. Paul, Jr., Director, Industrial Relations Department, Philadelphia Gas Works, Philadelphia, Pennsylvania.

Herman Wrice, President, Mantua Enterprises, Inc., Philadelphia, Pennsylvania.

Judge Mary Conway Kohler, Director, National Commission on Resources for Youth, Inc., New York, New York.

Ben Miller, Vice President, Urban Research Corporation, Chicago, Illinois.

Richard V. Lawson, Assistant Manager, Inner City, Inc., Roxbury, Massachusetts.

The Seminar has been meeting monthly since July 1968, in two-day sessions held in the cities represented by the various companies. Each session has been spent partly viewing company hardcore programs, partly visiting local minority communities and partly analyzing and discussing what members of the Seminar have learned. While the main emphasis has been on the problem of the hardcore unemployed, we quickly reached a consensus that it was necessary as well to focus on the larger problems of minority employment and of business involvement in urban affairs.

A recent meeting, held in New York City on February 6–7, 1969, was devoted to a recap of what the Seminar members, individually and collectively, have learned to date. The discussion centered on what can be done inside companies in the employment and broader upward mobility of minority group members, but also dealt with possible company activities in the community outside the company itself. In this process, we felt it was important to discuss the activities of other institutions which work wih companies on various problems, including the National Alliance of Businessmen, Plans for Progress, and The Urban Coalition.

This paper is the result of the February discussions. It is not intended as a complete or definitive review of the whole range of business involvement in urban affairs, or even of all the specifics of any one area of involvement. It is rather presented as a working paper trying to define policy for some of the areas of major concern to the Seminar membership. We hope that it may also prove useful to others interested in the same problems.

For purposes of exposition, this paper has been broken down into several sections, with emphasis on business activity and policy. We do not view these sections as being truly separable. Each is part of a larger piece and should be approached with this fact in mind.

SUMMARY

1. There is a need for a national affirmative action policy on urban problems.

2. Such a policy should include a statement that meaningful employment is a basic human right and that such meaningful employment is not only a basic need for a valuable human life but a necessity for the continued growth, prosperity, and well being of society.

3. In approaching urban problems, there is a need for continuing and increasing cooperation and partnership among companies; among business, labor unions and government; and between these groups and the local community groups for whom programs are designed.

4. A company must first maintain itself as a successful business enterprise if it is to work in a significant way to effect solutions to urban problems.

5. The profit motive and a sense of social commitment must be viewed as inseparable entities in a successful company program.

6. Company involvement with the hiring, training and retention of the hardcore, promotion and upgrading of minorities, and urban affairs must be approached as a package.

7. The process of company involvement with urban problems should be approached as one of mutual education and adaptation.

8. The key to a successful company program is the vigorous commitment of top management.

9. A good policy for the *hardcore unemployed* is a good *personnel* policy.

10. There has been an unnecessary emphasis on the negative aspects of the hardcore unemployed and insufficient emphasis on the spectrum of talent available and on other positive aspects.

11. Hiring and promotion requirements and training should be job-related.

12. Too many entry-level jobs are also dead-end jobs.

13. The value of a wide range of support services for all new employees needs strong emphasis.

14. In the long run, upward mobility for minority group personnel is a more important social and company problem than hardcore unemployment alone.

15. As is true of hourly jobs, upward mobility at the paraprofessional and professional levels can be enhanced by more realistic assessment of the actual requirements of a given job.

16. Company involvement in urban problems should be based on a partnership with local (minority) community groups and may perhaps be most effective in job-related and business-related efforts.

17. There is a paramount need for greater business involvement in the problems of public education.

18. The National Alliance of Businessmen can further enhance its efforts by re-examining the hardcore certification requirements and by emphasizing the alliance and partnership nature of its efforts.

19. Plans for Progress should continue and expand its efforts in the area of upward mobility and its role as a forum for business, labor and government.

20. The Urban Coalition has a major role in its efforts to form a genuine partnership for a coordinated attack on the broader problems of the urban environment.

A NATIONAL STATEMENT OF POLICY

As businessmen we have found that a clearly-defined and firmly enunciated policy by top management is a necessary ingredient for any successful company program. Such a policy provides not only the focus of activity for the people who must implement the program, it defines the limit of that activity and thus of the program itself.

On the basis of this experience, we would urge that a national statement of policy, emanating from the very highest level, is a key to any successful attack on social problems. This statement should define a national affirmative action program for attacking urban problems and should include specific statements on such key concerns as employment. In the area of employment a clear statement is needed that meaningful employment is a basic human right and that such meaningful employment is not only a basic need for a valuable human life but a necessity for the continued growth, prosperity, and well being of society.

Such a statement recognizes the national commitment to full employment and the further commitment to equal employment. It also suggests that the development of human resources is valuable not only to the individuals concerned but to the larger society. Ultimately the society's welfare depends on the wealth of these human resources. It should be a source of major national concern that a major pool of such resources has been left often untapped and undeveloped and always under-utilized. Past practices which have largely overlooked racial minority groups and poor whites have not only detrimentally affected these groups, they have deprived the larger society of valuable resources. Seen in this light, an attack on employment problems need not be seen as a matter of legal or moral imperative on the one hand, or as a reaction to fear and crisis on the other. It may be seen as an effort to develop a more productive and ultimately stronger society.

It is a corollary of such an approach that the efforts to hire and train the hardcore unemployed and to upgrade minority group persons cannot be seen as one-shot, short-term commitments. They must be a way of life, a matter of continuing commitment to the larger goal of full and meaningful employment.

We feel that such an approach may help erase some of the stigma which has often been attached to hardcore and equal employment programs. Too often the racial aspect of these programs has been over-emphasized. It would be foolish to overlook the severe racial aspects of unemployment and underemployment. It is equally detrimental so to spotlight the racial underpinnings of valuable programs that these programs become stigmatized in the minds of many people, including many minority group persons. This has too often been the case in the effort to hire and train the hardcore. Many of the "hardcore" feel personally humiliated and stigmatized by some of the approaches made to them. Too many outsiders view the program as an effort to help "these people" or to "cool it in the ghetto." Every effort needs to be made to emphasize the larger goals of our national employment efforts and to undermine the prejudicial feelings which have been directed at these programs.

PARTNERSHIP

There are several key areas of partnership and cooperation which need emphasis:

1. Among businesses;

2. Among business, labor unions and governments; and

3. Between these groups and minority community groups.

Many companies are now involved with various aspects of urban problems. This effort, at least in its magnitude, is of recent vintage. There is a great need for cooperation and exchange of information on problems and projects. In many areas, coordinated effort will be needed if truly significant programs are to be carried out.

Any concentrated attack on social ills must be made on the basis of genuine partnership between business and other groups which are attacking these ills. It should be obvious that business alone cannot solve the urban crisis. Nor can government alone. Nor can either, if they work in an essentially competitive fashion. In the specific field of employment, business, government and the unions must work closely together if anything significant is to be accomplished. In other areas, somewhat different partnerships may have to be fashioned. However, it must be constantly emphasized that cooperative effort is essential. In too many instances, different institutions are working without any clear sense of policy and direction, without coordination and without cooperation. The result has been confusion, ill-will and much unproductive effort.

Based on our experience, there is another area of partnership which needs to be recognized and emphasized, and that is with the community groups, usually minorities, for whom programs are in part designed. We feel that a major weakness of several nationwide efforts is that there has been too little cooperation with community representatives in the initiation, development and evaluation of business-government programs. The point is not only that these groups should have some say in programs that affect them, but that they have knowledge and under-

standing that can make these programs more effective.

Our own Seminar experience has been an example of the value of cooperative effort. As company representatives, we have learned from each other and have increased our perception and, we hope, our effectiveness as a result of this learning process. At all times, our contact with local community personnel has given us a more realistic grasp of problems and of possible solutions to these problems.

COMPANY ACTIVITIES

General

To have an impact in urban problems, a company must first and foremost maintain itself as a successful business enterprise. It must also approach urban problems with its own business needs and capabilities in mind.

There has been some discussion as to the proper motivation of business in becoming involved in urban affairs, whether it should be the profit motive or a commitment to curing social ill. We have found that the two cannot really be separable in a successful program. On the one hand, profits and the long range existence of a company depend on a healthy, growing, prosperous society and a productive work force. On the other, a social commitment divorced from the traditional goals, standards and methods of business is likely to become one more example of do-goodism. This point of view is dangerously close to being a truism, but there are nevertheless too many instances of company programs that are approached from one point of view to the exclusion of the other and that suffer as a result.

We found consensus that hiring, training and retention of the hardcore, promotion and upgrading of minorities, and community involvement can be approached more effectively with a well-balanced, coordinated program rather than a piece meal project approach. A company's employment practices largely determine its credibility in the community. Similarly, significant involvement in community activities which result in actual improvements can broaden a company's recruiting base and can serve to educate the company about the needs and possibilities of the hardcore and minority communities. Further a broad-gauge commitment across the board, if intelligently conceived, is more likely to be a genuine and lasting commitment than a narrow-gauge approach to one aspect of the total problem.

The process of community involvement should be looked upon as one of mutual education and adaptation. The hardcore and the minorities have a great deal to learn and gain from business. In some cases, substantial adaptation to the company culture may be required. At the same time, many companies are already learning much from these groups about traditional hiring practices, job-related training, patterns of behavior, the bases of retention, the actual requirements of a job, the use of certain support services and the development of productive human resources. Because of costly high turnover in many industries, many traditional practices are being called into question as they apply to all new employees, so that the company culture itself is in the process of changing. This process of mutual education has been too little understood, and deserves more emphasis.

In too many instances, companies have acted upon the basis of stereotypes that, because of conditions of the larger society, have led to requirements and actions that work in a discriminatory fashion. These stereotypes have been operative in hiring practices, job requirements, much traditional training, standards of dress and behavior, in views about race, and in many other areas. They have provided significant barriers to minorities and the "disadvantaged." They have also hurt the companies by screening out or holding down potentially valuable workers, by establishing standards that have little to do with the work at hand, and by preventing an objective analysis of the actual situation that would be beneficial to *all* workers.

We have found that a good *hardcore* policy is a good *personnel* policy, and vice-versa. The same may be said for a good equal employment policy. This is true not only because such a policy can produce a new pool of productive talent, but because it forces a re-examination of the traditional stereotypes. We feel that one beneficial byproduct of the current efforts to hire the hardcore and to upgrade minorities will be a substantial restructuring of standard personnel practices, to the ultimate profit of business and the total work force.

There are many elements to a successful employment or community involvement program. We would only emphasize, as we have earlier in a slightly different context, the one key ingredient upon which all others depend. There must be a total commitment to the program from top management. This commitment must be clearly defined and presented and carefully explained to all parties. And it must be followed-through, supported, and enforced. In this sense, these programs are no different than any other important company program.

As a part of this commitment, there is a need for an internal organization within a company which has specific responsibility for planning and implementing the company's participation in realistic employment and urban programs. This organization (department, unit) must have clear support from top management and access to other units in the company. The demands of a realistic and meaningful program are too great without such a setup.

There has perhaps been too much emphasis on the recalcitrance and inertia of first-line supervisors and department heads. There is no doubt that problems do exist and that there is a need for careful explanation of company policy and for such things as sensitivity programs. We must again emphasize, however, that top management commitment is the key. Where it exists and where it is enforced, just as a production schedule might be enforced, the first-line supervisor is likely to fall into line. His job depends on it. At the same time, the requirements of this job may need some redefinition, or perhaps the incentives for carrying out this job may have to be altered. In too many cases, supervisors already overwhelmed by work have been handed new duties and told to carry them out. Further overwhelmed and lacking clear guidance, they have approached their jobs as before and have sidestepped their new duties. This is where top management must provide clear guidance, proper support and the big stick.

In any successful employment program, everyone involved in the program must be given a stake in its success. Whether he be a middle-level manager who designs a program, or a first-line supervisor who carries it out, or an employee (hardcore or otherwise) for whom the program is designed, he must clearly see his stake in the program's success. In other words, the program's success must be his success, however that success may be defined.

The hardcore unemployed

There has perhaps been some overemphasis on the concept of the hardcore unemployed, or rather a certain mis-emphasis. This is not to say that there should be any diminution of the critically important efforts being made to hire, train and upgrade the hardcore. This effort must be maintained and even accelerated. We are rather saying that in too many instances a new stereotype has arisen and a misleading equation established: hardcore-black=entry-level=dead-end. There is a dangerous tendency to equate "unemployed" and "unemployable." Under existing government guidelines, a large percentage of the "hardcore" can hardly be considered unemployable except in the light of rigid and rather unrealistic hiring criteria.

In any society, and within groups within that society, there is a whole spectrum of talent available. This is certainly the case in the "hardcore" community defined by the government guidelines. The hardcore are people who traditionally have been chronically unemployed or significantly underemployed even in good times. The reasons for this unemployment often have had little to do with actual or potential ability. There are certainly some people with such severe handicaps that they are only marginally employable, at best, or who need substantial help and training to become employable. There are others who by any objective standards are quite employable, but who may require such support services as transportation aid, day-care centers or counselling on a variety of matters. And so the spectrum continues, in a typical bell-shaped curve, ending with some extraordinarily able people. (It is interesting to note that some college graduates have been certified hardcore. Nor should it come as much of a surprise that many people with criminal records or without high school degrees are actually quite able and intelligent.) In hiring, training, and promoting, it is important to keep this concept of the spectrum in mind.

It follows that there often has been too much emphasis on the entry-level job (with entry-level too often defined as "dead-end"). Given the spectrum, the entry-level job is not meaningful to many employees, nor is it necessarily the best use of human resources. Certainly such a job is not meaningful to many unless it is just a way station on the path to better jobs and unless the reality of such jobs can be seen and grasped. It would be fallacious to assume that all of the hardcore, or for that matter any other group of employees, are capable of starting above the entry-level, or alternatively of progressing rapidly beyond the entry level. It is equally fallacious to assume the opposite, and this has been the more normal assumption.

It further follows that many of the assumptions underlying many of the training programs for the hardcore need to be reexamined. It has been standard practice in most companies and agencies to subject all new trainees to exactly the same training program. Typically, such a program will include many weeks of basic education, orientation, and basic skills, whether the individual trainee needs this training or not and whether or not this training is necessary for the job at hand. For the more able trainees, this process can be demoralizing, debilitating and self-defeating. It can also be a waste of company or government time and money.

To the greatest extent possible, training, like *selection job criteria*, should be job-related. If, in view of a company's specific job openings, a trainee needs basic education in order to carry out a job, he should get basic education, hopefully in a manner directly connected with his job or his life situation. If he needs skills training, he should receive skills training, in a job situation with a minimum of classroom work and a maximum of practice and actual operations. Training in a vacuum is not a useful concept or practice.

The ultimate tests of a hardcore program, which are also sources of major concern, are job performance and the retention rate. Many factors, including company climate, the supervisor, and, of course, the trainees themselves enter into determining retention. Perhaps the most important factor is the opportunity for upgrading and promotion. If the entry-level job is seen as just that, and not as a dead-end or a sop to the "underprivileged," the desire to continue and produce can be assured. Providing such an

opportunity may not always be a simple matter, but it is easy to overemphasize the difficulties. It is also an excellent method to cut down on some of the problems of absenteeism, turnover and lack of productivity which the spirit of dead-endism can produce.

It is not inconsistent with the above analysis to point out the need for, and potential of support services, not just for the hardcore but for all employees. Such supports may include aid in transportation, medical help, day-care service, and counselling in its many facets. These support services should not be viewed as handouts, as another form of social service do-goodism. They are rather an investment in staff continuity and in productivity. They can help companies to attract able employees who might otherwise be unavailable, and to keep employees who, without these services, would have to quit. Thus stated, the rationale for support services has an inherent value which makes these services useful for all new employees. This is one of the many areas of general personnel policy that need serious study.

Upward mobility

Upgrading and promotion are essential not only for hardcore employees but for all employees. This is particularly true in the case of minority group employees, who traditionally have been held back from the better jobs, both in hourly and salaried jobs. The activities of the EEOC and the OFCC make action in this area imperative. The increasing activity of minority employee groups, particularly in the automobile industry, further accentuate the situation and the need. However, these partially negative and coercive thrusts may be channelled into constructive forces, as has been the case with union activity in the past. Few companies have a surplus of talent. Few indeed have a sufficient supply. Minority groups remain the greatest untapped source of talent.

Many companies are finding it increasingly difficult to attract and retain minority group employees at any level, but particularly at the salaried level. Typically, a minority group person sees that no one of his race occupies any meaningful middle or upper level job and decides that there is no place for him in the company. Entry level-dead end jobs exist for salaried employees as well as for hourly. The effects can be just as discouraging, and they can be just as damaging for both the individuals concerned and for the companies.

Many of the stereotypes we have mentioned in the discussion on the hardcore also exist at the upper levels. There remain too many meaningless hiring requirements, too many unrealistic job definitions. In too many cases, there is a clear color line in hiring and promotion. Or where there are a few examples of upward mobility, they are limited to a few carefully chosen and segmented fields. Such practices ignore the realities of the current situation in our society, the abilities of a significant number of employees, and the needs of the companies involved. The simple fact is that there is a wealth of underemployed, highly qualified and badly needed personnel either already in industry or readily available for employment.

Much has been written about job analysis at the lower job levels and even at the skill levels. Very little attention has been given to the possibilities at the professional level. Disregarding the question of race, there are many job specifications which have little bearing on the job actually to be performed. Careful attention to such areas could provide a number of possibilities for upward mobility, even where presumably "qualified" personnel are not in ready supply. Further, the potential for the employment of para-professional personnel has only occasionally been surveyed. Numerous professional employees are bogged down in the rather simple details of their job and are thus prohibited from fully concentrating on the more complex demands of their positions. There is a vast potential in this area for both allowing these employees to concentrate more on essentials and for providing new areas of employment for previously unemployed or underemployed personnel. Paraprofessional positions can also be used as a means for selecting and training future professionals.

In the short run, some upgrading and promotion may be dependent upon such job re-analysis and upon significant training efforts beyond those normally provided for employees. There is another area that deserves some attention, that of providing alternative paths up the ladder. Often a college degree and/or a steady progression through the company hierarchy are the prerequisites for entry into middle and upper level jobs. There are other possible sources of supply that should be examined. There are a number of minority group businesses and agencies that are giving their personnel a significant range of experience in many facets of management. Because of the exigencies of the local situation, many of these people find themselves cut off from opportunities for advancement. Companies looking for highly able and truly skilled management personnel would do well to explore the possibilities of this situation. There are also people with experience and proven talent in institutions, including many government agencies and universities, which have traditionally hired minority personnel and given them advancement opportunity.

In the long run, equal employment at all levels is likely to be a more important social matter than hardcore unemployment. This situation may be further emphasized as the number of hardcore hires, mostly minorities, is swelled. The problems of an equal employment program with upward mobility may often be severe, but such a program will help not only to create a better community environment but a better personnel structure.

Community involvement

All companies find themselves involved in community activities. Requests for further involvement are never-ending and are likely to increase. We feel that several guidelines might be useful for companies who wish to be significantly involved in the solution of urban problems.

We have mentioned earlier the need for the participation of community (generally minority) groups in activities that affect them. By encouraging such participation in its own projects, a company can assure realism and the acceptance of these projects, heighten their impact, and contribute toward a more viable community environment. One note of warning should be sounded, however. No minority group community is monolithic, any more than any other community is. Great care should be exercised in dealing with the community representatives in order to insure that they do indeed represent something more than a narrow-gauge interest and that they have a real understanding of the community and its needs.

One of the most fruitful fields of company activity can be in the areas that affect employment. One might mention as a start the critical areas of transportation, open housing, and day-care service. Many companies are trying to deal with these problems for their own employees, but the problems are so severe that more massive businesswide and business-government activity is needed. We might further mention that there are many minority community organizations who are training neighborhood people for employment in self-help situations. They provide a ready-made base for a genuine business-community partnership.

Another fruitful area of involvement can be found in business-related activities. Companies can contribute a great deal in terms of skills and advice to minority group enterpreneurs and economic development groups. Of course, money can be quite useful, if it is provided with insight and understanding and without the wish to dominate. Perhaps a more fruitful line of endeavor may be found in doing business with minority people suppliers and banks. There are a number of these businesses in existence and it appears that there soon will be more. On a purely businesslike basis, a company can help these businesses and itself.

We feel that there is a paramount need for business to become more involved in public education. It is quite apparent that many of our schools are not adequately serving the school children, the larger community, or the needs of business. This inadequacy is one of the major reasons for the existence of the hardcore unemployed and for the substandard qualifications of many other employees. More thought needs to be given to the prevention of this situation, so that less attention will have to be given to curing its effects.

The possibilities here for business involvement are many. They include affiliations with schools, tutorial programs, the often-overlooked potential of cooperative education, and the need in most areas for more adequate and more widespread vocational education. Perhaps most important at this point is the need for a genuine dialogue between business and the school systems, and an expansion of that dialogue to include community people. The present situation is a source of concern for everyone, but to date there has been little attempt at genuine discussion of problems, leading to long-range (and massive) efforts to find solutions. There is no area where business self-interest and the public interest can be more clearly identified.

OTHER AGENCIES

There are a number of agencies that are working in cooperation with business on matters of employment and urban problems. While our main concern is with company policy, we have several suggestions which we feel may enhance the cooperative efforts.

National Alliance of Businessmen

In the short course of a year's time, the NAB has mounted a significant effort to attack the problems of hardcore unemployment. As the NAB effort continues and expands, we feel that there are several considerations (based on the points elaborated in the previous sections of this report) which could further enhance this nationwide cooperative effort.

We would like to see the NAB strongly emphasize the concept of the spectrum of talent among the hardcore unemployed and to make every effort to remove any stigma from the hardcore.

In many instances, the government certification requirements have proved a disservice to both business and the hardcore. Many hardcore have found the process to be insulting, humiliating, and a source of distrust and hostility. Many businesses have found it to be a cause of delay and even a hindrance or obstruction to hiring and training. Among both groups, the low credibility of many certifying agencies has been a source of concern. There are several possible areas of improvement:

1. Where possible, programs, not people, should be certified. This can be done on the basis of clearly defined guidelines and can be enforced by spot-checks of company employment records and training programs.

2. Where this procedure is not feasible, certification should be done on-site either in the community of the trainees or in the company itself. Again, the use of company records, as opposed to a potentially humiliating interview is recommended.

3. The number of certifying agencies can be expanded, with emphasis placed on agencies actually located in the poverty communities.

As we have mentioned on several occasions, we feel that there is a great need for all com-

panies and agencies to cooperate more closely with the community people affected by their programs. Community representatives can be of significant aid in recruitment, in evaluation of programs and in the continuing development of goals and plans.

Many companies have found a need for a greater continuity of NAB and Metro staff with whom they deal. They have also found a need for greater expertise on specific problems. Outside vendors can provide this expertise on occasion, but they are not always available. Nor is it often feasible to consult them on many day-to-day matters.

There is a continuing need for a greater exchange of information and expertise among companies. A NAB information service and a series of meetings and seminars could facilitate this exchange.

In this vein, there is much to be gained by emphasizing the *alliance* nature of the NAB. Information and exchange is needed not only on the specific problems of hiring and training the hardcore, but on long-range matters such as coordinated efforts in the event of a recession, or seasonal layoffs. The experience of the Louisville consortium may be instructive in this respect. The activities of this group in many areas deserves careful study by all Metros.

Public relations activities should be carefully controlled. Where they are necessary, they should be directed solely to the business community. The best source of publicity within the communities of the hardcore is the hiring of the hardcore. Any other publicity which goes beyond actual accomplishment should be avoided.

Any effort on the NAB scale must have accurate statistics in order to measure success. However, statistics are only a tool and should be used as such, not as an end in themselves. Ultimately good statistics depend upon quality programs and a deep nationwide commitment. Insofar as statistics help measure this quality and commitment, they are useful. At all times they should be seen as a secondary, and not a vital area of concern.

Finally, we do not wish to underestimate the importance of summer jobs. At the same time, we feel that the NAB effort has been hurt by a forced attention to the summer job problem. There are other agencies which can handle this problem. We would hope that the NAB would be allowed to concentrate solely on the problem of hiring, training, retaining and upgrading the hardcore, regardless of age.

Plans for progress

We have mentioned the paramount problem of upward mobility for minority group personnel. Plans for Progress is ideally suited to aid in solving this problem. There is a need for a national affirmative action program which will not only meet government guidelines but improve the quality of human resource use among companies. Plans for Progress can provide significant leadership in developing such a policy. It can also serve as a clearing-house for information and programs for upward mobility. It already has made a significant start as a forum for business, unions, government agencies and community groups. In all of these efforts, its effectiveness might be enhanced by the establishment of regional offices along the lines of the NAB.

The urban coalition

The major agency for a coordinated effort with respect to the total urban environment is The Urban Coalition in its many branches. We hope that its activities will continue and increase over the next few years. No other group is so well situated to encourage meaningful dialogue and to aid the planning and implementation of meaningful, coordinated attacks on urban ills.

The use of the Urban Coalition as a forum cannot be overemphasized. The lack of communication and understanding has exacerbated already grave problems.

We have mentioned the prime importance of business involvement with public education, and would hope that The Urban Coalition could play a key role in encouraging and nurturing this involvement.

Federal Government

In an earlier section, we suggested the need for a national statement of policy on employment and other urban problems. Such a policy can only come from the highest reaches of our federal government. We realize the ramifications of this policy and understand how it may occasionally conflict with other national goals. It is nevertheless essential if we are to make a meaningful attack on unemployment and urban blight.

We note with approval the effort to coordinate government programs on urban affairs, particularly in the area of employment. In the past, lack of coordination among government agencies and between these agencies and business has caused unnecessary problems. We trust that the NAB, Plans for Progress, and the Urban Coalition will continue to work with the government to improve this coordination.

We have emphasized that "unemployed" does not equal "unemployable" in most cases. A vast number of the hardcore unemployed are highly employable by objective There remains, nevertheless, a residue of physically, or otherwise severely handicapped persons who are largely unemployable. It is unlikely that business can significantly aid this small percentage. The federal and state governments must undertake to help these persons if their lot is to be improved. We hope that they will not be forgotten while the country works to improve the employment of others.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FOLEY (at the request of Mr. CAREY), for March 20 and 21, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STAGGERS, for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. BUSH) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. HALPERN, for 5 minutes, on March 20.

Mr. FISH, for 30 minutes, on March 26.

Mr. HALPERN, for 5 minutes, today.

Mr. FEIGHAN (at the request of Mr. SYMINGTON), for 30 minutes, on March 20; to revise and extend his remarks and to include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. ZABLOCKI in two instances and to include extraneous matter.

(The following Members (at the request of Mr. BUSH) and to include extraneous matter:)

Mr. PETTIS in two instances.

Mr. SPRINGER.

Mr. ASHBROOK.

Mr. RHODES in five instances.

Mr. PELLY.

Mr. FINDLEY.

Mr. FREY.

Mr. WYMAN in two instances.

Mr. MILLER of Ohio.

Mr. BROCK.

Mr. BROTZMAN.

Mr. BOW.

Mr. ANDREWS of North Dakota.

Mr. WINN.

Mr. GUDE.

Mr. MIZELL.

Mr. MORSE.

Mr. BROYHILL of Virginia in two instances.

(The following Members (at the request of Mr. SYMINGTON) to extend their remarks and to include additional matter in that section of the RECORD entitled "Extensions of Remarks":)

Mr. GARMATZ.

Mr. KYROS in two instances.

Mr. RARICK in four instances.

Mr. CASEY in two instances.

Mr. REES in two instances.

Mr. CORMAN.

Mr. RODINO.

Mr. PODELL in three instances.

Mr. EILBERG.

Mr. BARING.

Mr. LEGGETT.

Mr. FASCELL.

Mr. PREYER of North Carolina in two instances.

Mr. BEVILL in three instances.

Mr. O'NEILL of Massachusetts in three instances.

Mr. GALLAGHER.

Mr. FRASER.

Mr. BROWN of California.

Mr. PICKLE in two instances.

Mr. WILLIAM D. FORD in two instances.

Mr. CELLER.

Mr. GREEN of Pennsylvania in four instances.

Mr. MONTGOMERY.

Mr. ROGERS of Florida in five instances.

Mr. BRADEMAS in six instances.

Mr. JACOBS.

Mr. GONZALEZ in three instances.

Mr. HELSTOSKI in six instances.

Mr. VANIK in two instances.

Mr. EDWARDS of California.

ADJOURNMENT

Mr. SYMINGTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 18 minutes p.m.), the House adjourned until tomorrow, Thursday, March 20, 1969, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

598. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Council of Economic Advisers for "Salaries and expenses," for the fiscal year 1969, has been reapportioned on a basis which indicates the necessity for a supplemental esti-

mate of appropriation, pursuant to the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

599. A letter from the Comptroller General of the United States, transmitting a report on control over repairs of electronic components and assemblies, Department of the Navy; to the Committee on Government Operations.

600. A letter from the Chairman, Civil Service Commission, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide for additional positions in grades GS–16, GS–17, and GS–18; to the Committee on Post Office and Civil Service.

601. A letter from the Secretary of Health, Education, and Welfare, transmitting an annual report for 1968 on the advisory committees which assist him in carrying out his functions under the Social Security Act, pursuant to the provisions of section 1114(f) of that act, as amended by Public Law 87–543; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'NEILL of Massachusetts: Committee on Rules. House Resolution 330. Resolution providing for the consideration of H.R. 515, a bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to clarify responsibilities related to providing free and reduced-price meals and preventing discrimination against children, to revise program matching requirements, to strengthen the nutrition training and education benefits of the programs, and otherwise to strengthen the food service programs for children in schools and service institutions (Rept. No. 91–107). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. H.R. 2464. A bill for the relief of Elisabeta Horwath, with amendment (Rept. No. 91–102). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. H.R. 4546. A bill for the relief of Anna Del Baglivo, with amendment (Rept. No. 91–103). Referred to the Committee of the Whole House.

Mr. CAHILL: Committee on the Judiciary. H.R. 6366. A bill for the relief of Mrs. Aranka Mlinko, with amendment (Rept. No. 91–104). Referred to the Committee of the Whole House.

Mr. MESKILL: Committee on the Judiciary. H.R. 6670. A bill for the relief of Teresina Fara, with amendment (Rept. No. 91–105). Referred to the Committee of the Whole House.

Mr. DOWDY: Committee on the Judiciary. H.R. 6931. A bill for the relief of Giuseppe De Stefano, with amendment (Rept. No. 91–106). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEVILL:

H.R. 9214. A bill to amend chapter 44 of title 18, United States Code, with respect to the sale or delivery of ammunition; to the Committee on the Judiciary.

By Mr. BIESTER:

H.R. 9215. A bill to amend the Federal Power Act to facilitate the provision of reliable, abundant, and economical electric power supply by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the proper conservation of scenic and other natural resources; to the Committee on Interstate and Foreign Commerce.

H.R. 9216. A bill to amend title 39, United States Code, to provide additional free letter mail and air transportation mailing privileges for certain members of the U.S. Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9217. A bill to amend title 38, United States Code, to increase the amount payable on burial and funeral expenses; to the Committee on Veterans' Affairs.

H.R. 9218. A bill to amend title 38 of the United States Code in order to establish a national cemetery system within the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 9219. A bill to provide special encouragement to veterans to pursue a public service career in deprived areas; to the Committee on Veterans' Affairs.

H.R. 9220. A bill to provide for orderly trade in iron ore, iron and steel mill products; to the Committee on Ways and Means.

By Mr. BINGHAM:

H.R. 9221. A bill to amend title II of the Social Security Act to increase monthly benefits (with subsequent cost-of-living increases), to provide higher widow's benefits, to provide benefits for dependent parents, to permit the payment of benefits to married couples on their combined earnings records, to permit the exemption from coverage of services performed after attaining age 65, to eliminate the new restrictive definition of disability, to raise the wage base, and to otherwise extend and improve the old-age, survivors, and disability insurance system, to amend title XVIII of such act to provide coverage for certain drug expenses under the supplementary medical insurance program, to amend titles IV and XIX of such act to eliminate certain restrictions and limitations added in 1967 to the aid to families with dependent children and medical assistance programs, and to increase the amount of outside earnings permitted each year without any deductions from benefits; to the Committee on Ways and Means.

H.R. 9222. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. BROTZMAN:

H.R. 9223. A bill to amend the Small Business Act to provide assistance for owners and employees of small business concerns displaced or injured by Federal or federally assisted programs; to the Committee on Banking and Currency.

H.R. 9224. A bill to provide for equitable acquisition practices, fair compensation, and effective relocation assistance in real property acquisitions for Federal and federally assisted programs; to the Committee on Public Works.

H.R. 9225. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide for more equitable treatment of persons affected by real property acquisitions in Federal or federally assisted programs, and for other purposes; to the Committee on Ways and Means.

By Mr. COWGER:

H.R. 9226. A bill to change the definition of ammunition for purposes of chapter 44 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 9227. A bill to amend the Federal Aviation Act of 1958 to provide for the certification of air freight forwarders: to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 9228. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. FARBSTEIN:

H.R. 9229. A bill to provide for improved employee-management relations in the postal service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9230. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. FOREMAN:

H.R. 9231. A bill to permit the State of New Mexico to revise its agreement, entered into under section 218 of the Social Security Act, so as to extend social security coverage to certain hospital employees in such State; to the Committee on Ways and Means.

By Mr. FRASER:

H.R. 9232. A bill to amend title IV of the Social Security Act to repeal the provisions limiting the number of children with respect to whom Federal payments may be made under the program of aid to families with dependent children; to the Committee on Ways and Means.

By Mr. HAMILTON:

H.R. 9233. A bill to amend title 5, United States Code, to promote the efficient and effective use of the revolving fund of the Civil Service Commission in connection with certain functions of the Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ICHORD:

H.R. 9234. A bill to amend section 4356 of title 39, United States Code, relating to certain mailings of State departments of agriculture; to the Committee on Post Office and Civil Service.

By Mr. JOELSON:

H.R. 9235. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income compensation of enlisted members of the Armed Forces; to the Committee on Ways and Means.

By Mr. MADDEN:

H.R. 9236. A bill to provide for orderly trade in iron ore, iron and steel mill products; to the Committee on Ways and Means.

By Mr. MESKILL:

H.R. 9237. A bill to amend title 39, United States Code, to provide additional free letter mail and air transportation mailing privileges for certain members of the U.S. Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York:

H.R. 9238. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas (by request):

H.R. 9239. A bill to amend title 38 of the United States Code so as to permit the Administrator of Veterans' Affairs to enter into contracts for the provision of health services for certain dependents and survivors of veterans; to the Committee on Veterans' Affairs.

By Mr. THOMSON of Wisconsin:

H.R. 9240. A bill to regulate speed of vessels on the Mississippi River; to the Committee on Merchant Marine and Fisheries.

H.R. 9241. A bill to authorize lowering of pools on the Mississippi River to prevent flooding; to the Committee on Public Works.

By Mr. UTT:

H.R. 9242. A bill to amend section 504 of the Internal Revenue Code of 1954, relating to the tax exemption of certain organizations; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 9243. A bill to amend the Consumer Credit Protection Act to safeguard consumers in connection with trading stamp practices; to the Committee on Banking and Currency.

By Mr. BOW:

H.R. 9244. A bill to amend title II of the Social Security Act to provide for cost-of-living increases in the benefits payable thereunder; to the Committee on Ways and Means.

By Mr. BROCK (for himself, Mr. ESHLEMAN, Mr. KUYKENDALL, and Mr. WHITEHURST):

H.R. 9245. A bill to expand upon the economic freedom and public responsibility of American industry, to encourage the opportunity for the American worker to bargain collectively in his own best interests without economic deprivation, and to guarantee the American consumer and taxpayer protection from the abuse of excessive concentration of power; to the Committee on Education and Labor.

By Mr. BURLESON of Texas:

H.R. 9246. A bill to amend section 358(a) of the Agricultural Adjustment Act of 1938, as amended, to extend the authority to transfer peanut acreage allotments; to the Committee on Agriculture.

By Mr. CÓRDOVA:

H.R. 9247. A bill to amend section 2 of the Automobile Information Disclosure Act so as to include the Commonwealth of Puerto Rico, Guam, and the Virgin Islands within the provisions of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. DENNEY:

H.R. 9248. A bill to amend the Federal Meat Inspection Act as amended by the Wholesome Meat Act; to the Committee on Agriculture.

By Mr. DINGELL (for himself, Mr. SAYLOR, Mr. CARTER, and Mr. POLLOCK):

H.R. 9249. A bill to amend chapter 44 of title 18, United States Code, to provide that such chapter shall not apply with respect to the sale or delivery of certain ammunition for rifles or shotguns; to the Committee on the Judiciary.

By Mr. EILBERG:

H.R. 9250. A bill relating to withholding, for purposes of the income tax imposed by certain cities, on the compensation of Federal employees; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. DAWSON, Mr. ARENDS, Mr. ROSTENKOWSKI, Mr. MCCLORY, Mr. MIKVA, Mr. RUMSFELD, Mr. MURPHY of Illinois, Mr. ERLENBORN, Mr. KLUCZYNSKI, Mr. DERWINSKI, Mr. RONAN, Mrs. REID of Illinois, Mr. ANNUNZIO, Mr. ANDERSON of Illinois, Mr. YATES, Mr. COLLIER, Mr. PUCINSKI, Mr. MICHEL, Mr. PRICE of Illinois, Mr. RAILSBACK, Mr. GRAY, Mr. SPRINGER, and Mr. SHIPLEY):

H.R. 9251. A bill to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOLEY:

H.R. 9252. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Touchet division, Walla Walla project, Oregon-Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 9253. A bill to amend title 28, United States Code, section 753(e), to eliminate the maximum and minimum limitations upon the annual salary of reporters; to the Committee on the Judiciary.

By Mr. HARVEY:

H.R. 9254. A bill to amend the Flood Control Act of 1958 to authorize reimbursement to Frankenmuth, Mich., for certain work on the flood control project on the Saginaw River, Mich.; to the Committee on Public Works.

By Mr. HORTON:

H.R. 9255. A bill to prevent the importation of endangered species of fish or wildlife into the United States, to prevent the interstate shipment of reptiles, amphibians, and other wildlife taken contrary to State law, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KYL (for himself, Mr. SCHADEBERG, Mr. ESHLEMAN, Mr. GROVER, Mr. KING, Mr. THOMSON of Wisconsin, Mr. WIGGINS, Mr. KLEPPE, Mr. MATSUNAGA, Mr. OLSEN, Mr. BEALL of Maryland, Mr. WILLIAMS, Mr. BROWN of California, Mr. SCHWENGEL, Mr. BLACKBURN, Mr. HELSTOSKI, Mr. PIRNIE, Mr. WRIGHT, Mr. MCCLURE, Mr. SANDMAN, Mr. CORMAN, Mr. ROBISON, Mr. VANDER JAGT, Mr. DANIELS of New Jersey, and Mr. WIDNALL):

H.R. 9256. A bill to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MARSH:

H.R. 9257. A bill to amend the code of laws of the District of Columbia with respect to facilities for the parking or storage of motor vehicles; to the Committee on the District of Columbia.

By Mr. NICHOLS:

H.R. 9258. A bill to amend the Internal Revenue Code of 1954 to increase from $600 to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. SAYLOR:

H.R. 9259. A bill to repeal chapter 44 of title 18, United States Code (relating to firearms), and to reenact the Federal Firearms Act; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.R. 9260. A bill to provide for orderly trade in footwear; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 9261. A bill to amend the Juvenile Delinquency Prevention and Control Act of 1968 in order to make assistance available to Indian tribes on the same basis as to other local governments; to the Committee on Education and Labor.

H.R. 9262. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 in order to make assistance available to Indian tribes on the same basis as to other local governments; to the Committee on the Judiciary.

By Mr. UDALL (for himself, Mr. CORBETT, Mr. HECHLER of West Virginia, Mr. WOLD, Mr. POLLOCK, Mr. FRIEDEL, Mr. HORTON, Mr. BINGHAM, Mr. CHAPPELL, Mr. BUTTON, Mr. TIERNAN, Mr. BURTON of Utah, Mr. GOODLING, Mr. REIFEL, Mr. BRADEMAS, and Mr. REID of New York):

H.R. 9263. A bill to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI:

H.J. Res. 566. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. KYROS:

H.J. Res. 567. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.J. Res. 568. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. STUBBLEFIELD:

H.J. Res. 569. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GARMATZ (for himself, Mrs. SULLIVAN, Mr. PELLY, Mr. CLARK, Mr. SCHADEBERG, Mr. DINGELL, Mr. POLLOCK, Mr. LENNON, Mr. GOODLING, Mr. DOWNING, Mr. BRAY, Mr. ROGERS of Florida, Mr. STUBBLEFIELD, Mr. MURPHY of New York, Mr. LEGGETT, Mr. FEIGHAN, Mr. ANNUNZIO, Mr. BIAGGI, Mr. HANNA, Mr. ST. ONGE, Mr. HATHAWAY, Mr. BUTTON, and Mr. BYRNE of Pennsylvania):

H. Con. Res. 173. Concurrent resolution expressing the sense of Congress concerning the return from the Government of Peru of the U.S. destroyer *Isherwood*; to the Committee on Armed Services.

By Mr. COWGER:

H. Res. 328. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Urban Affairs; to the Committee on Rules.

By Mr. RARICK:

H. Res. 329. Resolution to authorize and direct an investigation of SIECUS and like organizations instructing, indoctrinating, or training minor children in those subjects traditionally the responsibility of the home, including but not by way of limitation, sex, religion, and morals without express consent of their parents; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

82. Mr. RHODES presented a memorial of the State Legislature of Arizona, urging the Congress of the United States to enact House Joint Resolution 269, introduced in the first session of the 91st Congress by the Honorable Congressmen JOHN RHODES and SAM STEIGER, and which directs the Bureau of Reclamation to study the engineering feasibility of acquiring riparian rights for the piping and pumping of water from the Gulf of California to Arizona for irrigation purposes, which was referred to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 9264. A bill for the relief of Michael Ritucci; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 9265. A bill for the relief of Mrs. Young Sook Han; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 9266. A bill for the relief of Ottavio Faggion; to the Committee on the Judiciary.

By Mr. HARVEY:

H.R. 9267. A bill for the relief of Louis H. Costa; to the Committee on the Judiciary.