ANTIPEACE DEMONSTRATORS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1969

Mr. RARICK. Mr. Speaker, the shenanigans of the so-called antiwar militants expose their true goals as being antipeace.

With 33,000 Americans already dead and a prolonged war attributed at least in part to the vacillations created by the Ameri-cong it is becoming more and more obvious to the mothers and dads that the antipeace demonstrators are but prolonging the war perhaps in the hope of wearing down the American people, demoralizing our morale but ever encouraging the Communist enemy not to negotiate peace.

The greatest militaristic threat in our land today comes from the falsely named antiwar demonstrators.

Mr. Speaker, one such Ameri-cong war encouragement session was recently held here in the Nation's Capital promoted by a tax-exempt foundation, and I include a report by Alice Widener from Human Events for March 22, 1969, as follows:

PIG ON A PEACE PLATE

(By Alice Widener)

A disgrace happened at the First National Convocation on "The Challenge of Building Peace," held by the tax-exempt Fund for Education in World Order, at the New York Hilton this month. Not an American flag was in sight at the luncheon gathering of two thousand pacifists. But Viet Cong flags were hanging from the balconies at both ends of the Grand Ballroom all during lunch, during introductory speeches made by officers of the Fund, and during speeches made by Chet Huntley and by United States Senators J. William Fulbright, Jacob Javits and George McGovern.

Until a handful of militant demonstrators made TV news by heckling Sen. Fulbright and striding onto the dais to put a pig's head on his plate, not one of the persons on the dais, including the three U.S. Senators, said a word of protest. When they did voice objections over the microphone, it was to denounce "the poor taste" and "undemocratic behavior" and "discourtesy" of the hecklers and demonstrators. Not one of the senators demanded over the loudspeaker that the Viet Cong flags be removed from the premises.

Though the main theme of the Hilton meeting was supposed to be "peace," it actually was an anti-ABM system and anti-Viet Nam war propaganda affair. There were morning and afternoon discussions on subjects such as "Is America Becoming a Militaristic Society?" and "Can We Build an Effective Constituency for Peace?" and "Are National Self-Interest and World Peace Compatible?"

Among unchallenged statements made at the convocation panel discussions were:

Rev. William Sloan Coffin, Jr., chaplain, Yale University: "Marx was essentially right when he said religion is the opiate of the people."

Betty Goetz Lall: "We must work up enough lobby so that it becomes competitor to the defense establishment. I learned in the Soviet Union last year that they have a new approach to the international law of disarmament. They said, 'We will add treaty by treaty and the sum total will become international law.' . . . I offer it as a possible substitute for limiting offensive and defensive weapons.

Dr. Jerome B. Wiesner: "Just as we can unilaterally escalate, we can unilaterally de-escalate. I would like to invite my Russian friends to come over here and see some empty missile holes. Even if they didn't reduce, maybe we can. Maybe we can have a disarmament treaty by ourselves; maybe we can have two peace races, one between ourselves with the Armed Services Committee and one with the Soviet Union. . . . The U.S. pioneered both offensive and defensive systems. . . . The U.S. is running an arms race with itself."

Howard Zinn, professor of government at Boston University: "At this moment we are the Italians, the Japanese, the Germans, of 1936. We have the title 'robber of our time.' "

Richard M. Pfeffer, Fellow of Adlai Stevenson Institute, research Fellow at University of Chicago Law School: "America is an imperialist power. We should withdraw from Viet Nam unilaterally and immediately. We have failed to understand Mao Tse-tung, one of the great men of our century."

Well, that was about the drift of the Hilton Peace Convocation. Nobody said a word in praise of the United States, not even the United States senators, and not one of them said a word over the microphone about the absence of the American flag and presence of the Viet Cong flag.

Breathes there an America, with soul so dead, who never to itself hath said, "Can these be our own, our native sons?"

HOUSE OF REPRESENTATIVES—*Thursday, March 27, 1969*

The House met at 12 o'clock noon.

The Reverend Earl S. Cox, Colonial Beach Baptist Church, Colonial Beach, Va., offered the following prayer:

Almighty God, our Father, we come this day with grateful, but unhappy hearts. Grateful for the free land in which we live, unhappy because many still live without the freedom that we know. We ask that Thy spirit strive mightily with the leaders of all nations as they seek means whereby all men might live free and at peace with one another.

Impress upon our minds that we must first be at peace with Thee. That freedom exists only as it exists everywhere. That the strength of our Nation lies in the integrity of her people. That peace is born out of righteousness.

Lord, today is ours. Give special strength and wisdom to those who lead our Nation. Fill them with Thy spirit that Thy will might be done. We make our prayer in the name of Jesus Christ our Lord, and for His sake. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8508. An act to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 714. An act to designate the Ventana Wilderness, Los Padres National Forest, in the State of California.

THE LATE MRS. HAMILTON FISH

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

Mr. WEICKER. Mr. Speaker, we were all saddened this morning to learn of the tragic death of Julia Fish, wife of Congressman HAMILTON FISH of New York.

To our esteemed colleague and his children, may I express the heartfelt sympathy of his freshman colleagues of the 91st Club and indeed, all Members of this House. May the good Lord in whose arms Julia rests give strength to sustain him during this time of great sorrow and a time which is, indeed a time of our sorrow.

Mr. GERALD R. FORD. Mr. Speaker, will the distinguished gentleman from Connecticut yield?

Mr. WEICKER. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I join the gentleman from Connecticut in expressing to HAM FISH and his family our deepest condolences. It was my privilege to know Mrs. Fish and to see her many times during 1968 and subsequently. She was a wonderful wife and a wonderful mother. Her loss will be deeply felt by all.

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

Mr. WEICKER. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, the hearts of all of us go out to our colleague and his children who have been the victims of such a tragic accident. We were all shocked when the news of Mrs. Fish's death reached us. May God be with her family during this time of sadness.

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

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

Mr. HUNGATE. I thank the gentleman for yielding.

Mr. Speaker, as one of the colleagues of Mr. FISH in the Committee on the Judiciary, we have all quickly come to know him, and he is an extremely able man. We all extend sympathy to him at this time.

TAX BENEFITS FOR SERVICEMEN

(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, our tax laws provide appropriate benefits to servicemen stationed in and around Vietnam. But, inexplicably, those same tax laws do not provide similar benefits to servicemen in and around Korea.

I am today introducing legislation to correct this inequity.

The unhappy fact is that Korea continues to be a hostile area in which the tenuous peace is often broken by Communist attacks near the demilitarized zone. And, of course, the ill-fated *Pueblo* mission is evidence of the potential danger that can befall servicemen on ships in the waters around Korea.

It is only appropriate, Mr. Speaker, that we accord servicemen facing danger in Korea the same benefits accorded to servicemen facing danger in Vietnam. I trust my colleagues will agree on the need for this legislation and I urge prompt action by the Congress.

PENNSYLVANIA NEARER GOAL TO LOWER VOTING AGE

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

Mr. SAYLOR. Mr. Speaker, I can now report to my colleagues that Pennsylvania has taken a big step toward lowering the voting age. Last Tuesday, the Pennsylvania House of Representatives gave its overwhelming approval to a proposed constitutional amendment that would reduce the minimum voting age in Pennsylvania to 19.

The measure will now go to conference with the Pennsylvania Senate which has already passed a measure to lower the voting age to 18. Though the two measures differ as to the minimum age, the important thing to note is that both houses gave their approval to the concept of reducing the voting age.

I am confident that the compromise will result in a lower voting age in Pennsylvania in the next few years and I take this opportunity to congratulate both bodies of the Pennsylvania Legislature for their action.

THE REVEREND EARL S. COX

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

Mr. SCOTT. Mr. Speaker, I appreciate the courtesy of our Chaplain, Dr. Edward Latch, in affording one of my constituents and friend, the Reverend Earl S. Cox, the opportunity to open our session today with prayer.

I have attended church services at the Colonial Beach Baptist Church of which Reverend Cox is the pastor and have spoken to the membership of his church.

These are very fine Christian people and I welcome Reverend Cox and his wife who accompanied him to our session.

RESIGNATION AS MEMBER OF U.S. DELEGATION TO THE NINTH MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE

The SPEAKER laid before the House the following communication:

MARCH 26, 1969.

HON. JOHN W. MCCORMACK,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is to advise you that I wish to be released from my assignment as a Member of the United States Delegation to the Ninth Mexico-United States Interparliamentary Conference.

I very much appreciate receiving the appointment to be one of the delegates from the United States, but because of some unexpected circumstances which have come up, I find it would not be possible for me to attend the Conference and herewith submit my resignation.

Sincerely yours,

WILLIAM L. SPRINGER.

APPOINTMENT AS MEMBER OF THE U.S. DELEGATION OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–420, the Chair appoints as a member of the U.S. delegation of the Mexico-United States Interparliamentary Group the gentleman from New Mexico, Mr. LUJAN, to fill the existing vacancy thereon.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO SIT TODAY DURING GENERAL DEBATE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate today.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 7757, SUPPLEMENTAL MILITARY PROCUREMENT AUTHORIZATION, 1969

Mr. ANDERSON of Tennessee. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 336 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 336

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. 7757) to authorize appropriations during the fiscal year 1969 for procurement of aircraft for the Armed Forces, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendment recommended by the Committee on Armed Services now printed in the bill. 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 Tennessee is recognized for 1 hour.

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

Mr. Speaker, House Resolution 336 provides an open rule with 1 hour of general debate for consideration of H.R. 7757 to authorize supplemental appropriations in fiscal year 1969 for procurement of aircraft for the Armed Forces. The resolution also provides for waiving points of order against the committee amendment in the bill. The waiver was provided against the amendment due to the fact that the original bill had only one money item in it and there might be some question as to germaneness.

The total authorization proposed in the bill is $76 million—$62 million for the Army aircraft procurement account and $14 million for the Air Force procurement account.

Also, there is authorized to be appropriated such sums as may be necessary for the pay and allowance of not to exceed nine persons, including personnel detailed to International Military Headquarters and military organizations, at rates provided for under section 625(d)(1) of the Foreign Assistance Act of 1961, as amended.

The $62 million authorization is for procurement by the Army of aircraft related items. The legislation does not authorize any additional fixed wing airplanes or helicopters. The $14 million authorization is for tooling and development of an improved F–5 airplane which will be used primarily in the military assistance program.

Mr. Speaker, I urge the adoption of House Resolution 336 in order that H.R. 7757 may be considered.

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

Mr. Speaker, the gentleman from Tennessee (Mr. ANDERSON) has very ably explained House Resolution 336, providing for 1 hour of debate and waiving points of order and the reasons therefore, for consideration of H.R. 7757.

The purpose of the bill is to authorize supplemental appropriations for fiscal 1969 for aircraft procurement and modification. The total authorization contained in the bill is $76,000,000.

Of this amount $62,000,000 is earmarked for the Army. Included are funds for the following:

[In thousands of dollars]	
Operational improvements in the design and equipment of military observation planes	6,000
For helicopter modification	1,600
For purchase of aircraft spare parts and support material	50,800
Replacement of Government-owned plant equipment	2,700

The bill also provides $14,000,000 in authorizations for the Air Force. This is to be used to upgrade and improve the F–5 airplane, now being widely used by allied nations. As Russia puts more Mig–21's in use to replace the older Mig–17's and Mig–19's, we must meet this increased threat. The improvements in the F–5 will include improved onboard avionics and armaments and an increase in engine thrust.

Finally, ths bill authorizes appropriations of "such sums as may be necessary" for pay and allowances for up to nine persons detailed for duty at the International Military Headquarters and Military Organizations. These are such operations as the NATO headquarters.

There are no minority views. The prior administration supported the bill; no letter from the present administration is included in the report.

Mr. Speaker, I know of no objection to the rule and I urge adoption of the rule.

Mr. ANDERSON of Tennessee. 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.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO SIT DURING SESSIONS OF THE HOUSE DURING THE WEEK BEGINNING MARCH 31

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have permission to sit next week during the sessions of the House.

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

There was no objection.

PERMISSION TO CONSIDER ON TUESDAY OR WEDNESDAY NEXT, H.R. 9328, PROVIDING SPECIAL PAY TO NAVAL OFFICERS IN SUBMARINE SERVICE

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that it may be in order to consider under the general rules of the House on Tuesday or Wednesday of next week the bill H.R. 9328, to amend title 37, United States Code, to provide special pay to naval officers, qualified in submarines, who have the current technical qualification for duty in connection with supervision, operation, and maintenance of naval nuclear propulsion plants, who agree to remain in active submarine service for one period of 4 years beyond any other obligated active service, and for other purposes.

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

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, is this legislation which is for all members of the crew of a nuclear submarine?

Mr. RIVERS. Only the officers.

Mr. GERALD R. FORD. Only the officers?

Mr. RIVERS. Only the officers. The others are taken care of under the variable reenlistment bonus concept, for the enlisted men.

This is vital, Mr. Speaker. It involves about $2.4 million. It is so vital to our nuclear submarine program, both the Polaris and attack submarines. That is the reason why I take this unusual procedure. It is highly important for the retention of these people and the operation of our submarine fleet.

Mr. GERALD R. FORD. Has this bill been unanimously agreed to by the committee?

Mr. RIVERS. Unanimously.

I add this: It was sent over with the highest urgency by the Department of Defense and the Navy Department.

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

Mr. GERALD R. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. Will there be a report accompanying the bill, and have hearings been held?

Mr. RIVERS. We had hearings. The report will be available on Monday.

Mr. GROSS. The report will be available on Monday, and the bill might be called up on Tuesday?

Mr. RIVERS. On Tuesday or Wednesday.

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

SUPPLEMENTAL MILITARY PROCUREMENT AUTHORIZATION, 1969

Mr. RIVERS. 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. 7757) to authorize appropriations during the fiscal year 1969 for procurement of aircraft for the Armed Forces, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina.

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. 7757, with Mr. ROSTENKOWSKI 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 South Carolina (Mr. RIVERS) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. ARENDS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from South Carolina.

Mr. RIVERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before us, H.R. 7757, authorizes appropriations during the fiscal year 1969 for procurement of aircraft for the Armed Forces, and for other purposes.

It authorizes $62 million additional appropriations for procurement by the Army of aircraft related items. It does not authorize any additional fixed-wing airplanes or helicopters. It does authorize an additional $14 million for tooling and development of an improved F–5 airplane which will be used primarily in the military assistance program. So the total amount to be appropriated in this bill is $76 million.

No additional funds are authorized to be appropriated for procurement of missiles, naval vessels, or tracked combat vehicles.

The specific aircraft related items authorized are listed and explained on pages 2 and 3 of the report. The aircraft repair parts and support materiel lumped at $50.8 million is broken down further as follows; $4.3 million to support increased aircraft operations in Southeast Asia; $33 million for Army aircraft operations in Southeast Asia, to cover higher than anticipated wearout rates in some particular helicopter subassemblies; and $13.5 million necessary because of an increase in the pipeline requirement to support earlier than planned deployment of the new light observation helicopter in Southeast Asia.

You will notice in the report that the committee added $14 million to the authorization bill for modifying the F–5—Freedom Fighters—aircraft into an improved version which will be called the F–5–21. By taking advantage of the several improvements that have been funded by Canada, Norway, and the Netherlands, at a cost of more than $50 million, and by installing the increased thrust J85–21 engines, a significant increase in military effectiveness will be attained while retaining the desirable low-cost, high-utilization rates and excellent maneuverable qualities of the F–5 aircraft.

The characteristics of the F–5 offer a relevant solution to the question of essentially equipping our allies with modern fighter aircraft capable of defeating the advanced threat aircraft dispersed throughout the world by the Soviets. The need for superior fighter aircraft by the forward defense nations creates a requirement for an air-to-air fighter capable of successfully competing with the Mig–21 in large numbers but with supportable costs. The F–5–21 meets this requirement.

The F–5–21 is an aircraft that many of our allies can afford to purchase and most have the skills and resources to support. Our experience with the current F–5 in 15 foreign countries shows that even the less-developed nations will be able to support the F–5–21 with high availability rates. All of us recognize the

fact that we must leave Vietnam just as soon as we can—honorably. The acceptance of this aircraft will permit the sustaining of an effective military air capability in Southeast Asia without our presence.

The F–5–21 program will also provide an improved fighter production base for potential needs of the United States.

Title II of the bill, "General Provisions," does not involve a request for supplemental funds for Southeast Asia. It provides authorization for appropriations for nine supergrade positions for personnel allocated to NATO-related agencies currently paid at rates prescribed under the Foreign Assistance Act of 1961, as amended. The need for this authority arises from the decision to transfer the subject costs of international headquarters and organizations from the military assistance budget to the Defense budget.

This year, for the first time, the administration has included in the Department of Defense budget approximately $31 million of funding for operation and maintenance funds to support the U.S. share of the cost of the operation of NATO.

If the appropriations for this, as requested by the administration, are transferred to the Department of Defense from the military assistance program, then the authorizing legislation for these positions would no longer be valid, and the holders of these positions would have to be reduced to the level of grade 15.

I agree with the administration position that the expenses are incurred because of military functioning of our own Armed Forces and are not, in fact, of primary assistance to other participating countries. Thus the funding should be within the Department of Defense rather than as a portion of the military assistance program. We have cleared this matter with the Post Office and Civil Service Committee as is shown by our report, and there is no objection on their part for this bill to authorizing these nine positions.

Mr. Chairman, this is a request for a rather austere supplemental appropriations authorization to support our efforts in Southeast Asia. The request earlier submitted by the former Secretary of Defense, Mr. Clifford, was reviewed in detail and approved by Secretary Laird and his Deputy, Mr. Packard.

I urge the Members to support this supplemental authorization bill.

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

Mr. RIVERS. I yield to the gentleman for a question.

Mr. KOCH. I very much appreciate the statement of the distinguished gentleman from South Carolina. What I would like to say is this: On the floor of the House yesterday when we were debating the course of this country's action in Vietnam—I made a statement that I would not from this point on—although I am only a freshman Member of the House of Representatives—that I would not vote for a single dollar for Vietnam war appropriations.

I notice that the gentleman from South Carolina particularly emphasized the fact that these moneys would be used in Southeast Asia and I assume he includes the Vietnamese war.

If that is the situation, then I would be opposed to such appropriation in its entirety, because I am not able to separate what will be used in Vietnam and what will be used elsewhere.

I would also like to advise the distinguished gentleman that I am not opposed to defense appropriations. I support them. I served, myself, in World War II as a combat infantryman. I know how important our defense needs are. But I am opposed to the War in Vietnam. I think it is an unconscionable war; I think it is an immoral war; and I believe we cannot wait for President Nixon or his administration to get us out of it. I want this Congress, myself included, to do something to demonstrate how our opposition to the present situation as it exists in Vietnam.

Therefore, I ask the gentleman whether one single dollar of this appropriation will be used in Vietnam?

Mr. RIVERS. As sure as the gentleman has two feet to stand on I can assure the gentleman that it is going to be used in Vietnam and the gentleman is entitled to his opinion. We have over 500,000 men in Vietnam and someone has got to provide for them and I am unwilling to expose our men to the dangers in that part of the world without the proper equipment and materiel which they needed yesterday. I am sure the gentleman has got to live with his conscience and that is his business. I do not impugn the gentleman's statement, nor do I depreciate any of his efforts. But if the gentleman does not want to vote for this bill, that is his prerogative.

Mr. KOCH. Mr. Chairman, will the gentleman yield further?

Mr. RIVERS. Of course I yield further to the gentleman.

Mr. KOCH. I would like for the gentleman to know that the depth of my feelings and love for this country and the security of our soldiers are, I believe, as strong as are the feelings of the gentleman from South Carolina.

Mr. RIVERS. No question about it. I am sure of it.

Mr. KOCH. And the depth of my feelings for the defense of my country are as strong as anyone in this House. I love this country.

Mr. RIVERS. I know you are concerned about it.

Mr. KOCH. It is because I love this country that I think we ought to have a moral position. I think the war in Vietnam is immoral and unconscionable. Would not the gentleman agree with me that I ought not to vote a single dollar to be used in an immoral and unconscionable war?

Mr. RIVERS. I thank the gentleman for his contribution. But I am not going to get in any argument with the gentleman. The gentleman can do as he pleases. The gentleman has to live with his own conscience. I have no quarrel with the gentleman. I have been delighted to yield to him and I would not want him to feel for a million dollars that I do not want him to believe in what he believes. I have no quarrel with the gentleman.

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

Mr. RIVERS. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Chairman, with the exception of the $14 million, I take it that this in the nature of a deficiency authorization; that is, the $62 million is in the nature of a deficiency because of the failure to appropriate enough money last year to take care of the needs set forth in the bill?

Mr. RIVERS. I would say to the gentleman from Iowa that that was not entirely the case.

Let me answer the gentleman in this way: We cannot estimate the wearing out of helicopter parts, because there is some calculated risk involved. Part of this is due to wear and tear, and part of it for modifications to improve the equipment.

Mr. GROSS. Due to unexpected aircraft losses in Vietnam, the gentleman is saying, I assume?

Mr. RIVERS. We have lost quite a bit in this offensive that is going on now. We have lost an awful lot of things that we did not anticipate, but this is not in the manner of a deficiency appropriation.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I have been concerned—as have other members of the Committee on Post Office and Civil Service—about the transferring of nine supergrades from NATO. I am satisfied with the letter which the chairman of the House Committee on Post Office and Civil Service put into the record. I want to say only that I believe the RECORD should, at this point, show that the chairman of the House Committee on Armed Services and the chairman of the House Committee on Post Office and Civil Service are agreed that this is a unique situation, and is not to be considered in any way as a precedent for the future.

Mr. RIVERS. Absolutely. And when we saw the possible conflict in jurisdiction I immediately addressed a letter to the chairman of the distinguished Committee on Post Office and Civil Service, and received his approval before we even touched these people. And we did not want it to be considered as a precedent.

Mr. GROSS. Mr. Chairman, I commend the gentleman from South Carolina for so doing.

Mr. RIVERS. I thank the gentleman very much for his statement.

Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ARENDS).

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 7757, a bill authorizing appropriations during the fiscal year 1969 for procurement of aircraft for the Armed Forces, and for other purposes. In rising in support of this bill, I do so as a substitute for the ranking minority member of the Armed Services Committee, the gentleman from Massachusetts (Mr. BATES), who presently is in the hospital and, thus, unable to be here.

After hearing the chairman's statement, I realize there is very little left for me to say because he has covered this bill

in detail. I do want you gentlemen to know, however, that even though this is a small bill, it required 2 full days of committee hearings, and was unanimously passed by the House Armed Services Committee. We feel this measure is essential to provide the support required for our troops in Vietnam.

As the chairman has explained, this bill represents $14 million more than was requested. We feel this authorization for the additional $14 million will result in solid savings to the United States in the years to come, for it will enable our allies to equip their own forces with an efficient, modern airplane to cope with the ever-growing air strength of the Soviets.

Let me try to anticipate some of the questions you may have concerning this authorization:

First. Why should the United States invest $14 million at this time in an aircraft not in the U.S. inventory?

It is in the U.S. national interest that free world nations be able to maintain military air capability adequate to counter the threat of high performance Mig's dispersed throughout the world by the Soviets. The F–5–21 is a high performance improvement of the basic F–5 introduced into the U.S. mutual security program in 1959, both for grant aid and direct export sales. There are more than 700 of the aircraft programed for 16 different U.S. allies. Major purchasers such as Canada, the Netherlands, and Norway have invested more than $50 million in improvements. By minor U.S. investment we can take advantage of these and other advances now available to modify the F–5 into an improved production version. More recently, national policy has come to recognize, as President Nixon has pointed out, that the weapon systems we supply to our Allies should enable them to serve as a buffer to separate the United States from local and immediate threats of aggression. If these weapon systems make it possible for the using nations to contain the threat, the United States may be spared involvement and the world spared the consequences of great power action.

The aim is to make deployment and involvement of U.S. Air Forces unnecessary. We seek by every means, to every extent possible, to enable indigenous forces to contain local threats. This is the policy context in which the F–5–21 weapon system was initiated in 1959. It is within the same context that these improvements should be added. A reasonable basis for establishing the market potential for this aircraft is the replacement of the 2,000 obsolete F–84, F–86, G–91 and F–100's currently being operated within the force structure of free world nations. These aircraft cannot operate successfully in an active Mig environment. Obsolescence, high operation and maintenance costs dictate that these aircraft be replaced if combat capable force levels are to be maintained.

Some of these nations may not buy the F–5–21; and it may be judged not in the best interest of the United States to make high performance aircraft available to others. Even so, it is conservatively estimated that the F–5–21 will be selected as the replacement for 20 to 50 percent of the current inventories of F–84's, F–86's, G–91's and F–100's. If it is the upper number, this would result in production of at least 1,000 aircraft. If it is the lower number, 400 aircraft would be produced or a potential dollar flow of from $800 million to $2 billion.

Second. Will the U.S. recoup its investment in the $14 million? The U.S. objective is to provide underwriting as a means of capturing a sizable portion of the market potential that has been identified. A DOD armed service procurement regulation provides policy guidance for recoupment of R. & D. investment. Under the provisions of this directive, surcharges are applied and the funds so obtained are returned to the U.S. Treasury. Military sales negotiations for this aircraft would consider terms and degree of recoupment, and it is reasonable to expect that most, if not all, would be recovered.

Third. What is the precedent for the United States to invest in a project of this nature?

The N–156—F–5—aircraft was developed by the U.S. Government for the express purpose of providing free world forces with an economic and effective weapon system under the Mutual Security Act of 1959, as well as for direct sales. To date, 405 F–5's have been sold to eight different countries. An additional 300 were provided under grant aid.

Fourth. How does Conte-Long amendment affect this program?

The Conte-Long amendment would apply. Sales or grant aid provisions of the F–5–21 to underdeveloped nations would require presidential determination.

Fifth. Why does not Northrop, the aircraft company responsible for this airplane, invest the $14 million?

U.S. foreign policy is always a predominate factor in determining the extent of military equipment sales to foreign governments. Most such sales are conducted on a government-to-government basis, and all must support foreign policy and be in the best interest of the U.S. Government. Necessary and basic government constraints limit contractor freedom in the development of foreign military business and preclude contractor investment risk to develop these markets. Government leadership in the development of major weapon systems is therefore necessary. The F–5 program has been carried out under the procedures for weapon systems development established by the Department of Defense, and the modification into F–5–21 is part of the same program.

I am hopeful that this answers any questions you may have had as far as the $14 million add-on is concerned.

Insofar as title II of the bill is concerned, we realize that this is a somewhat unique departure from the course which has been followed in the past. But both the former and present administrations have recommended funding for NATO headquarters be made from the Defense budget rather than the foreign assistance budget, beginning with fiscal year 1970. Title II is thus necessary to continue these positions to remain at their current levels if the appropriations are transferred to the Defense Department.

We very carefully checked this with and have the concurrence of the Post Office and Civil Service Committee.

I urge your support of this bill which unanimously passed our committee.

Mr. BINGHAM. Mr. Chairman, I shall vote "no" on this supplemental military procurement authorization for fiscal year 1969.

I do so, first, because a substantial proportion of this authorization is required "to support increased aircraft operations in Southeast Asia." I believe that instead of intensifying our aircraft operations in Vietnam, we should be slowing them down. As I stated on the floor yesterday during the special orders on Vietnam, I believe the recent offensive launched by Hanoi and the Vietcong was a response to our intensified operations undertaken in the last few months. The road to peace in Vietnam lies through a cease-fire, or at least deceleration of military activities, accompanied by more intensive efforts to negotiate a political settlement. The bill before us points in the wrong direction.

I am also opposed to H.R. 7757 because certain aspects of this legislation involve matters of foreign policy which should have come before the Foreign Affairs Committee for review. I refer particularly to the $14 million added to the bill, although not originally requested by the administration, for the purpose of modernizing at U.S. Government expense aircraft sold to allied countries. This clearly constitutes military assistance and should be considered as part of the foreign aid program. I refer also to title II which concerns pay and allowances for personnel performing functions under the Foreign Assistance Act of 1961, as amended. This title was proposed by the Department of Defense and reported out by the Armed Services Committee without even any notice to the chairman of the Foreign Affairs Committee.

It is essential, in my judgment, that the constant efforts of the military to take action affecting foreign affairs without adequate consultation with those responsible for the foreign policies of this country be resisted.

Mr. HORTON. Mr. Chairman, this is the first opportunity we have had in the 91st Congress to consider funds for the military. While H.R. 7757, which authorizes a supplemental military appropriation, contains no provision for new procurement, I feel this is an appropriate time to discuss the overall problems connected with the military segment of the Federal budget.

This bill comes to the floor in the midst of a flurry of public discussion of national issues. I would like to take this time to make some recommendations to the new administration on what national priorities should be followed in our foreign, domestic, and fiscal affairs.

There is no question that our economy is in dire straits. Both fiscal and monetary restraint are needed to reverse the trend.

The core of the problem, is not the reduction of domestic expenditures and domestic programs which have already been substantially reduced from authorized levels.

The American people, through taxes and through reduced Federal spending on urban, social, and environmental problems, have already undergone considerable sacrifice in an attempt to stem inflation in this wartime economy.

In large measure, these sacrifices have been borne by the American people in behalf of the people of South Vietnam. I think that the target of efforts to curtail Federal spending must be in the defense and the military field—and the emphasis must be on reducing the cost, in lives, in dollars and in frustration, of the war in Vietnam.

I believe that the Nixon administration is concentrating a great deal of effort on the solution of this war. The President's responses to questions on this subject have been forthright, accurate, and honest, as have those of his Cabinet. The picture in Southeast Asia is gloomy. But it has been gloomy since the beginning of this decade. The picture here at home grows even gloomier as the war drags on.

Many Members of this body and of the Senate have underscored the growing problem of inflation and skyrocketing interest rates in our overheated economy.

Yesterday, the President asked Congress to continue the surtax for another year, and to delay reductions in certain excise taxes, in an effort to stem the tide of inflation. He coupled his request with a pledge to recommend substantial reductions in Federal spending.

Earlier this week, it was recommended that an all-out moratorium on public works of every variety be declared as the core of a Federal attack on inflation and rising interest rates.

In the midst of high-level discussions on the necessity of making reductions in domestic spending, and on the necessity of continuing the surtax, we have not made any moves toward reduced military expenditures.

Quite the contrary, the administration has asked for minimum deployment of the "safeguard" ABM system, costing upwards of $6 to $8 billion. It is in the process of finalizing an agreement with the totalitarian government of Spain, under which we would pay Franco for permission to maintain four military bases in his country for the next 5 years.

I understand that the negotiated settlement with Franco is to cost upwards of $100 million in military aid. The bases themselves cost $50 million a year to operate.

I think that the need for these facilities, particularly when their retention hinges on our support of a totalitarian government, must be very carefully reviewed before we finalize this agreement or curtail any domestic programs.

Troop commitments in Europe and elsewhere in the world should also be carefully combed to determine their necessity. I was most encouraged by the President's stated intention to seek more equitable participation from our NATO allies which could hopefully result in some reduction in U.S. military costs in Europe.

But even careful and cost-conscious reviews of these military expenditures will produce little, without an all-out effort to end the $35 billion per year drain of the Vietnam war.

Conditions which I will allow the United States to drastically reduce its manpower commitment in Vietnam must be brought about immediately. The temper of Congress and the people of this country will tolerate no hint of the dragging escalation we have faced over the past 5 years.

The U.S. economy is about to burst. Inflation is almost uncontrollable. Interest rates are climbing past record heights. And no let up is in sight. The people of the United States are fed up with increased spending necessitated by the war. They are few up with diversion of these moneys from urgently needed domestic programs.

The people of this country are not going to allow our present prosperity to go out the window because of the exorbitant cost of this war. Strong and immediate action is indicated to resolve this problem.

Secretary Laird, in a gloomy report to the Congress on the military status of the war, said he could not foresee any early withdrawal of American ground troops.

The North Vietnamese and Vietcong have clearly violated whatever private understanding led to the cessation of our bombing in the north. Once again the cities of South Vietnam are under mortar and rocket attack. To ward off a repeat of last year's pitched battles in the streets of Saigon and Hue, United States and South Vietnamese ground action has put us on the brink of a serious escalation.

If we respond to this state of affairs by escalating our role in the ground war, we will make the Paris talks even more fruitless and hopeless.

Thirteen months ago, I returned from Vietnam, urging our Government to sit down with the South Vietnamese and set a deadline for withdrawal of U.S. troops. Their battle stations would be manned by U.S.-equipped Asian troops, mostly the ARVN. In February 1968, I suggested 6 to 12 months as a reasonable deadline for the start of gradual American troop withdrawals.

Since then, our Defense Department stepped up efforts to prepare the South Vietnamese forces for eventual takeover of the fighting, but we have made no effort to set up a firm timetable under which such a takeover would take place.

So far, this "talk and fight" waiting game has grown ever so costly in terms of American lives lost, American dollars spent, and in terms of inflation and budget acrobatics needed to remain true to commitments at home.

How long will we wait to make the judgment that the Vietnamese are ready, with our financial and equipment support, to resume their own defense? Will we wait until the level of the fighting has escalated to a point where they could not possibly step into our shoes and hold their own?

The time has arrived for curtailing U.S. involvement in this Asian land war. The time has passed for waiting and postponing.

We have already learned that we cannot rely on the North Vietnamese and their Vietcong allies to behave honorably or honestly. They serve only their own interests. If we wait until the Communists agree to make real sacrifices to achieve peace or deescalation, we may wait forever—which means losing 100 to 400 American men a week for as long as it takes. This price is intolerable.

While it is possible for the Vietnamese to fully relieve us from the ground combat responsibilities, it is far less likely that their air force and navy can be improved to the point where these forces would have the same effectiveness as our own air and sea strike, and firepower potential.

The edge that the United States has gained against the elusive Communist guerilla is largely a result of the firepower and mobility of our air and sea forces.

Our cessation of the bombing in North Vietnam was a sincere effort to bring about a deescalation of action on both sides, and to bring about meaningful peace talks. Despite our hopes and our understanding that attacks on South Vietnamese cities would be cut back by the Communists, the North Vietnamese have so far sacrificed only the air fare of their delegation to the Paris peace table. They have curtailed neither infiltration nor their attacks on South Vietnam's population centers.

My proposal is straight forward and simple. The United States immediately should withdraw one combat and one support unit from the U.S. Army or U.S. Marine contingents in South Vietnam. We should determine with the South Vietnamese, a schedule for further gradual withdrawals to reduce the total of Army and Marine units substantially by the end of this year.

Until the South Vietnamese are convinced that we really intend to pull out, they will drag their feet and try to put off our first withdrawal date as long as possible.

So far, they have successfully held us back from pursuing any plan of gradual withdrawal in earnest. They have prevented us from giving proper attention to our economic and social problems at home, and our friendships elsewhere in the world.

We should announce this initial withdrawal as a unilateral, deescalatory move on our part.

At the same time, we must openly declare that the North Vietnamese have violated the understanding of October 31, 1968, and, that we expect, if the peace talks are to be meaningful and mutual, that the North Vietnamese will make some similar move to deescalate.

The President has already issued the one and only warning he need make. He has put the North Vietnamese on notice that further escalation on their part will be responded to.

This would serve to affirm our pledge to the South Vietnamese that our air and naval forces will be ready to repel all escalatory moves by the Communists despite the fact that we plan to quickly scale down our ground war participation.

We can no longer arrest progress in America because of our heavy involvement in a war whose course is determined by the whim of our Communist enemies and by the lack of self-confidence of our South Vietnamese friends.

Their dependency on American young men for the defense of their country must end. The timetable for ending this dependency must be based on the needs and priorities of the American people and not solely on those of the South Vietnamese.

Within a few days, more young men will have been killed in Vietnam than in the Korean war. Earlier this week the names of more than 31,000 servicemen who died in this war were put before this House.

Increased casualty figures, the stagnant situation in Paris, and the unpromising report of the Secretary of Defense on the curent military situation are all discouraging.

The figures add up to the need for American initiative at this point to break the threatening cycle of escalation on the ground, and to end the continuing dependency of the South Vietnamese on American lives for their defense.

Mr. RYAN. Mr. Chairman, Congress has already appropriated $74,139,000,000 for fiscal year 1969 to the Defense Department—the largest military allocation in the history of the United States. In the debate on the military appropriations bill on September 12, 1968, I said that the size of the Department of Defense's budget was the product "of the outdated cold war mentality, the excessive growth of the military-industrial complex, and, most of all, the war in Vietnam, which is the culmination of disastrously mistaken policies." Nevertheless, the arguments of those of us who opposed this disproportionate emphasis on military spending did not prevail.

In spite of the fact that the Department of Defense's budget for fiscal year 1969 is the highest allocation by the Federal Government to a single agency in the history of the United States, the Department of Defense—or at least some of its proponents—are still not satisfied with their billions. For the bill we have before us today, H.R. 7757, asks for the authorization to appropriate an additional $76 million to the Army and the Air Force for the procurement and modification of aircraft.

Above and beyond the question of the need for this authorization, there is a serious question about what kind of planning is represented by this request for additional authorization of $76 million. This is not a request for a supplemental appropriation for funds authorized but not appropriated by Congress. The items for which authorization is sought in this bill were not even included in the Department's fiscal year 1969 budget presentation. Yet, the Department—scarcely 6 months after their budget was considered by Congress—is back again, requesting authorization for the allocation of funds which it apparently did not think important enough to include in its fiscal year 1969 budget. I think this request demands the closest scrutiny by Congress—a scrutiny this body has been far too reluctant to invoke in the past.

The Army already has an authorization of $735.4 million for the procurement of aircraft during fiscal year 1969, and was appropriated $735.2 million for that purpose.

The Air Force received an authorization of $5.2 billion and an appropriation of $3.86 billion for the procurement of aircraft during fiscal year 1969.

Why cannot the Army and the Air Force simply shift priorities within the budget appropriated to them by Congress if these items are so imperatively needed? Why do they seek additional authorization above and beyond that sought in the fiscal year 1969 budget which they submitted to Congress?

In the case of the Army, according to the hearings held on March 11 and 12, 1969, before the House Armed Services Committee, the Army is requesting $62 million in additional authorization because the need for modifications of existing aircraft became clear only "as a result of lessons learned during the Communist Tet offensive in early 1968." The effects of that offensive, General Miley testified in the course of the hearings, motivated the decision "to accelerate the improvement and modernization of the Republic of South Vietnam Armed Forces." At least part of this additional authorization is needed, however, according to the testimony of John Blandford, chief counsel for the Armed Services Committee, because the Army did not have the forethought to request the modifications now deemed necessary when it placed the order for the AH–1G light observation helicopter with Hughes Aircraft. In the words of Mr. Blandford, "the Army did not know what they wanted."

The portion of this bill which requests an additional $14 million authorization to the Air Force for the F–5 and F–5–21 aircraft was apparently not sought at any time by the Air Force—neither during its budget presentation to the Congress last year nor even, for that matter, from the Armed Services Committee 2 weeks ago. At page 535 of the hearings, Gen. Duward Crow, the director of the budget for the Air Force, said: "We are not asking for authorization, sir." The impetus for the request for the additional $14 million authorization apparently came primarily from the Chairman of the Armed Services Committee.

The money sought would be used, in Chief Counsel Blandford's words, as an "initial increment for the retooling of the Northrup Aviation plant to go from the production of F–5's to the production of the F–5–21" which entails, among other things, a new engine, better radar coverage, and the installation of two machineguns.

The Department of the Air Force, according to the testimony of General Crow, has no plans for utilizing this plane in our own aircraft inventories. In response to a question from our colleague, Congressman PIKE as to whether the Air Force intended to acquire this plane itself, General Crow replied:

We do not have an approved program for this aircraft in our inventory.

Mr. PIKE went on:

So the purpose of this expenditure is to build a plane which we can sell to other countries, under our military-assistance program.

General Crow affirmed that "that is the primary purpose"—hearings page 525.

If the Air Force does not plan to use this plane itself, it would seem that this $14 million—and the additional $62 which the chairman of the Armed Services Committee has indicated he will later seek for this plane—is nothing more than a subsidy to Northrup Aviation designed to encourage them to convert their production line so as to be able to turn out greater quantities of the F–5–21 for sale abroad.

This raises several questions. First, does this authorization mean that the Armed Services Committee, and not the Foreign Affairs Committee, now has authority over the military assistance program? Chairman RIVERS believes it does. If he is correct, I think this committee's approval of a subsidy to Northrup Aviation—for a plane which our own Air Force has no plans to utilize—should prompt Congress to question whether or not control of our military assistance program should be with the Armed Services Committee. Second, is not this appropriation inconsistent with the provisions of the Conte-Long amendment, which is designed to discourage the sale of sophisticated weaponry to underdeveloped countries? I think it is.

More importantly, however, I think both of these requests for authorization for the expenditure of more funds on weapons—and especially the $14 million sought for the manufacture of a plane which our own Air Force has no plans to incorporate into its inventory—are yet another example of the tragic imbalance of our spending priorities. While our cities rot and our air is polluted, while millions of Americans continue to suffer from inadequate educational and economic opportunities, Congress is being asked to pour still more money into the hands of the strategists who have led us into the bloody morass of the Vietnam war.

To support these requests for more money is to support our present budgetary imbalance. I urge my colleagues to vote against this bill and to turn the money requested instead to the urgent domestic needs of this country.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

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

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 90–500, there is hereby authorized to be appropriated during the fiscal year 1969 for the use of the Armed Forces of the United States for procurement of aircraft in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $62,000,000.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 2: Strike the period, and insert a semicolon and insert "for the Air Force, $14,000,000."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—GENERAL PROVISIONS

SEC. 201. There is hereby authorized to be appropriated such sums as may be necessary for the pay and allowance of not to exceed nine persons, including personnel detailed to International Military Headquarters and Military Organizations, at rates provided for under section 625(d)(1) of the Foreign Assistance Act of 1961, as amended.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, 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. 7757) to authorize appropriations during the fiscal year 1969 for procurement of aircraft for the Armed Forces, and for other purposes, pursuant to House Resolution 336, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. 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.

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

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. RYAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 341, nays 21, not voting 68, as follows:

[Roll No. 31]

YEAS—341

Abernethy	Belcher	Brown, Ohio
Adair	Bennett	Broyhill, N.C.
Adams	Berry	Broyhill, Va.
Addabbo	Betts	Buchanan
Albert	Bevill	Burke, Fla.
Anderson, Calif.	Biaggi	Burke, Mass.
Anderson, Ill.	Biester	Burleson, Tex.
Anderson, Tenn.	Blackburn	Burlison, Mo.
Andrews, Ala.	Blanton	Bush
Andrews, N. Dak.	Boggs	Button
Annunzio	Boland	Byrne, Pa.
Arends	Bolling	Byrnes, Wis.
Ashley	Bow	Cabell
Aspinall	Brasco	Caffery
Baring	Bray	Camp
Barrett	Brinkley	Carter
Beall, Md.	Brooks	Casey
	Broomfield	Cederberg
	Brotzman	Chamberlain
	Brown, Mich.	Chappell
Clancy	Hicks	Poff
Clausen, Don H.	Hogan	Pollock
Clawson, Del	Holifield	Preyer, N.C.
Cleveland	Horton	Price, Ill.
Collier	Hosmer	Pryor, Ark.
Collins	Hull	Pucinski
Conable	Hungate	Purcell
Conte	Hunt	Quie
Corbett	Hutchinson	Quillen
Corman	Ichord	Railsback
Coughlin	Jacobs	Randall
Cramer	Jarman	Rarick
Culver	Joelson	Reid, Ill.
Cunningham	Johnson, Calif.	Reifel
Daddario	Johnson, Pa.	Rhodes
Daniel, Va.	Jones, Ala.	Riegle
Daniels, N.J.	Jones, N.C.	Rivers
Davis, Ga.	Karth	Roberts
Davis, Wis.	Kazen	Robison
de la Garza	Kee	Rodino
Delaney	King	Rogers, Colo.
Dellenback	Kleppe	Rogers, Fla.
Denney	Kyl	Rooney, N.Y.
Dennis	Kyros	Rostenkowski
Derwinski	Landgrebe	Roth
Devine	Langen	Roudebush
Dickinson	Latta	Ruth
Diggs	Leggett	St Germain
Donohue	Lennon	St. Onge
Dorn	Lipscomb	Sandman
Dowdy	Lloyd	Satterfield
Downing	Long, La.	Saylor
Dulski	Long, Md.	Scherle
Duncan	Lujan	Schneebeli
Dwyer	Lukens	Schwengel
Eckhardt	McCarthy	Scott
Edmondson	McClory	Shipley
Edwards, La.	McCloskey	Shriver
Eilberg	McClure	Sikes
Erlenborn	McDade	Sisk
Esch	McEwen	Skubitz
Eshleman	McFall	Slack
Evans, Colo.	McCulloch	Smith, Iowa
Fascell	McKneally	Smith, N.Y.
Feighan	McMillan	Springer
Fisher	Mass.	Staggers
Flood	Macdonald,	Stanton
Flowers	MacGregor	Steed
Flynt	Madden	Steiger, Ariz.
Foley	Mahon	Steiger, Wis.
Ford, Gerald R.	Mailliard	Stephens
Ford, William D.	Marsh	Stratton
Foreman	Martin	Stubblefield
Fountain	Mathias	Stuckey
Frelinghuysen	Matsunaga	Sullivan
Frey	May	Symington
Friedel	Mayne	Taft
Fulton, Pa.	Meeds	Talcott
Fuqua	Meskill	Taylor
Galifianakis	Michel	Teague, Calif.
Garmatz	Miller, Ohio	Thompson, Ga.
Gaydos	Mills	Thompson, N.J.
Gettys	Minish	Thomson, Wis.
Giaimo	Mink	Tiernan
Gibbons	Minshall	Tunney
Gonzalez	Mize	Udall
Goodling	Mollohan	Ullman
Green, Oreg.	Monagan	Utt
Green, Pa.	Montgomery	Van Deerlin
Griffin	Moorhead	Vander Jagt
Griffiths	Morgan	Vanik
Gross	Morse	Waldie
Grover	Moss	Wampler
Gubser	Murphy, Ill.	Watkins
Gude	Murphy, N.Y.	Watson
Hagan	Myers	Weicker
Haley	Natcher	Whalen
Hall	Nedzi	Whalley
Halpern	Nelsen	White
Hamilton	Nichols	Whitehurst
Hammer-schmidt	O'Konski	Whitten
Hanley	Olsen	Widnall
Hanna	O'Neill, Mass.	Wiggins
Hansen, Idaho	Ottinger	Williams
Hansen, Wash.	Passman	Winn
Harsha	Patman	Wold
Harvey	Patten	Wolff
Hastings	Pelly	Wyatt
Hathaway	Pepper	Wylie
Hays	Perkins	Wyman
Hechler, W. Va.	Pettis	Yates
Heckler, Mass.	Philbin	Yatron
Henderson	Pickle	Young
	Pike	Zablocki
	Pirnie	Zion
	Poage	Zwach

NAYS—21

Bingham	Gilbert	Mosher
Brown, Calif.	Hawkins	Nix
Burton, Calif.	Helstoski	Podell
Chisholm	Kastenmeier	Rosenthal
Clay	Koch	Roybal
Farbstein	Lowenstein	Ryan
Fraser	Mikva	Stokes

NOT VOTING—68

Abbitt	Fallon	Rees
Alexander	Findley	Reid, N.Y.
Ashbrook	Fish	Reuss
Ayres	Fulton, Tenn.	Ronan
Bates	Gallagher	Rooney, Pa.
Bell, Calif.	Gray	Rumsfeld
Blatnik	Hébert	Ruppe
Brademas	Howard	Schadeberg
Brock	Jonas	Scheuer
Burton, Utah	Keith	Sebelius
Cahill	Kirwan	Smith, Calif.
Carey	Kluczynski	Snyder
Celler	Kuykendall	Stafford
Clark	Landrum	Teague, Tex.
Cohelan	McDonald, Mich.	Vigorito
Colmer	Mann	Waggonner
Conyers	Miller, Calif.	Watts
Cowger	Mizell	Wilson, Bob
Dawson	Morton	Wilson, Charles H.
Dent	O'Hara	Wright
Dingell	O'Neal, Ga.	Wydler
Edwards, Ala.	Powell	
Edwards, Calif.	Price, Tex.	
Evins, Tenn.		

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Jonas.
Mr. Waggonner with Mr. Cowger.
Mr. Kirwan with Mr. Morton.
Mr. Brademas with Mr. Ashbrook.
Mr. Evins of Tennessee with Mr. Smith of California.
Mr. Gray with Mr. Ayres.
Mr. Reuss with Mr. Bell of California.
Mr. Ronan with Mr. Keith.
Mr. O'Neal of Georgia with Mr. Brock.
Mr. Miller of California with Mr. Stafford.
Mr. Teague of Texas with Mr. Bates.
Mr. Charles H. Wilson with Mr. Price.
Mr. Kluczynski with Mr. McDonald of Michigan.
Mr. Howard with Mr. Burton of Utah.
Mr. Carey with Mr. Reid of New York.
Mr. Dent with Mr. Findley.
Mr. Fallon with Mr. Edwards of Alabama.
Mr. Rooney of Pennsylvania with Mr. Fish.
Mr. Gallagher with Mr. Mizell.
Mr. Colmer with Mr. Kuykendall.
Mr. Vigorito with Mr. Rumsfeld.
Mr. Blatnik with Mr. Snyder.
Mr. Abbitt with Mr. Schadeberg.
Mr. O'Hara with Mr. Ruppe.
Mr. Dingell with Mr. Sebelius.
Mr. Edwards of California with Mr. Wydler.
Mr. Fulton of Tennessee with Mr. Bob Wilson.
Mr. Scheuer with Mr. Cohelan.
Mr. Rees with Mr. Conyers.
Mr. Landrum with Mr. Wright.
Mr. Alexander with Mr. Clark.
Mr. Dawson with Mr. Powell.
Mr. Watts with Mr. Mann.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RIVERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill, H.R. 7757, just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL EXPLANATION

Mr. KEITH. Mr. Speaker, I was in the city of Boston this morning attending a funeral of a very close personal friend, and I had hoped to get back in time for the debate and the rollcall on the appropriations bill for aircraft.

Unfortunately I was unable to arrive at the Capitol until after the vote had been completed. Had I been present and able to vote I would have voted in favor of the bill.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO SIT TODAY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit this afternoon during general debate and special orders.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

A 5-YEAR LABOR CONTRACT SIGNED BY LOCAL NO. 5

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

Mr. BURKE of Massachusetts. Mr. Speaker, this morning at 11 a.m. a 5-year labor-management contract was signed between Local No. 5 of the Industrial Union of Marine and Shipbuilding Workers of America—AFL–CIO—and the Quincy, Mass. division of General Dynamics.

A similar long-term contract was signed and ratified last December by local No. 90 of the same union. Thus the 6,300 production and clerical workers of the Quincy Shipyard are covered by labor-management contracts extending to March 16, 1974.

This is an important labor-management agreement of unusual significance. It is a long-term commitment by this company and this union to the future of shipbuilding in the United States. It assures that this shipyard, with its long and distinguished history, with its outstanding technical capabilities, and its broad design and shipbuilding experience is totally devoted and committed to the marine requirements of this country.

I congratulate the union and the company on this honorable agreement and particularly on their expression of mutual confidence in what they can do together at Quincy.

I also commend the employees in both unions for their overwhelming and enthusiastic endorsement and ratification.

This is certainly good news for all concerned: The 8,500 employees, the community, the Commonwealth, the Navy, and the Maritime Administration.

Mr. McCORMACK. I welcome the statement made by my good friend and colleague from Massachusetts. This is good news not only to the southeastern section of Massachusetts but also for our Nation. It means that a labor agreement has been reached under the highest traditions of good labor-management negotiations. The officers of the Industrial Union of Marine and Shipbuilding Workers of America—AFL–CIO—and the officials of General Dynamics Division at the Fore River Shipyard in Quincy, Mass., are to be congratulated. The labor-management stability at the Fore River yard should go a long way in convincing private shipping companies, our Maritime Commission, and the Department of Defense that the Quincy Fore River Shipyard is a good place to build ships. I conclude by saying the able and hard-working Congressman from Massachusetts (Mr. BURKE) has been in the vanguard in Congress leading the fight for a strong Navy and effective merchant marine.

Mr. KEITH. Mr. Speaker, I am very pleased to join with the Speaker and the gentleman from Massachusetts (Mr. BURKE) in noting the successful resolution of differences at the General Dynamics Fore River Yard. It is most gratifying to learn that the Ship Building Workers of America—in particular, local No. 5—and General Dynamics have resolved their differences, and that stability of operations can be anticipated for at least a 5-year period.

The shipbuilders of this Nation have a long and glorious record. Much of it has been written in southeastern Massachusetts. I hope and I believe that we can recapture our preeminence in this field.

Our Nation needs not only the world's best Navy, but we also need the world's foremost merchant marine. To achieve and maintain these desirable objectives we need the capability and we need the cooperation which is evident in this new contract.

I join with JIMMY BURKE and Speaker McCORMACK in congratulating both management and labor, and especially Bob Laney and Ronnie Orcott, representing management and labor. They worked diligently and effectively to keep the Fore River Yard of General Dynamics turning out the world's finest ships.

PERSONAL TAX EXEMPTIONS MUST BE RAISED

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

Mr. LONG of Louisiana. Mr. Speaker, all of us here are personally familiar with the rising cost of living which has plagued our Nation almost continuously for the past two or three decades. On occasion even the Government has addressed itself to the problem of inflation, usually without much success. Meanwhile, our national tax structure continues to exact its measure from the pittance of the poor, a class created in large measure by the very taxes they are required to pay. The burden of taxes, including the silent tax we call inflation, rests most onerously upon the working man and woman, the small businessman, the aged, the disabled, the young who are just starting out in life, and all those who for whatever reason are destitute. I can think of no better way, in the absence of a complete overhaul of the Internal Revenue laws, to ease the financial burdens of these millions of citizens than by increasing the present personal and dependent exemptions. Therefore, Mr. Speaker, I am introducing a bill today to increase the individual taxpayer's personal income tax exemptions from $600 to $1,200. This increase would also apply to a spouse and dependents, and additional exemptions are provided for the aged and the blind.

I think it is important to remember that personal exemptions under the Revenue Act of 1913, which established the foundation of our present tax system, were $3,000 for a single person and $4,000 for a couple. And as late as 1939 the personal exemptions were $1,000 for a single person and $2,500 for a couple. In light of such liberal exemptions in those years when living costs were small in comparison to our present standards, my proposal certainly is not exorbitant.

It is a sad commentary on the honesty of the Federal Government when we see some of the very wealthy completely escape taxation while the Internal Revenue Service hounds the last nickel from the pockets of the worker, or when we see giant financial corporations evade taxation because they are technically nonprofit while scores of small businessmen are driven out of business each year because they cannot make a profit under our tax laws. These familiar inequities have suddenly become the Nation's greatest injustices. And I need not remind the House, Mr. Speaker, that unless we act to relieve the tax burdens of the needy, it will be fairly said of us that we saw our way clear to end our own financial hardship but that we did not have compassion enough to relieve the suffering of our fellowmen. Thank you, Mr. Speaker.

THE GREAT OIL CAPER

(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 Humble Oil Refining Co., domestic affiliate of Standard Oil Co. of New Jersey and largest purchaser of crude oil in the United States, has announced increases in the price it would pay for crude. This price increase was announced on Friday, March 21, 1969.

Taking note of "competitive conditions" in which many other oil companies have raised prices in recent weeks, Humble has posted increases between 5 cents and 10 cents a barrel at various points throughout the Nation. These new prices are effective right now.

This is the second round of increases recently. Marathon Oil Co. said it raised its posted prices 5 cents a barrel in Illinois and Michigan, effective March 15.

Charming. Smoothly done. Superb. The oil barons have sunk another well into the pockets of the American consumer in a way to make Machiavelli applaud.

As the largest purchaser of crude oil in the Nation, Humble has cracked the whip, and the rest of this "very competitive" industry will follow, in the name of competition. Heaven help us. But Humble is an umbrella corporation, buying crude oil from subsidiaries it owns. Please note that Standard Oil Co. is another name for Humble Oil Co. So again we see that a group of oil barons in a board room have decided to raise prices they charge themselves for crude oil, thus

allowing them to take greater oil depletion allowances. Then these altruistic, courageous, patriotic oil barons will turn to the American public with long faces, stating that because the price of crude oil has gone up, they will have to grudgingly raise prices of oil, gasoline, and related products.

We should applaud such performances. It is the shrewdest, cleverest, and most diabolical method of extortion by an industry of the consuming public ever attempted—in broad daylight. No reason in the world exists for this rise in prices. Let every consumer in America now digging so deep to pay taxes examine this. Taxes are high for lower and middle income wage earners, while they stay low or virtually nonexistent for the wealthy. All the while, major malefactors such as the oil industry gleefully add that last straw by accomplishing this latest extraction from the pockets of millions upon millions of people.

If this is public service, then so will your local sheriff dance "Swan Lake" in a tutu in the business district during rush hour. Then so do we need to give distinguished service awards to presidents of oil companies.

Standard of New Jersey is quite a giant. In 1967, it paid $166 million in Federal taxes on net income before taxes of $2,098,283,000—or 7.9 percent of its income.

Mr. Speaker, today and tonight, several hundred poor American youngsters will be arrested by police throughout the Nation for small crimes. Petty thievery, petty larceny, breaking into a place of business, and so forth. Many of these young people will be arraigned, brought to trial, convicted, and sent to reform school or jail. Yet I do ask: If we send these youngsters to reform school or jail for such crimes, what do we do about a major oil company that does what Humble has just done? Throw them a testimonial dinner and bleat about patriotism and public service? Present them with a plaque? Or perhaps it might be a silver wheelbarrow for them to use in taking home all their loot? Let the people ponder it. Let the oil barons think about it.

UNITED NATIONS SHOULD ESTABLISH RELIEF FOOD FORCE FOR NIGERIA-BIAFRA

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

Mr. McCARTHY. Mr. Speaker, I would like to speak briefly today about a matter that is increasingly bothering my conscience. I speak of the tragedy of Nigeria/Biafra where hundreds of thousands are starving because of a lack of food. Hunger and death from starvation in Nigeria/Biafra is not a matter of debate; the international relief organizations, the responsible press, members of the United States Congress have all witnessed the daily toll of children, the elderly, the sick and even mature adults.

Up until now it appeared that there might be a reasonably prompt resolution to the conflict in Nigeria. United States policy and that of the Organization of African Unity was to work only through the usual procedures of the international relief organizations to relieve the suffering of civilians in the federal and Biafran regions of Nigeria.

But it has become clear that this reliance on the usual relief procedures is not working. Already short protein food supplies being flown into Biafra are likely to decrease because of the rainy season which is about to begin and because of the aggressive actions of the federal air force. In addition, supplies of carbohydrates are dwindling, adding to the already tragic situation.

In the face of this international tragedy, I do not believe that the United States can refrain any longer from exerting its leadership. As the only major power not directly involved in this conflict, we have a responsibility to find an effective method of preventing further starvation.

I have proposed to Secretary Rogers that we use all our influence to get the United Nations to establish a relief food force for Nigeria/Biafra. As a part of that influence, I suggest that we offer transportation, food, and security forces for use by the United Nations.

Failing our attempts to get the United Nations to set up relief food centers, I suggest that the United States establish such centers with the international relief organizations or even unilaterally. I believe that we can do no less.

Some excused the failure of other nations to prevent the deaths of millions of Jews prior and during World War II on the basis that most people did not know of the situation. We know about the starvation in Nigeria/Biafra—the conscience of our citizens demands that we do something about it.

I include my letter to Secretary Rogers in the RECORD at this point:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1969.

Hon. WILLIAM P. ROGERS,
Secretary, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Shortly after you took office I wrote to you expressing my concern about the tragedy of Nigeria/Biafra. Verified reports of massive starvation in the Biafran region of Nigeria and in the Federal area as well led me to urge that you and President Nixon place this problem high on the list of priorities for attention. I welcomed your thoughtful reply and subsequent appointment of a personal representative by President Nixon, Professor Ferguson.

I am concerned, however, that the efforts of international relief agencies to feed the starving of Nigeria/Biafra are proving totally inadequate. Even the limited protein food shipments that are now reaching Biafra via Uli Airport are probably going to be curtailed by bad weather and air action by the Federal forces. And shortages of carbohydrates, further increasing the death rate, are expected to occur in April and May. These food shortages can only increase the already appalling death rate.

I, for one find it difficult to understand the actions of the Federal and Biafran forces that stand in the way of efforts to supply emergency food. But I find even more incomprehensible the inaction of the United Nations and the Organization of African Unity in the face of this disaster. If international organizations are unable even to provide relief to non-combatants, there would appear to be little future for them. Some excused the failure to prevent the deaths of millions of Jews prior and during World War II, for example, on the basis that we did not know of the catastrophe. In Nigeria/Biafra we know—but our relief efforts remain ineffective. Is it any wonder that our young people question our commitment to the moral values that we profess?

I suggest that the United States exert the world leadership in the Nigerian/Biafran situation that falls on us as the only major world power not directly involved in this conflict. I believe that we should:

1. Ask for a meeting of the Security Council to consider a resolution establishing a relief food force in Nigeria/Biafra on the basis that failure to provide effective relief may lead to further involvement of other countries in this conflict. If necessary, ask for a special session of the General Assembly to consider the same resolution. A vote on this resolution would show clearly which countries stand in the way of attempts to resolve this conflict.

2. Offer transportation equipment, food and personnel as well as any necessary security forces to establish relief food terminals in Nigeria/Biafra under the auspices of the U.N. and the O.A.U.

3. State that we will set up such terminals in cooperation with I.C.R.C. and other international relief organizations if U.N. and O.A.U. won't sponsor them.

4. State that we find unacceptable the international failure to provide relief in face of the know tragedy and exert the strongest pressure on involved nations to see, that as a minimum, effective relief measures are taken.

I do not feel that the United States can delay strong positive actions any further. To do so would be to cast doubt on our humanity. Although there may have been some arguments for refraining from involvement in the affairs of another country when it appeared that the conflict would be resolved quickly that condition no longer seems to apply. Our international responsibility now is to the starving of Nigeria/Biafra—not to the political powers engaged in civil struggle. I believe that we can and should move to set up effective food relief centers now. I urge you, Mr. Secretary, to give these recommendations your most careful consideration.

Sincerely yours,

RICHARD D. MCCARTHY,
Member of Congress.

GOVERNMENT-IMPOSED RESTRICTIONS ON AMERICAN BUSINESS VENTURES ABROAD ARE DAMAGING ECONOMIC INTERESTS

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

Mr. GIAIMO. Mr. Speaker, there is increasing concern that Government-imposed restrictions on American business ventures abroad are damaging the economic interests of our country. Restraints on U.S. foreign direct investments were imposed in February of 1965 as a temporary measure to alleviate our balance-of-payments difficulties and the drain on our dollars.

The temporary restraints were reluctantly adopted in order to buy time to get at the root causes of our balance-of-payments problem. Our difficulties are owed mainly to large and continuing government offshore expenditures for defense purposes, foreign aid, military

assistance, and other international commitments. Our allies and trading partners are not bearing a fair share of the burdens of maintaining a defense shield for the free world nor of providing assistance to less developed countries.

U.S. exports and our dollar-earning assets abroad are the mainstay in our balance of payments. The private sector has made a net contribution of $60 billion to our international accounts since 1950 but Government outflows amounted to more than $92 billion.

Restrictions on American overseas investments are now in the fifth year. They are damaging the competitive position of American companies in world markets while mortgaging the future of our balance of payments.

The President has pledged that he will end these self-defeating controls and restore to American businessmen freedom to invest abroad. Secretary of Commerce Stans has expressed good intentions for terminating the mandatory program. The question is when.

We have been repeatedly assured the restraints would be ended "as soon as possible" but we are in the fifth year and the controls are assuming the look of permanency. Business is entitled to know now when the program will be terminated so that companies can proceed with the forward-planning essential to the expansion of our dollar-earning assets abroad. This is the proper approach for strengthening our balance of payments.

James G. Morton, director of government relations for the Manufacturing Chemists Association, astutely summed up the case for terminating the mandatory program in an appearance before the Subcommittee on Foreign Economic Policy.

I wish to enter in the CONGRESSIONAL RECORD the remarks of Mr. Morton who has earned the trust and respect of Members of Congress in both parties because of his objectivity, intellectual honesty, and grasp of economic affairs:

STATEMENT OF JAMES G. MORTON, FORMER SPECIAL ASSISTANT TO THE SECRETARY OF COMMERCE, MARCH 26, 1969

My name is James G. Morton. Before returning to private industry I served successively as special assistant to three Cabinet officers during a five and a half year period from 1962 to 1967. I was a principal assistant to Secretary of Commerce John T. Connor when the United States Government curtailed foreign direct investments in February of 1965 and am testifying as a former official involved in the program.

It is a privilege to appear before this Committee to discuss U.S. foreign economic policy and to urge adoption of the bipartisan House Concurrent Resolutions 85 and 86 calling for an end to the self-defeating restrictions on American business ventures abroad.

These resolutions offered by Representative John V. Tunney of California, together with 42 Republican and Democratic members of the House, reflect the mounting concern over the mandatory controls on foreign investments which are damaging the competitive position of American companies and mortgaging the nation's economic future.

The decade of the sixties has been an era of unparalleled economic expansion for the world. We have been following an unwise and harmful policy of restrictionism when we should be encouraging American businessmen to seize the opportunities of the times.

Restrictionism represents a confused negative, and contradictory approach to the pursuit of our economic and foreign policy objectives and to the world's needs. It offers no meaningful or durable solutions to our complicated international problems, only the crutch of expediency.

Full participation of American companies in the growth of foreign markets is fundamental to our economic well-being. The expansion of our foreign earnings is a critical factor in supporting U.S. foreign policy objectives and in attaining a favorable balance of payments.

The mandatory controls, invoked as a stopgap measure during a monetary emergency, will in the longer term reduce the foreign income needed to offset the large and continuing government offshore expenditures which are responsible for the deficits in our international accounts.

Between 1950 and 1967 the net contribution of the private sector to the balance of payments was nearly $60 billion whereas net government outflows amounted to $92.6 billion.

Dollar outflows for U.S. foreign direct investment totaled $33.7 billion from 1950 to 1968 compared with inflows in the form of earnings, royalties, and fees of $69.5 billion. Overseas investments during the period of our balance of payments difficulties bulwarked the private account with a net contribution of $35.8 billion.

It is becoming increasingly evident that the host of restrictions placed on the private sector, rather than materially improving our future balance of payments outlook, may worsen it by "killing the goose that lays the golden egg."

The time has come to call a halt to the restrictionist course that has pervaded our foreign economic policy throughout this decade and inhibited U.S. gains in the world's growth.

Long-term credits were restricted through the Interest Equalization Tax in 1963 and bank and non-bank controls by the Federal Reserve Board. President Johnson later invoked the Gore amendment to apply the tax to foreign loans by banks and other financial institutions.

Voluntary restraints were imposed on U.S. foreign direct investments and on foreign lending in 1965 and were extended and progressively tightened in the two years to follow.

There were several attempts to restrain the overseas travel of American citizens but the administration backed off in the face of bitter opposition on the part of the public and on Capitol Hill.

Within the government the possibility of restricting the overseas transfer of American technology which is of vital importance to continued world development is now being examined. This would add a new and tragic dimension to the policy of restrictionism.

The imposition of stringent mandatory controls on foreign investments with criminal penalties for violators was effected in January of 1968 by executive order based on grounds of dubious legality. While the negative effects of the mandatory program are the immediate consideration of these hearings, there is the larger fundamental question whether it is not time to reorient our foreign economic policy outward to the realities and opportunities of an expanding world economy.

The hearings before this Committee will serve to illuminate the vital importance of U.S. private investments abroad and the need for compatible, forward-looking foreign trade and investment policies which will release the creative forces of American enterprise to achieve the maximum benefits for our country.

International investment has been one of the most powerful forces for progress in the free world in the resurgent years following World War II. The dynamic growth generated by capital ventures has lifted living standards across the continents and demonstrated vast potentials for attacking hunger, poverty, ignorance, and human despair.

International investment has opened up new fields of production, employment, and income. It has broadened the flow of technology and trade. It has strengthened the economic structures which support our efforts to achieve a rational, stable, and progressive world order.

The United States has been the leader in committing capital, technology, management skills, and other private resources to world development. While benefitting our own country economically, our foreign investments are also contributing to the growth and prosperity of our free world trading partners.

U.S. private investments, along with foreign assistance programs, have been indispensable in establishing the conditions for stability and progress in the less developed areas of the world, most particularly in those nations which are our hemispheric neighbors.

American investment in other countries has provided a major stimulus to production at home and abroad; and we are mindful that production is the wellspring of wealth.

Continued restraint on these investments will inevitably affect the level and structure of world trade and retard the growth rate. Should the world's growth rate fail to stay apace of the world's growing needs, we would face problems of a magnitude that would dwarf our balance of payments difficulties. We would face not monetary crises but worldwide convulsions.

U.S. businessmen have invested some $60 billion or more outside our borders. These investments have created and expanded foreign markets, strengthened the competitive position of American companies, and increased the flow of exports.

Our offshore producers are quick to seize opportunities to create markets for the manufactures of their home-based parent companies and are constantly increasing exports by adding to product lines.

About 25 percent of all U.S. exports are shipped to foreign subsidiaries and affiliates of American corporations. In fact, shipments to affiliates account for an even more substantial percentage of the exports, up to 35 percent or more, of some of our larger international companies.

The interrelationship between trade and investment has been well established, although not in precisely quantifiable terms. It is an indisputed fact, however, that our exports expand as our foreign investments climb.

On this interaction a National Industrial Conference Board study observes, "Total foreign investment, now approaching $100 billion, with its related output which is still larger, constitutes a fundamental link between the U.S. economy and foreign economies which is not only of greater magnitude than the $40 billion of receipts and payments recorded annually in the balance of payments, but it is a phenomenon with direct implications for the world pattern of production and trade."

"The growth of production abroad," the Conference Board report notes, "has been in fact accompanied by an increasing stream of exports from the United States, reflecting not only the orientation of foreign subsidiaries to supply sources within the United States, and the importance of their location as a stimulus to and channel for other U.S. exports, but also a substantial factor in the level of output in foreign countries, and hence in the rising level of foreign demand for imports."

The United States benefits from increased foreign demand for imports to the extent that American products are competitive or

that we are the exclusive source of supply. Due to our technological superiority, capital resources, and the scale of our economy, we enjoy many advantages in satisfying demand for sophisticated products. Computers and jet aircraft are case examples.

American production abroad spurs the growth of foreign economies and incomes with the result the countries become better customers in the world market. The United States share of the market growth is translated into more jobs and rising incomes at home.

President Kennedy expressed the benefits of broadly shared growth in his memorable comment, "A rising tide lifts all the boats." That is the phenomenon of production generating wealth and buoying trade levels in both the producing country and the investing country.

The implications of production and its trade effects are difficult to quantify, but there are indications the interaction may go much farther than we realize. The benefits are at least sufficiently discernible as to remove all doubt our policies should facilitate international growth, not retard it.

It is clear, then, that restraint of capital movements committed to production depresses the level of trade. It is thus contradictory to restrict foreign investments while attempting to expand exports. That is precisely what we are doing under existing policies and serious harm can be done our exports as well as our competitive position abroad by hampering our foreign production.

The irrationality of our policies becomes more evident when one examines the business realities of the international marketplace. It is a business fact of life that after an export market reaches a certain scale the economics and other competitive factors very often dictate it be served from local production.

If we fail to establish production within a foreign market when business circumstances require it, our industrial competitors will quickly take advantage of the opportunities. More often than not, direct investment is the next logical and necessary step in developing foreign markets if the product can be manufactured economically by local production.

In exhorting American manufacturers to widen export markets we must accordingly be mindful of the realities which may at a given point require foreign direct investment, and we must fashion compatible trade and investment policies to facilitate the retention of overseas markets.

The facts of trade disprove the contention that foreign production displaces exports. There will perhaps be a shift in the kind of exports, the substitution of capital goods, raw materials, intermediates and other supplies for finished products. But we maintain export growth and potentials while deriving the added benefit of foreign income from production.

This combination of earnings constitutes the backbone of the U.S. balance of payments and we should exert every effort to build upon it rather than sap its strength.

For many reasons American companies would normally prefer to export than produce abroad. In Western Europe, for example, land costs are frequently exorbitant, skilled labor is in short supply, the margin of profitability has diminished, and numerous other business circumstances make it more desirable in many instances to produce at home.

Trade barriers and other unfair practices denying U.S. manufacturers equal access to markets, as well as the pure economics, have strongly influenced decisions to produce abroad. The prospect of common walls around the Common Market doubtlessly played an important part in the large capital outflows for investment in Western Europe.

Government policy makers are well aware that trade barriers exert this influence and they should be working energetically either to remove the obstacles to U.S. exports or to equalize the advantages for our producers.

In some countries national policies have prompted direct investments by American companies as the only means of creating and serving markets for certain manufactures such as, for example, in Australia and Mexico, both important trading partners of the United States.

When Luther H. Hodges was the Secretary of Commerce the major thrust of the department was the promotion of two-way trade, two-way travel, and two-way investment. That was a sound, realistic, and productive policy and we should go back to it.

An expanding world economy, fed by increasing flows of trade and investment, offers the only realistic prospect for stability and order and progress on which we can build a durable peace.

It is illusory to think we can restrict American capital resources which the world needs while hoping to eliminate the conditions which foment insurrection and war.

To what avail has the United States poured out $100 billion in foreign aid if we are to restrict private investment which has proved far more effective in increasing foreign production and income?

How does one rationalize the spending of billions to be the world's policeman while restricting the economic processes which will help eliminate the conditions requiring a policeman?

We may well have miscalculated the benefits of temporary measures in our haste and anxiety to deal with the balance of payments crisis. A recent survey by Jack Behrman, University of North Carolina international expert who served as assistant secretary of commerce in the Kennedy Administration, indicated that recoupments on capital outflows for production are more rapid than the minimum of five to seven years which has been assumed.

Dr. Behrman undertook a fresh calculation of the balance of payments payout period on U.S. foreign direct investment. The payout is the length of time required for an investment to generate foreign exchange returns equivalent to initial dollar outflows.

He concluded on the basis of typical investment experience, ascertained from data available in the Commerce Department, the payout period of just over two years could be justified. The data included experience in the European area.

Actual dollar outlays for new investments were calculated at 40 percent of the total expenditure, the balance being financed through funds abroad. Of the actual dollar outlay 8 percent was used for immediate equipment exports from the United States, more than 12 percent for components, raw materials, and supplies from the United States, and about 2.5 percent in remitted earnings.

Dr. Behrman's computations thus indicated the actual drain resulting from capital ventures for offshore production may be reduced to an abbreviated period with relatively unimportant effects on our external accounts.

It is the collective judgment of the American business community that the continuation of mandatory controls will damage the nation's economic interests while providing only temporary and costly nostrums for our balance of payments difficulties. That judgment is based on a great weight of experience in the practical workings of international business.

Every sign suggests we are well beyond any short-term benefits of value and are now headed down the road of diminishing returns. As President Nixon has noted, "Every dollar of investment which is blocked by administrative edict costs us more than one and one half dollars of future earnings."

We are now in the fifth year of investment restraints and they are assuming the look of permanency. Even now the massive debts incurred by American companies through costly foreign borrowings as a result of this program are being argued as a case for its continuation.

It is contended that future capital outflows to repay or refinance the huge backlog of indebtedness, estimated at $5 billion for 1968, will require regulation; and thus the program feeds on its own consequences.

Charles E. Fiero, then director of the Office of Foreign Direct Investment, testified before the Joint Economic Committee in January that the program is creating its own set of balance of payments liabilities. He said:

"Repayment of foreign borrowing used by U.S. companies and their foreign affiliates will, of course, result in reduced direct investment income or increased capital outflows in the future. In this sense, current balance of payments gains may have been made at the expense of future balance of payments reductions."

"There has been a mortgaging of future balance of payments gains and a considerable imposition upon freedom of action of the business sector," Fiero acknowledged.

The adverse effects go far beyond balance of payments considerations. American companies are being forced to take financial actions undesirable from a business standpoint—borrowings they do not need, the restricting of trade credits to foreign subsidiaries, early repayment of loans to affiliates.

The high costs of foreign borrowing are detrimental to earnings. Foreigners are gaining increasing equity in American overseas business ventures, further reducing the income flows to the United States.

The restraints inhibit our companies from building and expanding plants with the result both earnings and exports are retarded. New projects are in some cases postponed or abandoned and the opportunities they represent may be lost to foreign competitors.

The curtailment of acquisitions also reduces our future earnings potentials while fortifying the competitiveness of foreign companies through mergers which could have expanded our markets.

Situations are developing where lending sources for local borrowing by U.S. foreign affiliates are substantially exhausted, reducing working capital and hence sales. Where working capital may not be available or obtained at prohibitive cost the continued existence of these operations is brought into question.

Much of our overseas investment is in the extractive industries which supplement our own supplies of oil and ore or which supply raw materials we do not possess in this country. Reports indicate the restrictions are causing postponement or abandonment of explorations in certain countries due to the limited exemptions allowed under the law.

Prudent financial management will not permit American industry to continue indefinitely the financing and refinancing of its foreign investments without being able to meet the commitments undertaken. The regulations on retention obstruct this.

The heavy debt load incurred by American companies has severely restricted freedom of financial planning and of financial assistance to foreign affiliates. Certain affiliates are under-capitalized in relation to debt incurred. Recapitalization is prohibited by low authorizations under the mandatory program. Those companies with affiliates having high debt to equity ratios in the Schedule B and C countries are placed in an especially difficult position.

The regulations are creating a situation in which American companies are finding it

difficult to formulate rational financial plans for their foreign operations.

Perhaps the most serious consequence from a balance of payments standpoint are the trade effects. For example, a major American chemical manufacturer with world-wide operations estimates $1 million loss in sales this year, $5 million next year, and over $100 million total export losses over a protracted period.

While export losses may principally result from the curtailment of new capital investments and plant expansions abroad, and from diminished competitiveness, the shortage of working capital aggravates the situation.

Much can be said of the extra-territorial consequences of the mandatory program. Suffice it to point out the regulations have marked our foreign affiliates as aliens which will make U.S. direct investments less welcome in the future.

It is relevant to note Representative Tunney's appraisal of foreign reaction. "It is well known that though host countries recognize the need for foreign investments they also have shown some concern lest foreign investors dominate their economies or follow policies laid down by local authorities," he said. "The program for controls of direct foreign investment have given evidence the concern is not unwarranted. The assurance of local management that companies intend to be good citizens ring hollow in the light of the official U.S. view expressed in the mandatory program that the operations of these companies must be conducted subject to the overriding needs of U.S. foreign economic policy."

While some of our government policy makers have derived comfort from temporary balance of payments gains achieved by the program, it should be restrained gratification for the United States is no longer accumulating net assets in the rest of the world.

Historically de-regulation has proved extremely difficult and cumbersome in our bureaucracy. It is important that a firm date be set now—not later—for eliminating mandatory controls, recognizing that certain transitional rules will be required to phase out the program in an orderly manner which will minimize balance of payments effects.

One hopes this Committee will urge the President *to fix a firm date on which the program will be terminated;* simply relaxation of regulations would leave residual in the bureaucracy, the framework for reimposition of controls as expediency dictates.

If restraints on capital outflows should in the future be essential to the national interest in time of a declared national emergency, they should be imposed by Congressional action, not by administrative fiat.

One hopes these hearings will serve to reassert in emphatic terms the authority of the Congress, under the Constitution, to regulate foreign and domestic commerce. In the exercise of that authority the Congress ensures every citizen a voice in public policy making.

The mandatory program with its basic fallacies, burdensome restraints, high costs, and transparent failings was invoked under a fifty-year-old law relating to "Trading with the Enemy" and predicated on a national emergency declared by President Truman in response to communist aggression in Korea. It would strain credulity to maintain that dubious legal action represented the intent of Congress a half century later.

President Nixon has pledged he will end this self-defeating program and has promised, "We will reestablish the spirit of cooperation with other nations which our investment curbs have damaged, and we will encourage investments which stimulate U.S. exports and a healthy return flow of capital."

"For the greatest nation in the world to withdraw within its own shell and to stifle American commerce abroad," he said, "is economic isolationism at its worst."

The President merits the fullest support of the American people in this determination. Adoption of the bipartisan House Concurrent Resolutions 85 and 86 will express the sense of Congress that curtailment of American business abroad should cease and it will discredit the policy of restrictionism as contrary to the foreign policy objectives and the economic well-being of the United States.

END UNFAIR TREATMENT OF SINGLE TAXPAYERS

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

Mr. KOCH. Mr. Speaker, I am today introducing a bill to rectify one of the inequities now contained in our tax code. At this time when the Congress is addressing itself to closing up loopholes and making our tax code more rational and equitable, I would hope that the Members of this Congress would consider the inequitable tax burden now carried by the single individual.

Under our prevailing tax code, married individuals have one schedule of taxation, heads of households have another, and lastly, there is the single individual who pays the highest rate of tax, since neither he nor she is entitled to head of household status. To make my point more vividly: a single individual with a taxable income of $10,000 will pay $2,354. A married individual, using the joint return, with the same taxable income will pay $1,956. And the head of household individual will pay $2,150. In other words, if a single individual were given head-of-household status, he would, under my bill, pay $204 less than he is currently paying. And, indeed, a single individual is, in fact, head of his own household if he maintains his own home.

Some legislators take the position that a single person should be at least 30 or 35 years old before being favored with head-of-household tax status. I strongly disagree. Every single individual who pays over half the cost of maintaining his or her own home should be given the same tax consideration. That cost, which in my district is rising steadily, has nothing to do with age.

When this Congress, as I hope it does, revises the tax code, its goal should be that of having everyone pay his fair share and no more. So let us close the tax loopholes which the wealthy use to avoid paying their fair share, and at the same time let us end the unfair treatment of the single taxpayer.

SOIL CONSERVATION SERVICE

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

Mr. POAGE. Mr. Speaker, I rise to honor a dear friend of Texas and the Nation—Mr. H. N. Smith of the Soil Conservation Service.

For 15 years until his death March 13, "Red" Smith served as SCS State conservationist for Texas. His modest, unassuming manner belied an unflagging zeal for solving resource problems in Americas largest conservation State.

"Red" Smith capably administered a complex conservation program that has the largest appropriation and the largest number of employees of any State in the Nation. His personable leadership literally changed the face of Texas—gullies have healed, streams flow clearer, dust storms and floods have been lessened, grass grows green and lush on tens of millions of acres of fine rangeland. Communities throughout Texas have a wealth of technical information to aid in their land-use planning.

"Red" had a remarkable ability to inspire cooperation, understanding, and teamwork among the State's nearly 200 soil and water conservation districts, scores of special purpose districts, county governing bodies, and other agencies. It can be noted especially in the small watershed programs in Texas that more than 1,400 structures have been built to retard flooding and create new water supplies for irrigation, recreation, and many other uses.

"Red" Smith quietly took on a personal vendetta against moisture-robbing brush that encroached on 88 million acres of range and pasture and threatens the cattle industry. He directed many studies of the problem, and the preparation of five publications. These publications have been hailed throughout the United States where brush is a problem as a significant milestone in the study of brush invasion, causes, effects, and remedies. But "Red" did not stop with studies—he saw to it that over the past two decades an average of a million acres a year was treated to control brush.

Mr. Smith joined the Soil Conservation Service at Dublin, Tex., in 1935, the year that agency was formed, after serving for 10 years as head of the animal husbandry department at John Tarleton Agricultural College. He advanced through several positions to acting regional director with wide-ranging technical and administrative responsibilities in Texas, Arkansas, Oklahoma, and Louisiana, and in 1954 began directing the most rapid advance in resource improvement in Texas history. He received USDA's Superior Service Award in 1960.

In all this activity and responsibility "Red" Smith remained a warm, personable individual known and respected throughout the State. He was a good friend as well as leader to the 2,000 SCS employees in Texas.

I am happy that Clyde Graham, who served under "Red" Smith for several years as assistant and deputy State conservationist, has been chosen to succeed him at the helm of conservation in Texas. Clyde for the past 2½ years has been serving as Director of the SCS Watershed Planning Division here in Washington, and brings to his new job broad experience and wide knowledge of SCS programs and activities.

"Red" Smith was a great conservationist. We will miss him and his work for Texas and the Nation.

A POLICEMAN'S RESPONSIBILITIES

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

Mr. WALDIE. Mr. Speaker, recently Robert B. Murphy, the police chief of the city of Richmond, Calif., in my congressional district posted a memorandum to all of the members of the police force of the city of Richmond in which he responded to some accusations that had been directed at the conduct of policemen in that city.

I believe several paragraphs within that memo that describe the reponsibilities of police officials are so well put that it would be wise to have it shared with more than the members of the Richmond Police Department.

Although all of the statement is of value, I particularly found a great sensitivity expressed in the paragraph that states:

Most of the work of policemen is human management. We come to our job with good schooling, some experience and our personalities. Our success in our job is directly related to our ability to wisely manage ourselves, and where management of others becomes involved, to warmly manage them.

I am including a copy of Chief Murphy's memo along with my remarks.

MEMO

FEBRUARY 26, 1969.

To: All officers.

From: Robert B. Murphy, Chief of Police.

Recently our department has received some adverse publicity, expressed in generalities. I'm aware that this kind of publicity creates an atmosphere of distrust and doubt of the police. I'm also aware that most members of the department are embarrassed and/or disgusted by it.

The purpose of my writing is to encourage all of you to remain as objective as possible; to be businesslike, and continue to fulfill our responsibility in a legal manner. It takes great courage and patience to do the work expected of police officers in today's society, but in my opinion there is no more essential assignment than that of police officer.

Our purpose is worth much sacrifice. I appreciate your displayed abilities to date. You may feel you aren't understood or appreciated, but let me assure you that most of our citizens are well aware of what we are going through, and will support us heartily when we're right. We cannot expect anyone to support us when we're wrong.

I assure you that any administrative action from my office will always be based on facts, not on general or unsupported statements. To my personal knowledge, since 1960 our department has not failed to hear, investigate and properly dispose of complaints against us. We must remember that there will be complaints and that we're not perfect. We must also remember that the nature of our work creates some friction. We should help always to reduce tensions while performing our tasks.

We cannot fail or refuse to do our law enforcement tasks, but we must remember that much of our work is non-enforcement services to the community. We must be receptive to suggestions about the latter kind of services. We must be willing to account for ourselves in all our work.

Most of the work of policemen is human management. We come to our job with good schooling, some experience and our personalities. Our success in our job is directly related to our ability to wisely manage ourselves, and where management of others becomes involved, to warmly manage them.

It's my hope that we can restore and maintain a climate which will help you feel proud to be a police officer in Richmond. We have a very fine department, doing an excellent job under some very adverse conditions. It's our individual responsibility to help keep it that way and let the people know that we don't need sympathy. We need their voluntary compliance with society's acceptable rules and their support when we enforce their rules against non-conformists to law.

ROBERT B. MURPHY,
Chief of Police.

LEGISLATION WOULD INCREASE SOCIAL SECURITY BENEFITS

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

Mr. MYERS. Mr. Speaker, I have today introduced a social security legislative package which would provide increases in benefits based on the cost of living as well as increase the survivors' benefits and the amount a person may earn and still receive all the benefits to which he is entitled.

This legislation would result in a major overhaul of the present Social Security Act which now requires congressional approval for each change in benefits and qualifications. It includes the following major changes in present law:

First. An automatic cost-of-living increase whenever the Consumer Price Index jumps by at least 2.5 percent during the preceding quarter. The index increased nearly 5 percent in 1968 and has climbed nearly 20 percent since 1960. This would eliminate the necessity of congressional action.

Second. Increase the amount a person may earn from $1,680 to $3,000 a year without forfeiting part or all of his social security benefits. The present law penalizes those who want to help themselves. A person should be able to receive the benefits regardless of whether he chooses to work after 65.

Third. Increase the survivors' benefits on retirement to 150 percent of the primary cash benefits for which the deceased would have qualified under social security. Under present law, the survivors' income is cut at a time when the cost of operating the household may actually increase.

These reforms are urgently needed to spare older Americans the hardship that results from inflation.

Most older Americans are defenseless against higher living costs produced by the inflationary trend. It seems only appropriate that we provide these retirees with help as soon as they are hit by a loss in the purchasing power of their pension dollar.

These people should not have to wait 1, 2, and 5 years for such relief through general amendments to the Social Security Act. This is especially so when the increases do not compensate fully for changes in living costs anyway.

I believe that compassion, equity, and commonsense demand that we stop making older people wait until some future Congress chooses to make good on campaign promises. This legislation would, in effect, remove social security from the political arena.

I have given considerable thought to this proposal, and I am convinced it is one which offers protection for our senior citizens, who through no fault of their own are in real and dire need of positive assistance against circumstances that could destroy independence, dignity, and sense of purpose.

Almost all citizens are hurt by rising living costs. Only the very wealthy escape. No single group suffers more, however, than older Americans.

I supported this type of approach in the 90th Congress but it failed. Hopefully, with the support of the Nixon administration, we will be able to remove social security from politics once and for all and provide our senior citizens with the security and peace of mind they so richly deserve.

ALL-AMERICA CITY

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

Mr. MCMILLAN. Mr. Speaker, I am inserting in the RECORD a statement by Mayor David McLeod of Florence, S.C., which is my hometown, concerning an article appearing in the Sunday Star of March 23, 1969. It seems that a reporter from the Star visited Florence, S.C., for a few days recently and talked with a number of the citizens of that community. The reporter did not talk with me since I was here in Washington at the time. Also, he did not talk with Mayor McLeod.

We are all wondering what the motive of the editor of the Star was in sending reporter Donald Smith to Florence, S.C., as he prepared an unusual article that has no meaning whatsoever other than there seems to be no truth in connection with the article. I presume the reporter made a trip to Florence to see if he could find someone that would say something detrimental about me. I certainly could not make any sense out of the article as reporter Smith seemed to intentionally or unintentionally get all of his facts incorrect. We have a good prosperous city which has almost doubled in size during the past 10 years and we have 52,000 people who receive their mail at the Florence Post Office, both black and white, and they seem to get along as harmoniously as any people could anywhere in the United States. We have several excellent colored policemen and several excellent colored members of the fire department, in addition to three colored deputies in the county sheriff's office.

I didn't think any newspaper in Washington would have the gall to send a reporter to Florence or any other city where good relations exist between all people when we have so much confusion and crime here in the Nation's Capital. As chairman of the House District Committee, I have not been able to secure very much assistance from any of the news media in the Nation's Capital in connection with my efforts to solve the crime problem.

I have been successful in having the Members of the House of Representatives approve approximately 900 bills, the majority of which vitally affect the Nation's Capital: for instance, a bill we enacted last year granting $80 million to the hospitals in Washington, D.C., without any strings attached.

We are very proud of our mayor in Florence and the progress our city has made during the past 12 years. We have excellent community leaders, both colored and white, and it is refreshing to know that we do not have people of different races calling names at each other and making all types of accusations as exist here in the Nation's Capital. We have very little crime in Florence for the simple reason that law enforcement is excellent, punishment is swift and certain when a crime is committed.

Shaw Field that was mentioned in the reporter's article is not located in my congressional district and I am not acquainted with any street by the name of "Square," however, the reporter states that my residence is located on "Square" Street. The mayor, city council and other officials in the Florence community have reason to be angry over this article as it portrays anything but true facts concerning the fine city of Florence, S.C., which was recently designated as an all-American city.

I, of course, am accustomed to this type of treatment here in Washington as I have been accused of everything in the book by the news media in Washington since I have been serving as chairman of the House District Committee, simply because I do not hold the same philosophy concerning crime and the solvency of the Nation's Capital as the news media in our Capital City.

I could write a book several inches thick quoting the outright misrepresentations and other accusations that have been heaped on my shoulders for the simple reason that I do not cater to these people's way of thinking in connection with my position in making laws for the Nation's Capital. I, nor any other Congressman, has any jurisdiction over the administration of the affairs of the District of Columbia and we do not have an opportunity to make any appointments. They are all made by the Commissioner and the President of the United States and the laws are administered through the Mayor, the Attorney General and the District Corporation Counsel under the supervision of the Department of Justice.

I am making these statements for the simple reason that the people who read the CONGRESSIONAL RECORD in my hometown and in every town in the United States will understand some of the reasons why we have certain conditions in the Nation's Capital at the present time.

The article incorporating Mayor McLeod's statement follows:

WASHINGTON STAR STORY CRITICIZED

An article in the Sunday magazine section of The Washington Star was highly critical of Florence as an All-America city and was in return criticized by Mayor David McLeod.

The article, by Donald Smith, was to "discover if the All-America city might have some influence on McMillan's (Cong. John L. McMillan) manner in dealing with Washington. Cong. McMillan is chairman of the House of Representatives D.C. Committee.

The article discussed race relations in Florence and was critical of the city's action in this field.

Mayor McLeod said Tuesday "I have never seen the gentleman that wrote the story or talked with him on the telephone.

"Many statements in the story are erroneous, misleading and are not at all factual.

"It seems to me that if a reporter wrote a story on Florence and used the mayor as part of a story he should at least discuss it with him (the mayor) before writing any such misleading information."

ONE NATION, UNDER GOD

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

Mr. ROGERS of Florida. Mr. Speaker, the National Association of Broadcasters are in Washington this week. A speaker at one function was reported to be Tom Smothers, who is concerned about network and affiliate censorship of his program, broadcast by CBS.

One of the more interesting things about the Smothers show is its slip from among the top-rated programs in the Nation. It is reportedly below 40 now, indicating that perhaps there is some relationship between listener approval and ratings after all.

Last Sunday night the Smothers program began with a reservation of their own version of the pledge to the flag. Their version omits "under God." In fact, the only apparent reason for what might otherwise have been a welcome bit of patriotism was actually an affront to the traditions of this Nation.

As Senator PASTORE noted in a speech before the NAB this week, ABC and NBC have agreed to submit their own programs to the code authority of the NAB, but CBS has refused.

CBS may well be concerned about code approval, if the Smothers show is an example of what they feel is good Sunday night listening. It was a CBS affiliate in Chicago which staged a pot party, in an apparent effort to help sagging ratings there. Maybe they are trying to use a little shock value to help the Smothers' sagging ratings.

CBS has placed itself in the position of opposing regulation of networks, regulation of programing, and even self-regulation within the industry. CBS has written Senator PASTORE that—

In our society the determination of taste and propriety as to TV programing must be pluralistic. A single last word would be harmful, indeed dangerous.

What about CBS's own "last word?" If CBS continues to refuse any advice on programing from any source but its own, where does "pluralistic" come in at all? Far from accepting a pluralistic approach, CBS is saying to the National Association of Broadcasters, and to the Federal Communications Commission, and to the Congress, and to the listening public, that CBS will not listen to anyone, regardless of the violence, sex, or poor taste involved in its programs.

Well, CBS, "under God" is an important part of the pledge to the flag. One segment of the pluralistic approach you cannot long deny is the listening audience, and perhaps you had better go back and read the ratings again.

ABC and NBC are not without fault, but are to be commended for their interest in arriving at a voluntary industry solution. CBS apparently wishes to continue down the road on its own, with the likes of the Smothers show.

An increasing number of people throughout the country now demand Government intervention. I sincerely believe most Members of Congress would like to avoid that if at all possible.

Self-regulation within the broadcast industry seems to be the best answer for the present. ABC and NBC are willing. CBS is not. I suggest that the American people let CBS know what they think. This can be done by switching the channel receiver away from offending programs. And it can be done by writing product manufacturers and letting them know what the public thinks about such programs. And writing or calling the local network affiliate and letting them know. It has been my experience that local stations, which are licensed and are deeply committed to good community relations, act in a responsible and reasonable manner to public opinion. In the end, CBS will get the message. And perhaps at last there will be some industry solution to a serious problem of public concern.

DECENTRALIZATION AND RESTRUCTURING OF FEDERAL FIELD OFFICES

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

Mr. GERALD R. FORD. Mr. Speaker, the announcement today by President Nixon of his first steps toward the decentralization and restructuring of Federal field offices convincingly demonstrates that he intends to keep his campaign pledge "not to dismantle Government but to modernize it." The field offices of the five related departments and agencies which have been operating under the handicap of a crazy-quilt of different boundaries and regional headquarters will be able to serve the public more efficiently. The public will be spared a great deal of confusion and wasted time in doing business with the Government.

The President's expansion of the regional council concept to all eight of the new regional centers, and his directive to other executive agencies to study further means of decentralizing decisionmaking and bringing the administration of Federal programs closer to the people should also be welcomed by the Congress. We have long urged greater coordination and more businesslike methods upon the executive agencies that come before us for funding and support of their programs. We should now unhesitatingly back up the President's move to bring this about.

There will be temporary dislocations and discomforts for some Federal employees but the President's plan has minimized these and its implementation will be spread over the next 18 months to permit the necessary readjustments. In the end the benefits to all our citizens will far outweigh the inconvenience of making these urgent and sensible changes in a system which has, unfortunately,

grown up without a clear pattern and desperately requires reorganization.

COLUMBIA BROADCASTING SYSTEM

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

Mr. GONZALEZ. Mr. Speaker, I wonder if the gentleman from Florida (Mr. ROGERS) would be willing to answer a question in connection with what he has said. I would like to ask the gentleman this question, in view of his statements, which accurately reflect correspondence that I have had with officials of CBS, because of a highly distorted, unfair, inaccurate, and untruthful report last year with respect to the hunger question. The Nation and the world were absolutely horrified when CBS put on a show that opened up by purporting to show a child starving because of malnutrition. It was completely untrue. The child was a premature, 2-months-old child. The parents were healthy, and well nourished. That fact was established beyond any question of doubt.

CBS admitted that they did not know there was any other way, but they felt that even if a hoax containing untruth were perpetrated on the listening and viewing audience of the world, it was justified as long as they thought their cause was a good and holy one. Later the president of CBS substantiated his view that it would be perfectly all right to lie to the viewing public if, in their opinion, it was justified. So I am glad to hear the gentleman say what he has said. I think the time has come when Congress should look into this whole question. I agree with him that none of us wishes to inject regulatory authority, but if it comes to that, I think we cannot escape the clear responsibility that reposes in the Congress to do something about this vast network system that controls 93 percent or more of the prime viewing time of the American public with no restraint whatsoever.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I thank the gentleman. Judging from my conversations with Members of Congress, there is great concern with this problem. Chairman STAGGERS of the Interstate and Foreign Commerce Committee, of which I am a member, has said, "We are going to look into some of these problems." And I think it is very needed.

Mr. GONZALEZ. I thank the gentleman.

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

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

Mr. PUCINSKI. I have not seen the program in question. Certainly the gentleman from Florida and the gentleman from Texas are correct in calling to the attention of Congress the shortcomings of this network. It is particularly unfortunate that this would occur, because this particular network, CBS, did do an excellent job the last two Sundays when they brought to the attention of the American people a two-part series on the growing problem of pollution in this country.

In their 21st century series, I thought they had done one of the greatest jobs I have seen in reporting in calling to the attention of the American people the great problems that are being created for our American public in this problem of air pollution. So on the one hand they do a great job, and then on the other hand they undo the good they do with the kind of program the gentleman from Texas mentioned.

Mr. GONZALEZ. Mr. Speaker, if CBS will take care of its own pollution, I think everything will be OK.

LEGISLATIVE PROGRAM—WEEK OF MARCH 31, 1969

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

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the distinguished majority leader about the legislative program for next week.

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

Mr. ARENDS. I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, in response to the distinguished minority whip's inquiry, we have finished the legislative program for this week, and will ask to go over until next week.

There is no legislative business for Monday.

Tuesday is Private Calendar day.

For Tuesday and the balance of the week, we have House Resolution 270, authorizing the expenditure of certain funds for the expenses of the Committee on Internal Security, and H.R. 9328, to provide special pay to naval officers who agree to remain in active submarine service.

This announcement is made subject to the usual reservation that conference reports may be brought up at any time, and that any further program may be announced later.

ADJOURNMENT TO MONDAY, MARCH 31, 1969

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

Mr. GROSS. Mr. Speaker, I reserve the right to object.

Mr. Speaker, I wonder if the gentleman from Oklahoma could tell us, in view of the staggering workload for next week, whether he thinks it will be possible to get out of here by midnight of Wednesday? When does the gentleman think it will be possible for the House to adjourn next week, so we may have some idea as to when the Easter recess will be started?

Mr. ALBERT. Mr. Speaker, I am glad the gentleman asked that question, because we are going to try to finish the business by not later than early Wednesday afternoon.

Mr. GROSS. By Wednesday afternoon?

Mr. ALBERT. By not later than that, and hopefully Tuesday evening.

Mr. GROSS. Then it will not be Wednesday midnight or some such time as that?

Mr. ALBERT. That is true unless some unforeseen event happens. The gentleman understands the program is always announced with that reservation.

Mr. Speaker, I renew my unanimous-consent request that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

RESIGNATION FROM NINTH MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER laid before the House the following communication:

MARCH 26, 1969.

Hon. JOHN W. MCCORMACK,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I sincerely regret that an unexpected demand from my constituency will prevent my taking part in the Ninth Mexico-United States Interparliamentary Conference, which will be held in Mexico, beginning April 2nd through the 8th. For this reason, I am constrained to resign from the House Delegation.

With high regard, I am,

Sincerely,

F. BRADFORD MORSE,
Member of Congress.

APPOINTMENT AS MEMBER OF U.S. DELEGATION OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–420, the Chair appoints as a member of the U.S. delegation of the Mexico-United States Interparliamentary Group the gentleman from Utah (Mr. LLOYD), to fill the existing vacancy thereon.

ELECTION OF REPUBLICAN STATE SENATOR IN CALIFORNIA

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

Mr. MCCLOSKEY. Mr. Speaker, I noted in the RECORD yesterday that there

was some enjoyment on the other side of the aisle over an election in Tennessee which was considered to set some sort of guidelines for the election results in 1970.

I want to advise the House and my colleagues that there was also an election on that same day in California, in a State senatorial district including Contra Costa County, and coterminous with the district of our esteemed colleague (Mr. WALDIE). Our Republican senatorial candidate, John Nejedly, won in a democratic district by a 4-to-3 margin. I hope the Members on the other side of the aisle will, therefore, view with increased respect the words of our distinguished minority leader to the effect that Tuesday's elections may be an indication of things to come.

THE CASE AGAINST THE ABM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. PELLY) is recognized for 20 minutes.

Mr. PELLY. Mr. Speaker, our highly respected former colleague, the able and articulate Secretary of Defense, Melvin Laird, as those of us who served many years with him know, can be a powerful and persuasive advocate of any cause he chooses to espouse. In the well of this House, he demonstrated that year after year, and as I say, his reasoning and insight are highly respected. Many times I have listened to his argument on legislation and followed his recommendations when the time came to vote.

But, Mr. Speaker, I strongly differ when Mr. Laird says, as he has recently, that the modified anti-ballistic-missile program, newly named by the Pentagon as the "Safeguard" system, is a building block for peace. On the contrary, I feel that proceeding at this time with an ABM deployment could actually result in the building of more Soviet nuclear blockbusters and accelerate the entire atomic arms race with the Russians increasing their offensive capacity and causing another tragic stepup in the spiral of the arms race.

Perhaps, Mr. Speaker, the time will come when the United States will be forced into deploying a so-called Safeguard system or perhaps indeed a thick-shield anti-Soviet missile defense. Pray God, as a deterrent to nuclear war, this country will not be forced to construct any such defense system against a Soviet capability to render our retaliatory striking power ineffective. But, as to now, as testified by Director Gerard Smith of the Arms Control and Disarmament Agency, such second-strike capability, which we presently have as a deterrent to enemy attack, would not be jeopardized by a halt in the antimissile program until after nuclear disarmament talks with the Soviet Union.

If I thought for a moment a halt in the ABM program would risk our losing our retaliatory deterrent striking strength, I would support Mr. Laird. For who will deny that until disarmament, the real deterrent is the knowledge by Moscow, and perhaps in a few years by Peking when Red China acquires nuclear missiles, that either of them if they attacked us would in truth be obliterated.

My conviction is that momentarily there is no need and no sense in initiating this program until the United States and the Soviet Union have discussed a limitation by both nations in offensive and strategic weapons. The fact is that if such talks fail, either country could overcome any ABM system by the use of multiwarheads and decoys and other penetration aids.

Mr. Speaker, I do not trust the Communist leaders in the Kremlin any more than does my distinguished friend, Mel Laird. I do not doubt his so-called firm and solid information that the Soviets are deploying the SS–9, a 20 to 25 megaton weapon which in turn might destroy a portion of our Minuteman launch sites. But, surely an attack by such a weapon would be deterred by the U.S. retaliatory capability of our Poseidon and Polaris missiles from submarines underwater.

Right now, it seems to me, there is still time for a return to commonsense and reason. From the layman's point of view, it is not easy to oppose any new means of defense, but in all sincerity, I say, let us delay and not set off another expansion in the suicidal arms race.

Mr. Speaker, last year when I voted for funds to deploy the Sentinel missile system, I felt that such action on the part of the United States would give us greater strength over the disarmament bargaining table. However, now certainly the Russians are on notice of our intentions just as much as if those Sentinel missiles were located throughout the country. They know that we will never be second in any arms competition. They know we will insist on maintaining such strategic defense and offensive weapons as are needed for our national security.

So, Mr. Speaker, I say, let us talk—talk softly as President Nixon has suggested—and not feel impelled to spend billions of dollars on a new defensive system that will be, I am sure, out of date, obsolete, and ineffective by the time it would be completed. The Safeguard missile would, in reality, be no bargaining tool for dealing with the other nuclear superpower, nor is it a building block for peace as Secretary Laird would have it.

Let us negotiate and not lay waste our strength in this $10 billion unneeded gesture in muscle flexing.

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

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

Mr. PUCINSKI. I am interested in the gentleman's deep interest in this subject. He has a problem in his immediate area on this, which I am sure the gentleman is concerned about.

Mr. PELLY. If the gentleman would not mind, I will say that that problem has been removed by President Nixon's decision to remove the antiballistic missiles from the populated areas.

Mr. PUCINSKI. I am mindful of that, but here is the question I want to ask the gentleman. He said that he voted last year for this. Actually this House and the other body voted on eight different occasions for this country to move ahead with a deployment of the ABM. I would like to know if the gentleman would be good enough to tell me what has changed.

Has the Soviet Union changed in any way? Has the brutal invasion of Czechoslovakia in any way given us reason to believe that the Soviet Union is ready to start changing and behaving like a civilized nation? Has the Soviet Union in any way deterred its own research in ABM development? Has the Soviet Union stopped building the 65 ABM's around Moscow? Is there an iota of proof that the Soviet Union has in any way deterred its own development? On the contrary, the best evidence that we have is that the Soviet Union has substantially accelerated its research in an attempt to knock out the offensive deterrents that we have in this country. I am at a loss to understand why, in the face of the overwhelming evidence presented before the American people by Secretary Laird and by the President of the United States, we continue to hear those who would have us stop. Finally, is it not correct that the chairman of the Disarmament Commission stated that in his judgment our continued deployment of the ABM would in no way alter or interfere with any future discussions we may have with the Soviet Union on some form of a mutual inspection treaty?

Is not that what the chairman said?

I noted with interest the gentleman's statement that he said it would not in any way affect our deterrent power. But he also said very unequivocally that if we proceed with the deployment which we are now planning to do, it will not in any way alter the basic approach in this country to ask the Soviet Union to sit down and start talking about some meaningful inspections. However, I would like to remind my colleague that President Eisenhower proposed an open skies treaty and the Soviet Union wrecked that proposal with the phony shooting down of the U–2. Every President Nixon, has indicated that we in-Kennedy, President Johnson, and President Nixon, have indicated that we indeed want an open skies treaty. We want to come to some agreement with reference to this proliferation of the nuclear arms race, but the Soviet Union has not given one iota of evidence or hope that it is ready to start acting like a civilized nation.

Mr. PELLY. The gentleman from Illinois has presented me with a long question.

Mr. PUCINSKI. I have a 30-minute special order and I shall give the gentleman some of my time.

Mr. PELLY. I will say to the gentleman from Illinois that insofar as I am concerned there have been changes since the gentleman and I both testified before the Real Estate Subcommittee of the Committee on Appropriations on January 15, and I have changed my mind.

I will say for one thing, of course, the Soviet Union has indicated that they were interested in talks which I understand are designed to curtail the arms race. I think President Nixon has indicated that he intends to talk with representatives of the Soviet Union.

I would say further, because the gentleman from Illinois referred to the Director of the Arms Control and Disarmament Agency, Mr. Smith, he has stated and testified before a Senate Committee that a delay in deploying this program would not jeopardize our defense; otherwise, I would not be standing here in the well today.

Mr. PUCINSKI. Mr. Speaker, if the gentleman will yield further, did not the Director of the Arms Control and Disarmament Agency, Mr. Smith, also say that in proceeding with the deployment it would in no way interfere with our talks with the Soviet Union, because they have not stopped their deployment of such ABM systems?

Mr. PELLY. I would say the gentleman was correct. However, I am in favor of continuing the research aspects of this system but not actually deploying these missiles which I am sure will be out of date and obsolete at the time of their deployment.

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

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

Mr. YATES. Mr. Speaker, it is my opinion that two points have to be made. The first point that has to be made is that the gentleman from Illinois (Mr. PUCINSKI) has very cleverly sought to place those in favor of the position of the gentleman from Washington (Mr. PELLY) and the position which I espouse in opposition to the ABM in opposition also to maintaining and fostering and enhancing our national security. This is totally untrue. The fact that we oppose the ABM system does not mean that we are not seeking to promote and foster the national security of the United States.

Mr. PUCINSKI. Will the gentleman yield on that point?

Mr. PELLY. Let me say this to the gentleman, that I believe the Secretary of Defense has indicated that he has hard and firm information that the Soviet Union is proceeding to develop the SS–9.

Mr. HALL. If the gentleman will yield, that is correct.

Mr. YATES. Yes.

Mr. PUCINSKI. Will the gentleman yield?

Mr. PELLY. With 20 to 25 megaton capacity.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield? I want to comment on the remarks of my colleague.

The SPEAKER pro tempore (Mr. MATSUNAGA). The gentleman from Washington has the floor.

Mr. PELLY. I just want to finish this statement by saying that the way I feel is that if we proceed with the anti-ballistic-missile system that we are going to get hard and firm information that the Russians are proceeding with the SS–9, with multple warheads, which would overcome the "safeguard" missile defense. It would take 500 of the present SS–9's, we are told, to put out of commission half of our Minuteman installations. I believe we have time now to discuss disarmament. That is the way I see it. Otherwise I am certain that if we continue on with an antimissile defense program we may not be able to talk.

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

Mr. PELLY. The gentleman from Illinois (Mr. YATES) had been making a statement, and I will yield further to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

The second point that I wanted to make was this: that with respect to what the Russians are doing in developing their offensive strength. We are not laggard in this respect. We, too, are moving to increase the already awesome power of our ICBM's and Poseidons with MERV warheads. We are going forward with that. So that we are expanding our power and that is certainly offsetting what the Russians are doing. We are doing this without reference to deployment of the ABM.

It is true that they are going forward with the SS–9, according to Secretary Laird, and that it is a very powerful weapon, but the United States is moving forward also.

I want to associate myself with the remarks made by the gentleman from Washington. It is unfortunate that both the Soviet Union and we are going forward with such weapons when we should be trying to stop this ever-increasing buildup of nuclear arms.

Mr. Speaker, I want to make one further point.

The gentleman from Washington rightfully said that in his judgment the building of these weapons will not be building blocks for peace.

I fail to understand the rationale behind Secretary Laird's statement that if we build these ABM's that it will not be stimulating to the arms race. I am under the impression that a credible deterrent on both sides requires a balance, that there must be the ability of both sides to destroy the other. I believe that we must maintain the credibility of our deterrent force.

If we were to build an ABM system which would be successful—and there is great doubt whether that is possible at the present time—but if it were successful, and if thereby the ABM system could thwart the Russian missiles from their destructive mission, I feel quite sure the men in the Kremlin could very well be impelled to increase their offensive strength further by additional missiles to overwhelm this new defense. They would want to build additional destructive missiles in order to overcome our anti-ballistic-missile system. Therefore, I cannot see where this would be a building block for peace. I believe that instead of a building block for peace, the Soviet Union would conclude they must increase the number of their offensive missiles to balance the new advantage possessed by the United States.

Mr. PUCINSKI. If the gentleman will again yield, my colleague talks about the fact that there are those who say there is no possible ABM system that is capable of defeating the Russian missiles. That is a matter of opinion.

I believe that these are the same people who for 20 years have been taking such positions. We have tried in the Congress, and it has been a hard job to do, to maintain an effective defensive posture, because this has been the greatest containment of the Soviet Union. For 20 years the Soviet Union has embarked upon a policy of causing turmoil throughout the world.

Is there anyone who believes that they are not present in Vietnam? They are the ones who started the turmoil in Vietnam, not us. Is there anyone who is naive enough to believe that the Soviet Union is not knee deep in the Vietnam war?

We have seen the Soviet Union try to cause turmoil throughout the whole world. They started the civil war in Greece in 1947. Yet there are those who continue to be naive enough to think, even at this late date, that somehow or other we are going to be able to get the Soviet Union to sit down and behave like a civilized nation, when the record of the past two decades disproves that theory.

But more importantly, Mr. Speaker, why did the Soviet Union stop, in the last few days, putting together their fourth segment of the anti-ballistic-missile system around Moscow? The Russians have 67 ABM's over there right now. The reason they have stopped it is because, as the gentleman himself has said, and as the Secretary has said, they have developed more sophisticated weapons. They are now moving ahead with more sophisticated weaponry.

There is not an iota of proof anywhere that the Soviet Union has stopped or deaccelerated its development of its ABM system, and for me to hear responsible members of this Government and of this country say that we should put everything aside until the Soviet Union is willing to sit down and talk. Mr. Eisenhower tried desperately 12 years ago and the Soviet Union has had more than 12 years to show one iota of good faith in trying to bring this nuclear race to a halt. It has been this country that has made move after move after move to try to bring this nuclear race to an end and it has been the Soviet Union that has in every instance said, "We are not interested—we are moving ahead."

Mr. PELLY. I agree with some of the things that the gentleman has said, but he overlooks the fact that now the nuclear weapons race has accelerated so that even the Soviet Union indicates that it wants to talk about disarmament and that is a changed situation.

Mr. PUCINSKI. Listen, they could start talking right now. The first thing they can do is to get hold of Hanoi and say, "Listen, sit down in Paris and start talking like decent people and work this thing out."

But there is not one iota of proof anywhere that the Soviet Union has given up its design of ultimate conquest. I say that those who read into the Soviet Union some hope, are looking at the world through rose-colored glasses—not pink—but rose-colored glasses.

Mr. PELLY. Let me say to the gentleman that he does not have any monopoly when it comes to opposition to communism. So far as I am concerned, I think that the times are such now that we

should not continue on a suicidal arms race which is just producing a two-nation overkill capacity.

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

Mr. PELLY. I yield to the gentleman from Washington at this point.

Mr. HICKS. Mr. Speaker, I want to commend the gentleman for his remarks and I join the gentleman in his remarks. I will go just this one bit further and say, as the gentleman in the well knows, that our Navy is in such sad shape that I would like to see the money that is proposed to be spent on deployment of this ABM placed in Navy construction. I agree with the gentleman that we must continue with research and development of the ABM system.

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

Mr. PELLY. I yield to the gentleman.

Mr. YATES. Mr. Speaker, the gentleman from Illinois (Mr. PUCINSKI) has again wrapped himself with the mantle of anticommunism and thereby has sought to cast aspersions on those who take the opposite position. He used the phrase about all of those who opposed military appropriations over the last 20 years.

The fact is the gentleman from Washington and the gentleman from Illinois have supported the efforts to keep our country strong all during these years.

That kind of a charge is grossly unfair.

"CLASSICAL CASE" OF NAVY CONTRACT BUNGLING EXPOSES THE WASTE IN DEFENSE SPENDING THROUGH NEGOTIATED, NONCOMPETITIVE "EMERGENCY" PROCUREMENTS

The SPEAKER pro tempore (Mr. MATSUNAGA). Under previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 60 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, last August 1 in this Chamber, I announced that I had asked both the Department of the Navy and the General Accounting Office to investigate the Navy's award of a negotiated, noncompetitive emergency procurement contract which was about to cost the American taxpayer nearly three times more than necessary.

At that time I expressed my view, based on an investigation carried out by my staff, that this particular contract was an example of "gross abuse of emergency procurement authorization."

The target of my criticism then was an "emergency procurement" contract awarded to the York, Pa., division of American Machine & Foundry Co. to produce 2,000 breechblock locks for the Mark–12 20-millimeter aircraft gun at a unit price of $97.13. This "emergency procurement" was authorized more than a month after a routine supply-replenishment contract for the identical gun-part had been awarded to Newbould Tool Co., also of York, Pa., at a unit price of only $37.75, or slightly more than one-third the price of the AMF negotiated contract price.

In my remarks at that time I cited a letter I had sent to then Secretary of the Navy Paul R. Ignatius, requesting a Navy investigation of this contract award. I quote in part from that letter:

> I submit that this entire procedure is indicative of a plan to reward York AMF with a substantial and profitable contract for some reason unknown to me. It is possible that the contract was to help York AMF offset some loss it may have suffered in the redesign of the breechblock lock, if indeed any loss was suffered under that contract.

In that same letter to Secretary Ignatius I also charged that the "emergency procurement contract was contrived as a means to carry out the—thwarted—original plan to provide York AMF with a fat profit."

Under date of August 27, 1968, the Navy Department forwarded to the General Accounting Office a report of the Navy's findings regarding its own investigation of its noncompetitive contract award to York AMF. After thorough review of the Navy's report, I again addressed my colleagues in this Chamber to label the Navy report "an attempt to whitewash a needless, an outrageous, waste of public funds for reasons which are not yet clear." I conveyed those exact words, plus a detailed dissection of the Navy's findings to Comptroller General Elmer B. Staats in a letter dated September 6, 1968. My letter to the Comptroller General included these observations:

> It is more important than ever, in view of the contradictions and inadequacies of this report, that you begin a complete investigation of this matter immediately. I earnestly urge that you do so.
>
> I anticipate that an independent investigation of the procedures followed in this instance could lead to development of specific recommendations for a thorough overhaul of contract award procedures in the Navy Department and other Defense units. Such an overhaul is long overdue and most essential to the public and the National interest.

Mr. Speaker, I am pleased to report that the General Accounting Office has now completed its independent investigation. An extensive study of the GAO report by my office has been completed, and additional questions for purposes of clarification have been submitted to GAO informally and answered during a personal briefing session in my office. I shall place the entire GAO investigative report, plus an appendix containing 14 pertinent questions I originally submitted to the Navy, the Navy's replies to each question and GAO's comments upon those replies in the RECORD with my remarks.

In view of the evidence reported by the GAO, I renew here and now the charges I made in this Chamber on August 1, 1968. The report speaks for itself. I personally find it difficult to put into words the almost unbelievable manner in which the Navy Department, in this instance, handled a small but extremely critical procurement matter.

A GAO representative who was directly associated with the investigation described the situation perfectly when he said it is "a classical case" of procurement bungling. And as always, when public funds are involved, it was the American taxpayer who was the loser.

In this instance, however, I am pleased to report that the American taxpayer may have lost an instant battle but could very well win a broader war.

The Navy's procedures in this classical case were so inept that GAO has agreed with me that a broader investigation of emergency procurement procedures is warranted.

GAO has already begun an investigation of $5 billion worth of annual emergency procurements on a Defense-wide basis. GAO's investigation will focus particular attention on those emergency procurements which involve noncompetitive negotiated contracts with so-called sole-source producers.

In this instance, the Navy Department insisted that the York Division of AMF was the sole-source capable producer of the breechblock locks for the Mark–12 aircraft gun. So ingrained within the Navy Department's procurement system was this allegiance to York AMF that various sectors of the Navy supply system specifically designated York AMF as the supplier when they issued purchase requests for the breechblock lock. The term "competitive bidding" apparently was taboo.

Nevertheless, when the Navy set out more than a year ago to replenish its almost exhausted supply of breechblock locks by entering into negotiation with sole-source York AMF, two competitors appeared on the scene and submitted bids, both of which were lower than the price proposed by AMF. Suddenly there were three potential manufacturers of the breechblock lock.

And, on January 3, 1969, the Navy opened "competitive" bids on yet another breechblock lock contract and found—undoubtedly to its surprise—that nine potential manufacturers had submitted bids. Since then, those bid proposals have been thrown out, slight revisions made to the breechblock lock specifications, and the pending contract for 4,500 locks again put out for competitive bidding. On March 13, when bids were received, fully a dozen companies had submitted proposals—the lowest of which was $22.80 per lock, or about $75 per unit cheaper than the Navy paid York AMF for 2,000 units in 1968.

GAO has estimated that about 70 percent of the $5 billion worth of Defense-wide emergency procurement contracts it plans to investigate, or nearly $3.5 billion worth, are noncompetitive contracts negotiated with so-called sole-source suppliers such as York AMF. Based on the investigation of the York AMF contract, this broader GAO investigation could produce recommendations for procurement policy changes which can save hundreds of millions of dollars, if not billions of dollars, annually. The potential for such savings clearly exists and must be made fact, in the public interest and the national interest.

I commend GAO and those GAO personnel directly responsible for the results of this "classical case" investigation for a job well done. By applying such diligence to the extraordinary investigative task before them, they will perform a public service of tremendous impact.

THE NAVY'S STRANGE RELATIONSHIP WITH AMF

While the noncompetitive "emergency procurement" contract awarded to York AMF has served as the springboard for the GAO's Defense-wide investigation of similar procurements, a great deal more remains to be said about the springboard case itself.

To define clearly the relationship between the Navy Department and the American Machine & Foundry Co., as it specifically involves York AMF, is a most difficult undertaking. Additional information gaps still exist. To overcome these gaps, I have asked the Navy Department, the General Services Administration and GAO for complete details regarding the sale in 1964 of the naval ordnance plant at York, Pa., to American Machine & Foundry Co. It is this former naval ordnance plant which is known today as the York Division of AMF.

I already have learned that a condition of that sale required that AMF maintain the production capabilities of the naval ordnance plant for 10 years from the date of the sale. I have specifically asked GAO to determine if the sale agreement, either in specific terms or by implication, obligated the Navy Department to provide York AMF with defense contracts for that same 10-year period. Commonsense would dictate that the Navy not obligate itself in such a manner, but until now I have found little in the Navy's handling of its breechblock lock procurement from AMF to indicate that sound commonsense prevails in Navy contracting.

Further, I have learned conclusively that a noncompetitive, negotiated, fixed-price $33,000 contract which the Navy Department awarded York AMF on June 3, 1966, to develop a new breechblock lock for the Mark-12 aircraft gun netted AMF a profit of some $21,000, or a profit rate of 180 percent of the actual cost to develop the new lock. GAO has confirmed this 180-percent rate of profit on that noncompetitive contract. It is a disgrace that the Navy then continues to deal with an industry which bleeds the American taxpayer in this manner.

The GAO investigation just completed has identified York AMF as a "high-cost producer," virtually incapable under its present system of operation of being able to secure Government contracts of this type on a competitive basis. Inefficiency on the production line and extraordinarily high overhead costs result in its high production costs, GAO found.

For example, in financial data submitted to justify the $97.13 per unit price it negotiated with the Navy for the 2,000-unit emergency procurement contract, York AMF cited a per-unit overhead cost which was higher than the total unit price of $37.75 bid by Newbould Tool Co. In its $37.75 bid figure, Newbould had included cost of the special miraging steel to produce the locks, its labor costs, overhead, and profit.

It is interesting, if not pertinent, to note that York AMF has submitted price quotations in both biddings held this year on a contract to supply 4,500 additional breechblock locks for the Mark-12 gun. In both instances, York AMF's bid was $59.94, or far below the $97.13 unit price it had convinced the Navy was reasonable for the emergency procurement contract last May.

GAO has determined that Newbould Tool Co., as of last November when production of its 2,400-unit contract was completed, anticipated that its profit would approximate 10 percent of the $37.75 unit price. Accordingly, Newbould's actual costs for material, labor, and production totaled about $34.30 per unit. Therefore, if AMF's production capabilities were equal to those of Newbould, the AMF unit price of $97.13 should have netted AMF a profit of approximately 200 percent, or 20 times higher than Newbould's profit.

On the other hand, even if AMF's profit actually was within the 10-to-15-percent range it has claimed, the Navy Department and all other Defense procurement agencies should immediately halt all noncompetitive purchases from AMF in the public interest. The American taxpayer frankly cannot afford to underwrite inefficiency or high overhead or whatever else might be offered as justification for its high-cost products.

For the record, I want to point out that on the basis of its investigation GAO reported to me it "could not conclude York AMF's emergency procurement contract was an illegal" contract award. AMF has received precisely such notification from GAO in writing. It must be pointed out, however, that GAO has not by any stretch of the imagination issued any commendations to either the Navy or York AMF in connection with this investigation.

It is a simple and obvious fact that by the time GAO had concluded its investigation, York AMF had completed production of 2,000 breechblock locks and the Navy had accepted delivery of most of them and probably had already subjected many of them to actual service in the combat area in Southeast Asia. To declare the contract illegal would have been a paper victory at best and would have served no useful purpose for the public good nor the national interest.

It is enough to say that the Navy needlessly wasted about $120,000 when it awarded the emergency procurement contract to York AMF last May.

UNBELIEVABLE PROCUREMENT BUNGLING BY THE NAVY

The file in my office which contains the lengthy and detailed record of the Navy Department's procurement of breechblock locks for the Mark-12 aircraft gun is nearly 2 inches thick. The incredible information it contains places this Navy Department procurement on a par with a Keystone Cops comedy.

Unfortunately, the gross abuse of sound procurement procedures involved here is not a laughing matter. I cannot dismiss this matter lightly because I cannot state with any degree of confidence that this case of bungling has not cost American lives in Southeast Asia or that it has not resulted in any loss of American aircraft.

I do know that for a period beginning in March of 1968 and continuing for approximately 6 months and possibly much longer, a critical nonsupport condition existed within the Navy's supply pipeline because the stockpile of breechblock locks for the Mark-12 aircraft gun was depleted. Neither GAO nor I has determined up to this point whether this supply depletion had a direct impact in the Southeast Asian combat zone in terms of aircraft rendered defenseless because supplies of spare parts for the Mark–12 were exhausted. I hope to get that information.

I do know that breechblock locks produced by the Navy at the naval ordnance plant at York, Pa., prior to its 1964 sale to York AMF failed to perform according to the Navy's own specifications of a service life of 2,000 gun firings. GAO's investigation report shows that the Navy-produced locks of pre-1964 vintage frequently failed after fewer than 300 rounds were fired.

These premature failures caused the destruction of Mark–12 aircraft guns both in the United States during test firings and in the combat area. In some instances, aircraft were damaged by the resultant explosions of the Mark-12 guns.

The decision to find a material capable of providing a longer service life for the breechblock lock led to the awarding of the high-profit design contract to York AMF. Changes in specifications for the breechblock lock have resulted from the premature failures.

Many circumstances which have come to light are extremely disconcerting. Among them are the following:

It took the Navy more than 3 years, from the first warning in June of 1965 that its stockpile of breechblock locks was failing prematurely, to pinpoint the cause of the failures, take steps to correct the specifications and achieve production of the first replacement parts in August of 1968.

Repeated warnings that the existing stockpile of spare breechblock locks was being exhausted rapidly were ignored.

A request from the Naval Air Systems Command in June of 1967 to proceed with a priority No. 2—second highest priority rating—procurement of spare parts for the Mark–12 was ignored until almost a year later.

The Navy Ships Parts Control Center at Mechanicsburg, Pa., initiated a routine supply replenishment—priority No. 20—procurement on December 29, 1967, 6 months after Navair requested emergency procurement, and exactly 7 days after SPCC was advised that only 166 spare breechblock locks remained in supply.

Still ignoring the 8-month-old request of Navair for an emergency procurement of breechblock locks, SPCC on February 13, 1968, issued a solicitation of bid proposal—noncompetitive—to York AMF for a routine supply replenishment procurement of 2,400 locks, setting a March 5 deadline for bid proposals.

By the March 5 bid deadline, which found two other firms submitting unrequested bid proposals in addition to that solicited from AMF, the supply of breechblock locks was exhausted and a "critical nonsupport condition existed."

Suddenly, on March 21, 1968, or 9 months after an emergency procurement had been requested and more than 2 weeks after SPCC learned that York AMF apparently had lost out on the routine procurement of the spare gun part, SPCC generated a priority No. 2

"emergency procurement" request for 2,000 additional locks.

Ignoring Newbould Tool Co.'s low bid of $37.75 on the routine procurement contract less than 3 weeks earlier, SPCC on or after March 22, 1968, entered into negotiation with York AMF for a bid proposal on the emergency procurement contract.

On May 13, 1968, 1 month after Newbould had been awarded the routine procurement contract to manufacture 2,400 breechblock locks at $37.75 each, SPCC awarded the noncompetitive emergency contract to York AMF to produce 2,000 locks at $97.13 each, still without inquiring whether Newbould would accept the additional contract work at its far more favorable cost figure.

Despite repeated claims by SPCC that its decision to negotiate the emergency contract price with York AMF was intended to save vital production time because of the part shortage, SPCC ultimately approved a contract delivery schedule for the emergency contract with a later delivery deadline than the routine contract awarded Newbould.

I could list point after point, Mr. Speaker. Instead, I invite my colleagues to read the incredible details in the GAO report itself. It will substantiate the fantastic pyramid of delay, inaction, misjudgment, indecision and lack of communication which characterize this entire case.

To assist anyone who wants to study this Navy "classic," I will include in the RECORD with the GAO report a chronology of the pertinent development dating from the introduction of the Mark-12 aircraft gun in 1951 up to and including the oral briefing in my office on March 19, 1969, by members of the GAO staff directly associated with the investigation.

As I stated, I am seeking additional details from GAO, GSA, and the Navy Department to fill the information gaps which still remain. As this becomes available, I shall enter it in the RECORD as well, in an effort to complete the documentation of the critical need for overhaul of policies and procedures affecting billions and billions of dollars worth of defense spending.

It is obvious that we can make significant strides to cut Government spending if we simply adopt sound, businesslike procurement procedures throughout the Federal Government.

Incidentally, it might also be possible to make substantial reductions in defense spending if we could simply learn how to keep track of the supplies we have contracted for.

On March 19, the date GAO representatives reviewed the GAO report orally in my office, they reported they had learned from Navy earlier in the day that a number of the breechblock locks produced by both Newbould and AMF were "lost."

According to GAO, a shipment of 300 locks from York AMF which failed to meet the specified 2,000 test-firings service life were to be returned to AMF for reworking. Of that number, GAO learned, 69 had been returned to AMF for correction and 231 were unaccounted for.

As of the same date, all Newbould locks had been accepted after two lots were reworked. However, the Navy was not able to locate one lot of 761 locks which had passed specification tests and were accepted by the Navy on December 3, 1968.

And, yes, I have urged the Comptroller General to make every possible effort to expedite the Defense-wide investigation of emergency procurement to such a degree that will not sacrifice accuracy and maximum public and national benefit. We cannot afford to lose time in correcting such incredible procurement practices

CHRONOLOGY OF EVENTS RELATING TO DEVELOPMENT OF MARK–12 AIRCRAFT GUN INCLUDING THOSE ACTIONS ASSOCIATED DIRECTLY WITH 1968 EMERGENCY PROCUREMENT OF MARK–12 BREECHBLOCK LOCKS FROM YORK DIVISION OF AMF

Approximately 1951: Mark–12 Aircraft gun designed by Navy.

Years 1951 to 1957: Mark–12 produced by Navy Gun Factory, Washington, D.C., and Naval Ordnance Plant (NOP), York, Pa.

Years 1957 to 1963: Mark–12 spare parts produced at NOP, York, Pa.

Years 1963 to 1964: NOP, York, Pa., deactivated and sold to AMF. (This facility now known as York Division, AMF.)

January 1964: Bureau of Naval Weapons received report from Naval Aviation Engineering Service Unit concerning failure of breechblock lock during air gunnery flight at Naval Air Station, Cecil Field, Fla. Failure occurred after firing of 600 rounds rather than life-expectancy of 2,000 firings or more based on Navy specifications.

Years 1964 to 1965: Navy recorded additional reports of breechblock lock malfunctions, including resultant destruction of Mark–12 guns and damage to aircraft.

June 1965: Naval Weapons Laboratory, Dahlgren, Va., (NWL) reported failure of locks was common and occurred in some cases after fewer than 300 rounds were fired.

July–August 1965: Fighter squadrons reported open-breech explosions had occurred which resulted in damage to both the gun and aircraft. Explosions were attributed to breechblock lock malfunctions and corrective action was requested.

September 1965: Bureau of Naval Weapons directed Naval Weapons Laboratory to investigate lock failures and recommend changes to assure satisfactory service life.

November 1965: Naval Weapons Laboratory decided to have a number of experimental locks manufactured of new materials and new finishes. NWL also decided to obtain the locks on noncompetitive basis from York AMF, justifying this sole-source procurement on stipulation of 1964 Naval Ordnance Plant sales agreement that AMF maintain gun production capabilities for a period of 10 years.

June 3, 1966: NWL awarded noncompetitive negotiated fixed-price ($33,000) contract to York AMF for manufacture of 45 experimental locks. August 12, 1966 was initially specified as delivery schedule but was subsequently changed to March, 1967, a delay of seven months.

July 1, 1966: Consolidated Stock Status Report obtained from Navy Ships Parts Control Center, Mechanicsburg, Pa., showed that Navy had about 3,090 breechblock locks on hand as of this date.

April 12, 1967: Navy Ships Parts Control Center initiated processing of purchase request for 188 breechblock locks for stock replenishment based on routine supply demand review.

May 4, 1967: Naval Weapons Laboratory advised SPCC that evaluation of experimental locks was completed and recommended that no purchase action be taken since revised specifications would be available in a short time.

June 1967: Naval Air Systems Command notified SPCC that spare parts to support gun system problems on aircraft in Southeast Asia (SEA) should be procured on Priority 2 (second highest priority) basis from York AMF.

August 1, 1967: Inventory records showed that number of locks on hand had diminished to 340 units in ready-for-issue condition. On basis of supply-demand review conducted then, processing of procurement of 2,220 units was initiated, and subsequently deferred "apparently in anticipation of . . . new specifications," according to GAO.

August 29, 1967: Naval Air Systems Command (NAVAIR) approved design drawing for new breechblock lock.

December 7, 1967: After nearly 18 months of research and development, and eight months after the experimental locks were obtained, Naval Weapons Laboratory notified SPCC that locks manufactured from 18 percent nickel maraging steel would satisfactorily meet service life requirements.

—In same communication, NWL also recommended SPCC immediately award contract for new locks to meet urgent fleet needs.

December 22, 1967: SPCC received letter from NAVAIR stating that stock had diminished to 166 units and recommending that contract for 2,400 of the new breechblock locks be awarded to AMF (American Machine & Foundry Company), York, Pa.

December 29, 1967: SPCC cancelled two procurement requests in process at that time (180 units and 2,220 units) and prepared purchase request for 2,400 locks of new type.

Purchase request was designated Priority 20 routine stock replenishment action, despite NAVAIR request six months earlier for Priority 2 procurement.

January 18, 1968: SPCC prepared purchase recommendation stating it was impractical to develop either a limited or unlimited purchase description for this new breechblock lock.

January 30, 1968: SPCC's Contract Review Board granted authority to negotiate procurement on basis "it is impractical to secure competition."

February 13, 1968: More than two months after Dec. 7 notice of new lock's approval, SPCC prepared solicitation for 2,400 breechblock locks and mailed copy to AMF. March 5, 1968 was specified as closing date for receipt of proposals. Solicitation was synopsized in Commerce Business Daily. Synopsis in Commerce Business Daily stated that drawings (approved by NAVAIR Aug. 29, 1967) and specifications could not be furnished by the government.

February 23, 1968: Newbould Tool Co., York, Pa., contacted SPCC, Mechanicsburg and requested drawings for the lock. Newbould was told drawings were not available and if they were, the procurement probably would be advertised.

February 26, 1968: Milo Components, Inc. contacted SPCC and requested drawing. Milo was told drawings were not available.

February 27, 1968: At insistence of Newbould and Milo, it was determined drawings were available at SPCC, Mechanicsburg, at least since January 19, 1968, almost a month prior to issuance of the solicitation of a bid from AMF. Drawings were supplied both Newbould and Milo this date.

March 5, 1968: Bids were received from Newbould at $37.75 per lock, Milo at $89.90 per lock, and York AMF at $99.79 per lock.

March 7–8, 1968: Conference held at SPCC received report that despite 2,400-unit procurement already underway, *stock of breechblock locks for the Mark-12 had been depleted thereby causing a non-support condition to exist.*

March 8, 1968: SPCC requested pre-award survey of Newbould and Milo including evaluation of technical, productive and financial capabilities, past performance record and ability to meet required delivery schedules, by Defense Contract Administra-

tion Services District (DCASD), Garden City, N.Y.

March 1968: SPCC received notice from NAVAIR (exact date uncertain) that Mark-12 gun spare parts support remained critical and that it was imperative additional action be taken to provide improved quantities of failing parts. SPCC officials informed GAO investigators that NAVAIR was concerned about November 25, 1968 delivery schedule for 2,400-unit procurement although at this point in time that contract had not been awarded and delivery schedule was not firmly established.

March 21, 1968: SPCC generated a Priority 2 purchase request for an additional 2,000 breechblock locks and established a "desired" delivery date of May 30, 1968. GAO confirmed during investigation that "not by any stretch of the imagination" could SPCC expect delivery of any quantity of breechblock locks by the desired delivery date.

March 22, 1968: SPCC purchase division received purchase request for 2,000 locks under Priority 2 procurement. Because AMF, by virtue of its earlier development contract for the new locks, was considered by SPCC to be the only proven manufacturer at this point. SPCC officials contended this fact could advance delivery by 120 days, and therefore did not contact Newbould regarding its possible capability to perform both contracts at its low bid price.

March 29, 1968: AMF submitted proposal to manufacture 2,000 locks at a unit price of $100.31, claiming the figure provided a profit of $10.03 per unit, or 11.1 percent.

March–April 1968: Upon completion of the pre-award survey at Newbould, DCASD of Reading, Pa., recommended complete award of 2,400-unit routine procurement contract to Newbould.

April 12, 1968: Routine contract awarded Newbould for 2,400 locks at $37.75 each, or a total of $90,600. Contract required delivery of two pre-production sample locks to NWL, Dahlgren, Va., for testing by July 11, 1968. The contract schedule allowed 30 days for government testing of the samples, with delivery of the 2,400 units 120 days after approval of the samples.

April 1968: During this month, DCASD, Reading, Pa., conducted review and evaluation of the $100.31 unit price quoted by AMF for the 2,000-unit emergency procurement of breechblock locks.

May 1, 1968: DCASD Reading audit report recommended acceptance of a unit price of $94,068 for AMF production of 2,000 breechblock locks.

May 1 and 2, 1968: DCASD Reading conducted negotiations with AMF on the unit price variances and ultimately reached a compromise unit price of $97.13 for the emergency contract work, including an estimated profit of $8.83 per unit, or 10 percent profit.

May 9, 1968: York AMF requested priority assistance (assignment of special "DX" rating to contract) to expedite procurement of raw materials for production.

May 13, 1968: Contract, specifying September 11, 1968, delivery date for 2,000 locks at total price of $194,260, was issued by SPCC to AMF. Delivery date represented a period of 120 days from contract award, as specified in the solicitation, or more than three months later than the "desired delivery date" of May 30 which had been established on March 21, 1968.

May 29, 1968: York AMF acknowledged receipt of the contract and took exception to the delivery schedule. AMF contended that according to the request for proposal and subsequent negotiation, deliveries were not required to be completed until December 10, 1968, and asked that the contract be so modified.

June 10, 1968: SPCC advised AMF that the contract delivery schedule was in accord with the request for proposal to which AMF had responded with its bid and that the requested modification was not acceptable.

June 21, 1968: Newbould Tool Co., Inc. delivered to Naval Weapons Laboratory, Dahlgren, Va., three sample locks for testing. Specifications required that they pass 2,000 test firings. The tests conducted submitted the samples to 3,000 firings and Newbould officials were advised orally the samples were approved and that written approval would follow.

Newbould, during manufacture of its samples for testing, discovered an error in the specified design and manufactured one of its three samples to correct that error. It was the sample based on Newbould's correction of the design error which was selected for subsequent manufacture.

On this date, Newbould also formally protested award of the 2,000 unit contract to AMF and advised SPCC that Newbould was prepared to enter a bid.

July 1 (Approximately), 1968: GAO found that NWL, Dahlgren, this week notified SPCC by phone that Newbould's sample lock had passed tests. SPCC indicated no knowledge of having received such message.

July 3, 1968: DCASD Reading advised SPCC that AMF could not produce its 2,000 units at necessary rate to complete contract by September 11, 1968. AMF contended their offer was based on the fact that 98 days was required prior to first delivery on August 10 and that thereafter AMF would deliver at the rate of 125 units per week, completing the contract December 10, 1968.

July 19, 1968: NWL confirmed telephone approval by speedletter to SPCC.

July 22, 1968: SPCC formally agreed to AMF's delivery schedule including December 10, 1968 final delivery. The delivery date for AMF which SPCC finally accepted represented a contract execution period of 211 days as compared with the 120 days specified in the contract. Further, the AMF contract completion date of December 10, 1968 actually exceeded the completion date for Newbould's routine procurement contract which was November 25, 1968.

July 26, 1968: SPCC issued Modification No. 1 to Newbould contract, advising that samples met specifications and that firm delivery date for 2,400 units was November 25, 1968. Time delay since initial approval—three weeks.

August 1–15, 1968: AMF requested waivers for dimensional variations on 1,190 breechblock locks including Lots 1 of 600 units, Lot 2 of 40 units and Lot 3 of 550 units.

August 16, 1968: SPCC recommended that requests for waiver be rejected due to critical application and current status of subject lock. Congressman Rooney formally requested Navy Department and GAO investigations under date of August 1, 1968.

August 19, 1968: Naval Weapon Service Office (NWSO) advised SPCC it agreed with rejection of waiver No. 1 but approved waiver No. 2.

August 23, 1968: NAVAIR approved waivers noting that urgency to secure Mark-12 gun spare parts dictates most expeditious production.

NWSO notified SPCC this date that due to critical supply problem, approval was given to waiver No. 3 as well.

August 28, 1968: SPCC notified AMF that all three waivers had been granted.

October 29–November 1, 1968: Newbould forwarded two sample locks from each of three production lots for test and evaluation by NWL, Dahlgren, Va. The three lots represented total production of 2,400 locks constituting Newbould contract.

November 26, 1968: York AMF made final shipment of locks under its emergency procurement contract for 2,000 units.

November 1968: NWL notified SPCC that test samples of lots 5 and 8 from AMF (300 units) did not meet specification of 2,000 round firing life requirement.

December 3, 1968: NWL notified Newbould that its Lots 1 and 3 (1,639 units) failed to meet necessary requirements. Newbould's Lot 2 (761 units) was accepted.

January 1, 1969: SPCC considered Newbould contract delinquent as of November 25, 1968, because 2,400 acceptable locks had not been delivered under contract. The problem of 1,639 unacceptable locks had not been resolved as of this date.

SPCC had taken no action as of this date regarding 300 locks produced by AMF which were unacceptable. NWL, Dahlgren, had not determined cause of test sample failure as of this date. SPCC did not, at this time, declare AMF contract delinquent, despite passage of December 10, 1968 delivery deadline for all 2,000 of AMF breechblock locks.

January 3, 1969: SPCC received "competitive" bids to supply 4,500 additional breechblock locks for the Mark-12 aircraft gun. In this instance, nine bids were reported ranging from a low of $15.29 per unit to $98.00 per unit. Newbould ranked as fifth lower bidder at $37.65 each while AMF ranked eighth at $59.94, or approximately $37 lower than its unit price under the negotiated emergency procurement of 2,000 units.

February 7, 1969: NWL, Dahlgren, Va., requested change of specifications for breechblock lock in advance of 4,500 unit procurement. As a result, bids received January 3, 1969 were rejected.

February 20, 1969: SPCC issued new invitations for bids on 4,500-unit procurement of breechblock lock based on new specifications involving dimensional changes to make the breechblock lock more reliable and durable in performance.

March 11, 1969: GAO investigation report concluded that AMF contract award was not "illegal" under existing Navy procurement procedures. However, GAO was critical of Navy procurement procedures in this instance and concurred with Congressman Rooney that broader investigation of emergency procurement was in order. GAO suggested that Rooney's request for Navy-wide investigation of emergency procurement be expanded to review such procurement on Defense-wide basis.

March 13, 1969: SPCC received bids from 12 companies on new specifications for breechblock lock, ranging upward from low of $22.80. Newbould was sixth lowest bidder at $33.70 per unit while AMF was farther from contention at $59.94.

March 19, 1969: GAO investigators conferred with Administrative Assistant to U.S. Rep. Fred B. Rooney, to review investigative report and respond to 29 comments and questions submitted by Congressman after report was received from GAO March 11, 1969.

GAO reported this date that 1,639 unacceptable locks produced by Newbould had been returned to manufacturer for adjustment and were accepted upon re-testing. However, GAO was advised this date by telephone, Navy had "lost" Lot 2 (761 units) of Newbould contract which were accepted as of December 3, 1968.

GAO reported this date that Navy had returned to AMF for adjustment 69 of its 300 units which were declared unacceptable. By telephone conversation with GAO this date, Navy also had "lost" the remaining 231 AMF locks which were unacceptable.

GAO reported this date that both Newbould and AMF were being charged for additional testing required by failure of certain lots to meet test firing specifications.

GAO, asked if this AMF contract investigation indicated the Navy Department had utilized good procurement procedures, responded with a firm "No."

GAO concluded that the SPCC contracting officer should have considered negotiations with Newbould or others for performance of the emergency contract at lower cost per unit.

GAO, asked if this emergency procurement investigation indicated possible substantial waste of public funds within Defense contracts because of neglect, unnecessary delay, poor judgment, defective business sense or other factors involving limited competence or incompetence responded with an emphatic

"Yes." Specifically because of the evidence of tax dollar waste in this contract, GAO will conduct investigation of emergency procurements totaling $5 billion annually on Defense-wide basis, with special emphasis on 70 percent of such spending which involves supposed "sole-source suppliers" such as York AMF.

[B–164978]

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., March 11, 1969.

DEAR MR. ROONEY: We refer to your letters of August 1 and September 6, 1968, requesting that the General Accounting Office investigate the circumstances spelled out in enclosures pertaining to the award of a contract on May 13, 1968, for 2,000 breechblock locks, and an apparent abuse of sound emergency procurement procedures by the Department of the Navy involving two contracts awarded at widely divergent per-unit prices to two different firms by the Navy Ships Parts Control Center.

In addition, you asked in your letter of August 1, 1968, that we seek answers to 14 questions contained in a letter which you sent to the Secretary of the Navy. In your letter of September 6, 1968, you advised us that you had received a copy of the Navy's report of its findings. You also asked that we consider issues which pertain to the Ships Parts Control Center (SPCC) comments.

Subsequently, on October 8, 1968, we met with Mr. Huber, your staff assistant, who agreed that the requests could be reviewed and reported as two separate assignments; the first, a review of the procurement of breechblock locks and the second, a review of the Navy's emergency procurement procedures.

We therefore directed our review to the procurement of breechblock locks taking into consideration related questions and comments which were made in your letters of August 1 and September 6, 1968. Our review also covered the Navy's use of emergency procedures in the instant procurement, but did not cover the Navy's general use of emergency procedures in other procurements. We plan to examine into this matter on a Defense-wide basis shortly after July 1, 1969.

On May 13, 1968, Navy awarded a sole-source negotiated contract to the American Machine and Foundry Company (AMF), York, Pennsylvania, for 2,000 breechblock locks at $97.13 each. The unit price for the locks to be fabricated by AMF was about three times the unit price of $37.75 for 2,400 of the same kind of locks to be fabricated under a competitively negotiated contract awarded on April 12, 1968, to the Newbould Tool Company (Newbould), York, Pennsylvania. A summary of the circumstances pertaining to the award of these contracts follows.

PREDECESSOR LOCKS

The breechblock lock is one of five components of the Mark 12 20mm aircraft gun breechblock assembly. The breechblock assembly is that part which loads a round into the barrel chamber, closes the breech, fires the round, and removes the empty cartridge case. Failure of any one of the five components may cause the breechblock assembly to function improperly, thereby resulting in firing failure or shell explosion outside of the barrel chamber.

This aircraft gun was designed by the Navy about 1951, and was produced until about 1957, primarily by the Navy Gun Factory, Washington, D.C., and the Naval Ordnance Plant (NOP), York, Pennsylvania. The NOP continued to produce spare parts for the gun until 1963, when the plant was deactivated and sold to AMF.

Although produced in significant quantities, this gun apparently saw limited service until the conflict in Southeast Asia (SEA) was expanded. The gun is currently being used in three different types of combat aircraft, and many of these aircraft are based in SEA.

In January 1964, the Bureau of Naval Weapons (BuWeps) received a technical report from the Naval Aviation Engineering Service Unit concerning the failure of a breechblock lock during an air gunnery flight at the Naval Air Station, Cecil Field, Florida. The report stated that a breechblock had prematurely unlocked causing it to be blown to the rear of the gun receiver with great force. The incident was attributed to a shattered breechblock lock that had failed after approximately 600 rounds of ammunition had been fired from the gun. Military specifications applicable to the gun provided that all parts should have a life expectancy of at least 2,000 rounds. The report further pointed out that although damage to the aircraft was slight, damage to the gun was sufficient to require replacement and the premature failure of the breechblock lock was considered indicative of a material deficiency.

During 1965, additional reports were received pertaining to malfunctions of breechblock locks. In June 1965, the Naval Weapons Laboratory, Dahlgren, Virginia (NWL), pointed out that failure of the locks was common and had occurred in some cases after less than 300 rounds had been fired. In July and August 1965, fighter squadrons reported that open-breech explosions had occurred which resulted in damage to both the gun and the aircraft. The reports indicated that the explosions were attributable to breechblock lock malfunctions and recommended that action be taken to prevent recurrence of such incidents. In September 1965, as a result of these reports, BuWeps directed NWL to investigate the causes of the breechblock lock failures and recommend changes that would assure a satisfactory service life.

DEVELOPMENT OF NEW LOCK

In order to obtain a satisfactory part, the NWL, in November 1965, decided to have a number of experimental locks manufactured with various types of new finishes and materials. The NWL further decided to obtain the experimental locks on a noncompetitive basis from AMF. Justification for this sole-source procurement was based on the fact that NOP, York, where the locks had been previously manufactured, was sold to AMF in 1964 with the stipulation that the company maintain gun production capabilities for a period of 10 years. Moreover, the special tooling to be furnished by the Government had been designed specifically for the NOP equipment acquired by AMF and many former NOP, York, personnel involved in the manufacture of the locks were employed by AMF. It was thus believed that the "know-how" to produce the locks was available at AMF.

NWL awarded a noncompetitive negotiated fixed-price contract to AMF on June 3, 1966, for the manufacture of 45 experimental locks. The delivery schedule was initially established as August 12, 1966, but was subsequently changed to March 1967, or a delay of approximately 7 months.

A Consolidated Stock Status Report (CSSR) obtained at SPCC showed that the Navy had about 3,090 breechblock locks on hand as of July 1, 1966. On April 12, 1967, prior to receiving notice of the status of the new lock, SPCC initiated action to process a purchase request for a quantity of 188 breechblock locks for stock replenishment. We were advised by an SPCC official that the quantity to be purchased was determined on the basis of a routine supply demand review conducted to determine future needs for items under SPCC cognizance. Shortly thereafter, on May 4, 1967, NWL advised SPCC that evaluation of the experimental locks had been completed and recommended that no purchase action be taken since revised specifications would be available in a short time. On August 1, 1967, inventory records indicated that the number of locks on hand had diminished to 340 units in ready-for-issue condition and on the basis of a supply demand review conducted at that time, a system stock replenishment action for an additional quantity of 2,220 units was initiated. This action also was deferred, apparently in anticipation of receiving the new specifications.

The drawing for the new breechblock lock was approved by the Naval Air Systems Command (NAVAIR) on August 29, 1967. However, it was not until December 7, 1967, after nearly 18 months of research and development and about 8 months after the experimental locks were obtained, that NWL notified SPCC that breechblock locks manufactured from 18 percent nickel maraging steel would satisfactorily meet service life requirements. The NWL also recommended that all future locks be fabricated in accordance with the revised drawing. We were informed that 18 percent nickel maraging steel generally provides a steel product of superior strength and durability.

PROCUREMENT OF 2,400 LOCKS FROM NEWBOULD

NWL, in its December 7, 1967, communication, recommended that SPCC immediately award a contract for the new locks in order to meet urgent fleet needs. On December 22, 1967, SPCC received a letter from NAVAIR, stating in part:

"The In-Service Breechblock Lock Buweps Dwg 851500 is to be replaced by the new procurement item. Current stock status shows 166 on hand and that a contract is in process of being awarded for 2,400. It is recommended that this contract be changed to procure 2,400 of the new Breechblock Locks, NASC–NAVAIR 2518518 and that this contract be awarded to AMF (American Machine and Foundry Company), York, Pennsylvania * * *."

On December 29, 1967, SPCC cancelled the two procurement requests in process at that time and prepared a new purchase request for a quantity of 2,400 locks to be manufactured in accordance with the revised drawing. The new purchase request was designated priority 20, stock replenishment action, even though NAVAIR had notified SPCC in June 1967 that spare parts to support gun system problems on aircraft in SEA should be procured on a priority 2 basis. The request further indicated that AMF, York, was the recommended source of supply.

During January 1968, SPCC accomplished the necessary internal processing of the purchase request and on January 30 its Contract Review Board granted authority to negotiate the procurement, because it was impracticable to obtain competition. The purchase recommendation prepared on January 18, 1968, stated that it was impracticable to develop either a limited or unlimited purchase description for this item.

SPCC made a solicitation for the 2,400 locks on February 13, 1968, more than 2 months after being notified of approval of the new lock, with March 5, 1968, established as the closing date for receipt of proposals. On the basis that AMF was the only source, a copy of the solicitation was mailed to AMF and the proposed procurement was synopsized in the Commerce Business Daily. The synopsis stated that drawings and specifications for the breechblock lock could not be furnished by the Government.

At their request, Milo Components, Inc., Newbould, and other companies were provided copies of the proposal. However, drawings were not furnished with copies of the proposal. On February 23 and 26, 1968, respectively, Newbould and Milo contacted the SPCC buyer and requested drawings for the lock. Both companies were informed that drawings were not available and that if they were, the porcurement would probably be advertised. At the insistence of Newbould and Milo, it was determined that drawings were available and had been available at SPCC since at least January 19, 1968. The lock

drawings were furnished to both Newbould and Milo on February 27, 1968.

AMF, Milo, and Newbould proposed unit prices for the 2,400 locks of $99.79, $89.90, and $37.75, respectively. On March 8, 1968, SPCC requested the cognizant Defense Contract Administration Services District (DCASD), Garden City, New York, to perform a preaward survey of these companies and evaluate their technical, productive, and financial capabilities in view of the contract requirements. This request included an evaluation of the companies' performance record and ability to meet required delivery schedules. Upon completion of the survey at Newbould, the DCASD, Reading, Pennsylvania, recommended a complete award to Newbould.

A contract was awarded to Newbould on April 12, 1968, for a quantity of 2,400 locks at a unit price of $37.75, or a total of $90,600. Delivery of two preproduction sample locks were to be submited to NWL by July 11, 1968, for first article approval. A period of 30 days was provided in the contract schedule for first article testing by the Government; delivery of the 2,400 locks was to be completed 120 days after first article approval.

On June 21, 1968, a Newbould official took the two required preproduction sample locks to the NWL and test firings were conducted from June 24 to July 1, 1968. NWL personnel informed us that the period required to complete testing of the locks was extended because of their procedure of testing several articles concurrently, thereby reducing the cost of testing. However, we were informed that if time was of the essence on any particular item, it could be tested alone.

NWL, by letter of August 16, 1968, notified SPCC that the sample locks were subsequently subjected to metallurgical examination and that SPCC had been notified by telephone, during the week of July 1, 1968, that the two sample locks had satisfactorily met test requirements. An SPCC official advised us that he had no knowledge of the telephone notice nor any information concerning the test results until receipt of written notification from the NWL on July 19, 1968. NWL officials informed us that the delay in preparation of a written notification was due to a large volume of reports under preparation at the time, a number of which were for items of a higher priority. However, they stated they considered the telephone message to be proper notification of the test results to SPCC.

On July 26, 1968, or about 3 weeks after testing was completed, SPCC advised Newbould that the first article test samples had been approved by NWL and that production units should be delivered in about 120 days, or by November 25, 1968.

PROCUREMENT OF 2,000 LOCKS FROM AMF

At a conference held at SPCC on March 7 and 8, 1968, it was reported that although a procurement for 2,400 breechblock locks was underway, stocks of the original lock had been depleted, thereby causing a nonsupport condition to exist. SPCC was also notified by NAVAIR, during March 1968, that Mark 12 gun spare parts support remained critical and that it was imperative that additional action be taken to provide improved quantities of failing parts. SPCC officials informed us that NAVAIR was concerned about the November 25, 1968, delivery schedule proposed for the procurement of the 2,400 locks, as these locks were needed as soon as possible.

SPCC on March 21, 1968, generated a priority 2 purchase request for an additional 2,000 of the new breechblock locks. SPCC officials informed us that they purchased 2,000 locks because it was an economical order quantity. A desired delivery date of May 30, 1968, was established, or about 6 months prior to the scheduled delivery of the 2,400 locks already under contract.

SPCC officials stated that when the purchase request for the 2,000 locks was received by the SPCC purchase division on March 22, 1968, AMF was the only proven manufacturer and accordingly the only manufacturer for whom first article test requirements could be waived. It was expected that waiver of first article testing would advance delivery by 120 days. SPCC officials stated, therefore, Newbould was not contacted for the additional procurement. Accordingly, the cognizant buyer recommended that SPCC negotiate solely with AMF.

Following authorization from the review board, AMF was requested to submit proposed pricing data for a quantity of 2,000 breechblock locks. In response to the request for proposal, AMF on March 29, 1968, submitted a proposal to manufacture 2,000 locks. After a review and evaluation of the pricing data included in AMF's proposal by DCASD, Reading, negotiations were conducted on May 1 and May 2, 1968, and agreement was reached on a unit price of $97.13 for the contract.

During the week of May 3, 1968, negotiation proceedings were completed and AMF, although prior to receipt of the formal award, recognized the effective date of the contract as May 1, 1968. To assure that raw material would be available to meet the required delivery dates, AMF, on May 9, 1968, requested priority assistance in expediting procurement of raw materials required by their forging vendor. DCASD, Reading, advised AMF that the receipt of materials for the forgings was only part of the vendor's problem and special priority assistance to effect earlier delivery was not recommended unless other vendor problems could be resolved.

Subsequently, the SPCC Contract Review Board approved the award to AMF for the 2,000 locks for a total price of $194,260. A contract providing for delivery by September 11, 1968, was issued to AMF on May 13, 1968. This delivery date represented a period of 120 days from the date of award, which was the required delivery stated in the request for proposal, or more than 3 months later than the desired delivery date of May 30, 1968, established by the purchase request issued in March.

In a letter dated May 29, 1968, AMF acknowledged receipt of the contract and at the same time took exception to the delivery schedule. The letter stated that according to the request for proposal submitted by AMF and discussions held during negotiations, deliveries were not required to be completed until December 10, 1968. Accordingly, AMF requested that the contract be modified. SPCC notified AMF on June 10, 1968, that the contract delivery schedule was in accordance with the RFP and that the requested change was not acceptable. Two weeks later SPCC advised AMF that failure to deliver in accordance with the contract would result in the initiation of default action.

On July 3, 1968, DCASD, Reading, forwarded a delay in delivery notice advising SPCC that AMF could not produce at the necessary rate to complete the contract by September 11, 1968. DCASD added that AMF officials stated that the delivery schedule contained in the contract was not the schedule negotiated. In order to clarify the misunderstanding regarding the contract delivery schedule AMF noted that their offer was based on the fact that 98 days would be required prior to first delivery on August 10, 1968. Thereafter, AMF would deliver at a rate of 125 units per week which would complete the contract by December 10, 1968.

AMF stated this schedule was predicated on a 10-week leadtime for the material and 4 weeks in-process time prior to first delivery. The leadtime of 10 weeks for delivery of material was apparently based on quotes from suppliers. These quotes were available at the time of negotiations. Accordingly, on July 22, 1968, SPCC formally agreed to AMF's delivery schedule.

The delivery schedule finally accepted by SPCC represented a time frame of 211 days for total delivery compared to the 120 days originally specified in the contract. Also, the December 10, 1968, completion date exceeded the completion date of November 25, 1968, established for the Newbould contract by 15 days. Although Newbould's preproduction locks had passed all testing requirements as early as the first week of July 1968, we found no evidence that SPCC contacted Newbould in an attempt to determine whether Newbould could phase delivery of the 2,400 locks over a time frame similar to the revised AMF schedule. Newbould had, on June 21, 1968, formally protested the award to AMF and advised SPCC that they were willing to bid on the 2,000 breechblock locks. SPCC officials indicated that something less than 2,000 locks were required to satisfy emergency requirements.

PROBLEMS EXPERIENCED BY BOTH NEWBOULD AND AMF

Waivers requested by AMF

During August 1968, AMF requested waivers for dimensional variations in 1,190 completed units. Waiver number one covered 600 units, waiver number two 40 units, and waiver number three 550 units. SPCC recommended to the Naval Weapon Service Office (NWSO) on August 16, 1968, that due to the critical application and current status of subject lock, AMF's request for waiver be rejected. On August 19, 1968, NWSO informed SPCC that they concurred with rejection of waiver number one but approved waiver number two. On August 23, 1968, NAVAIR approved the waivers stating that urgency of Mark 12 gun spare parts dictates the most expeditious production of parts. Further, NWSO notified SPCC on August 23, 1968, that due to the critical supply problem, approval was given to AMF's waiver request number three. SPCC notified AMF of acceptance of their waiver requests on August 28, 1968.

AMF lot samples fail to meet 2,000 round life

On November 26, 1968, AMF made the final shipment of breechblock locks under the subject contract. The NWL notified SPCC in November 1968 that test samples submitted for AMF's lots 5 and 8 (300) units did not meet the 2,000 round minimum life requirement for acceptance by the Navy. As of January 1, 1969, the NWL had not determined the exact cause for the test sample failures. Therefore, no action had been taken by SPCC at that time.

Newbould lot samples fail to meet 2,000 round life

On October 29 and November 1, 1968, Newbould forwarded two sample breechblock locks from each of three production lots to the NWL for test and evaluation. On December 3, 1968, the NWL notified SPCC that samples from production lots 1 and 3 failed to meet the necessary requirements. On the basis of the test results the NWL recommended acceptance of production lot 2 (761 units) and rejection of lots 1 and 3 (1,639 units). As a result of Newbould's inability to deliver the entire 2,400 acceptable locks by November 25, 1968, the contract was considered delinquent by SPCC; however, Newbould was not notified. As of January 1, 1969, SPCC had not resolved the problem of the 1,639 units.

PROCUREMENT OF 4,500 ADDITIONAL BREECHBLOCK LOCKS ON AN ADVERTISED BASIS

On July 22, 1968, NWSO notified SPCC that in addition to the 4,400 units currently under contract, approximately 4,500 units were required to provide for 100 percent retrofit. Accordingly, during the latter part of 1968, SPCC advertised for 4,500 breechblock locks. Nine bids were recorded on the opening date of January 3, 1969. These bids ranged from a high of $98.00 per unit to a low of $15.29 per unit. Newbould was fifth low bidder with a bid of $37.65 and AMF was eighth low bidder with a bid of $59.94.

We were informed that the Navy rejected all bids and has changed specifications for the lock.

While we believe it to be questionable that Navy gave adequate consideration to soliciting Newbould and other manufacturers prior to the award to AMF, it should be noted that the need for the locks was critical and the procurement was assigned an 02 priority designator. At the time of the award to AMF (May 13, 1968) the scheduled delivery of preproduction sample locks by NWL was still approximately 2 months away (July 11, 1968), and Navy could not be certain that such samples would satisfactorily meet the test requirements so that production runs could commence immediately thereafter, whereas AMF had produced satisfactory locks under its development contract and preproduction test requirements could therefore be waived for that firm.

Paragraph 3-202.3 of the Armed Services Procurement Regulation states that a determination and findings by the contracting officer, justifying use of the public exigency exception to formal advertising under the authority of 10 U.S.C. 2304(a)(2), need only state the existence of a priority designator of 1 through 6 in order to justify use of that exception. Further, findings in support of a determination to negotiate under the public exigency exception are made final by 10 U.S.C. 2310(b), and are therefore not subject to question by our Office. While the exception does not, in and of itself, authorize sole-source procurement, a considerable amount of discretion with respect to the use of that exception must be reserved to the contracting officer, and this Office will not overturn the contracting officer's decision to negotiate a sole-source award pursuant to the public exigency exception unless it is clear that he has abused the discretion vested in him in an arbitrary or capricious manner. See 44 Comp. Gen. 590.

It is our view that the circumstances surrounding the award to AMF do not disclose such a clear abuse of discretion by the contracting officer as to affect the legality of the contract awarded to that firm, and that there is no basis for any imputation of bad faith on his part.

The 14 questions presented in your letters, the SPCC answers, and our comments thereto are contained in appendix I to this letter.

Sincerely yours,

R. F. KELLER.
For the Comptroller General of the United States.

APPENDIX 1

YOUR ORIGINAL 14 QUESTIONS, SPCC COMMENTS AND GAO COMMENTS

QUESTION NO. 1

Why has the Navy not purchased any breechblock locks for the MK-12, 20mm Aircraft Guns for a period of more than five years preceding the contract awards of April and May of 1968? Did the Navy have an inventory of these pieces sufficient to carry it through this period.

SPCC COMMENT

Until December 1967 the Navy had adequate stocks of the original Breechblock lock (FSN 1005-713-9407, BUWEPS Drawing 851500) either on hand or under procurement to satisfy its known requirements.

In December 1967, based upon an evaluation of tests performed on a number of Locks manufactured from different materials with different finishes by the American Machine and Foundry Company (AMF), York, Pa., under contract with the Naval Weapons Laboratory (NWL), Dahlgren, Va., new specifications covering the Breechblock Locks were approved and released. The objective of this effort was to develop a Lock which would possess greater reliability and have a longer service life. A history of the design and engineering work performed to achieve this objective is contained in Attachment A.

Upon approval of the new specifications (NASC-NAVAIR Drawing 2518518), the Naval Air Systems Command on 22 December 1967 (Attachment B) recommended that a stock procurement for 2,400 Breechblock Locks then in process at SPCC be revised to obtain Locks manufactured to the new design and that AMF York be awarded the production contract.

GAO COMMENT

On April 12, 1967, SPCC initiated a purchase request for 188 locks based on a routine supply demand. However, in anticipation of receiving revised specifications, the procurement was not made. Further, on August 1, 1967, when lock inventories had diminished to 340 units in a ready to issue condition, a stock replenishment action for 2,220 locks was initiated. However, this action was also deferred, apparently in anticipation of receiving the new specifications. A contract for 2,400 locks to be built in accordance with the new specification was awarded on April 12, 1968, or one year after it was determined that additional lock supplies were required. Details of the stock status of the locks are presented on pages 3 and 4 of our letter.

ADDENDUM

In response to SPCC's comments, you questioned in your letter of September 6, 1968, the Navy's procedure of specifying a desired contractor without regard to possible cost factors. We agreed that as a general rule it is not sound policy to specify a specific contractor without giving adequate consideration to cost differentials involved.

QUESTION NO. 2

What inventory of the breechblock locks for the MK-12 does the Navy have at the present time?

SPCC COMMENT

At the present time the Navy has none of the newly designed Locks in its inventory; it still has 95 of the original Locks on hand. Contracts with the Newbould Tool Company, York, Pa., for 2,400 of the new Locks and with AMF York covering 2,000 of the new Locks are currently outstanding.

GAO COMMENT

AMF started delivery of the new locks on August 27, 1968.

QUESTION NO. 3

When was the original requisition for 2,400 breechblock locks issued by the Navy Air Systems Command? (Please supply a copy of the requisition order.)

SPCC COMMENT

Upon receipt of the NAVAIRSYSCOM letter of 22 December 1967 (Attachment B) a procurement request for 2,400 of the newly approved Breechblock Locks (NASC-NAVAIR Drawing 2158518) was prepared by the Stock Control Division of SPCC on 29 December 1967. Attachment C is a copy of this procurement request.

GAO COMMENT

Initial procurement of the new lock is covered on pages 4 through 6 of our letter.

QUESTION NO. 4

When was the requisition for emergency procurement of 2,000 breechblock locks issued and by whom? (Please supply a copy of that requisition order.) What prompted this emergency need to develop 30 days after award of a routine contract for the same item?

SPCC COMMENT

During the early months of 1968 there developed within the Navy concern over the status of repair parts for the MK12 20mm Gun, generally, and of the Breechblock Locks especially. In the case of the latter, an increasing number of the original-design Locks were failing in combat aircraft (F8, A4 and A7) operating in Southeast Asia. According to the Naval Weapons Service Office, Philadelphia, some Locks were failing after firing only 200 rounds instead of their design expectancy of 2,000 rounds. Even worse, however, was the fact that when a Lock failed, leaving an open 20mm Gun chamber, continued operation of the gun could cause extensive damage to or even loss of the aircraft. Thus the Locks became a safety-of-flight item, and early replacement with the newly designed Lock became most important.

On 20 March 1968, the NAVAIRSYSCOMHQ called SPCC to express that Headquarters' growing concern over the condition of repair parts support for the MK12 20mm Gun. Much of the information and direction provided in that call was contained also in NAVAIR message 272218Z March 68 (Attachment E). Among other things, SPCC was told that MK12 Gun spare parts support and reliability were critical, that additional action to provide improved quantities of the parts was imperative, and that the NAVAIR Program Manager intended to obtain a "DX" rating for the parts in critical supply.

On 21 March 1968, the day following the afore-mentioned telephone call from NAVAIRSYSCOMHQ, SPCC prepared and commenced processing a Priority 02 (SEA-SIA) purchase request for a quantity of 2,000 of the new-design Breechblock Locks. Attachment D is a copy of this purchase request. It should be noted that the contract for the stock replenishment quantity of 2,400 Locks had not yet been awarded as alleged.

As outlined by the Naval Weapons Services Office, Philadelphia, in Attachment F, in addition to the 4,400 Breechblock Locks presently under contract, approximately 4,500 more will be required to completely replace all of the original-design Locks in service use, a step which has been recommended in view of the current safety-of-flight classification of this item. It is expected that circumstances will permit future procurements of this item to be made on a competitive basis.

GAO COMMENT

We believe the procurement of the 2,400 locks could have been classified as a priority 2 action. NAVAIR had notified SPCC in June 1967 that spare parts to support gun system problems on F-8 aircraft in SEA should be procured on a priority 2 basis. This matter is discussed on pages 4 and 5 of our letter.

SPCC officials informed us that NAVAIR, in March 1968, became concerned about the November 25, 1968, delivery schedule proposed for the procurement of the 2,400 locks, as the locks were needed as soon as possible. It was further stated that stocks of the original lock had been depleted, thereby causing a nonsupport condition. Based on these conditions, a priority 2 action was generated for 2,000 additional locks. This matter is discussed on page 7 of our letter.

ADDENDUM

In response to SPCC comments, you questioned in your letter of September 6, 1968, whether the old stock of breechblock locks were defective in terms of the specifications. Our review disclosed this to undoubtedly be true. However, these locks had been primarily produced by Navy plants. This matter is discussed on page 2 of our letter.

You also questioned the SPCC statement that at the time the emergency requirement developed a contract had not been awarded to Newbould. You pointed out that SPCC was well aware of the bid of $37.75 made by Newbould on the 2,400 locks and concluded that because of this exceptionally favorable price Newbould should have been contacted to determine whether they were prepared to take on the additional 2,000 items at that same price and on delivery terms in keeping with the Navy's emergency.

The award to AMF for 2,000 locks was not made until May 13, 1968, about 30 days after the award to Newbould on April 12, 1968, for 2,400 locks. In view of the possibility of obtaining a substantially lower price, we question whether the Navy gave adequate consideration to soliciting Newbould or other interested suppliers prior to the award of the emergency procurement to AMF. Our position

on this matter is stated on pages 10 and 11 of our letter.

QUESTION NO. 5

If emergency procurement of the additional 2,000 pieces was justifiable, why did the Navy not cooperate with the original contractor, who was willing to produce these items for only $37.75, to expedite production of the order? This could have been done by (1) amending the original contract to cover the 2,000 additional pieces, (2) by assuring that pre-prod approval was given promptly in writing after the June 21 test-firing at Dahlgren, Virginia, and (3) by assigning "DX" status to the original contract in order to secure prompt delivery of the material for production. (Newbould could be in production now, meeting the Navy's emergency need if one exists, at the $37.75 price.)

SPCC COMMENT

At the time the high priority requirement for the additional 2,000 Breechblock Locks was generated (3/21/68), there *was no* "original contractor" other than AMF York. The SPCC stock contract for 2,400 units was not awarded to the Newbould Tool Company until 12 April 1968, some three weeks later.

At the time the important basic procurement decisions had to be made for the 2,000 Lock purchase, decisions such as the procurement method to be utilized and the sources to be solicited, every fact then available to the Contracting Officer indicated that certain delivery and earliest delivery could only be obtained from the one supplier who had previously produced the item, namely, AMF York. Only for this supplier could the First Article Test requirements of the specifications be waived, thus permitting an advancement of 120 days in the commencement date for deliveries. Not until 1 April 1968 was the DCAS report of the pre-award survey of the Newbould Tool Company to be forwarded to the SPCC Contracting Officer recommending award of the 2,400 units to that company. And not for another three months was Newbould able to demonstrate its ability to actually produce three sample Locks. Consequently, on 23 March 1968, the day after the purchase request was received in the SPCC Purchase Division, the SPCC Contract Review Board, pursuant to 10 U.S.C. 2304(a)(2), authorized negotiation of a contract with AMF York for the production of the 2,000 urgently required units.

Later amendment of Newbould's contract (after it *was* awarded on 12 April 1968) to include the additional 2,000 units, as suggested in Question No. 5, would not have assured any earlier delivery than was possible from AMF York. The 2,400 units already covered by Newbould's contract were not then scheduled to be delivered until early December 1968. There is no reason now, nor was there in March, to believe that by increasing the quantity covered by Newbould's contract from 2,400 to 4,400 earlier deliveries would have been assured.

Contract N00104–68–C–4695 required that two sample Breechblock Locks be submitted to the Naval Weapons Laboratory, Dahlgren, Va., by 11 July 1968 for First Article Testing. The contract also provided that the Contracting Officer would by written notice advise the Contractor of the results of the tests within 30 calendar days after receipt of the samples by the Government. NWL Dahlgren has advised that three sample Breechblock Locks were received from the Newbould Tool Company on 21 June 1968, that firing tests were completed on 28 June—not 21 June—and that these tests were then followed by further evaluations and metallurgical tests. By speedletter dated 19 July 1968 NWL advised SPCC that Newbould's samples had passed the required tests and recommended that the Contractor be permitted to commence production; a recommendation was also made that the method of marking the Locks with an identification number be changed. On 26 July 1968 Mod. No. 1 to the contract was issued to advise that the First Article samples submitted had passed the tests, to establish a firm delivery date for the 2,400 units of 25 November 1968, and to revise the method of marking the Locks with identification numbers.

With regard to the assignment of a "DX" rating to the two contracts for Breechblock Locks, such a rating was requested by SPCC from the NAVAIRSYSCOMHQ on 3 April 1968 (Attachment G) but not authorized. Whether or not the assignment of a "DX" rating would in fact have shortened production leadtimes for these procurements would now be largely speculation. Some information available to the Contracting Officer indicates that a limiting factor in any attempt to reduce production leadtimes would be the time to obtain the required forging dies, and that this time (six weeks) would not be affected by a "DX" rating.

GAO COMMENT

Although, because of other manufacturing problems, it is doubtful that a "DX" rating would have improved delivery schedules, we believe that the contracting officer should have cooperated with Newbould in expediting their first article testing and in arranging for a phased delivery schedule.

These matters are discussed in greater detail on pages 4 through 9 of our letter.

ADDENDUM

In response to SPCC comments, you raised questions about delivery schedules and "DX" ratings, responses for which are covered in addendum under Question No. 4 and in our comments to Question No. 5 above.

QUESTION NO. 6

How was it possible for the Navy Ships Parts Control Center at Mechanicsburg to "audit" both the Newbould and York AMF prices for the same item and declare both prices "appropriate" when the latter was more than 250 percent higher than the former?

SPCC COMMENT

The SPCC did *not* "audit" both the Newbould and the AMF York prices for the Breechblock Lock.

The award of Contract N00104–68–C–4695 to the Newbould Tool Company on 12 April 1968 followed receipt and evaluation of three competitive proposals, under which prices were offered for 2,400 units as follows:

Offeror	U/P	Total
American Machine & Foundry Co	$99.79	$239,496
Milo Components, Inc	89.90	213,600
Newbold Tool Co	37.75	90,600

In view of the significant difference between the estimated unit price of $100.00 furnished on the basic purchase request, the next low offer of $89.90 from Milo, and Newbould's price of $37.75, the Newbould Tool Company was requested by the buyer to confirm its offered price. This was done by Newbould on 18 March 1968 (Attachment H).

The Contracting Officer's determination of price reasonableness in the case of the AMF York contract for 2,000 units was based on an audit conducted by the Defense Contract Administration Services District, Reading, Pa. AMF York initially proposed a unit price of $100.31; the DCASD Reading audit report dated 1 May 1968 (Attachment I) recommended acceptance of a unit price of $94.068; and, a unit price of $97.13 was ultimately negotiated and agreed to by SPCC.

GAO COMMENT

Although settlement of the contract was not complete, it appeared at the time of our audit that AMF would make approximately 15 percent profit as opposed to the 10 percent established during negotiations. In November 1968 Newbould still expected to make a profit of about 10 percent.

QUESTION NO. 7

Why, when NSPCC began negotiations with York AMF for the original 2,400 piece contract, were Newbould and at least one other prospective bidder refused copies of the design drawing which was necessary in order to submit bids?

SPCC COMMENT

The Newbould Tool Co. and other prospective suppliers were *not* "refused" copies of drawings necessary to prepare offers to supply the 2,400 Breechblock Locks being procured by SPCC, initially to satisfy system stock requirements.

At the outset, Request for Proposals N00104–68–R–0722 dated 13 February 1968 was mailed only to AMF, in accordance with the instructions provided in Attachments B, C, and J. Attachment J indicates that, from a technical standpoint, it was then considered impracticable to develop either a limited or an unlimited purchase description of the desired Breechblock Locks but that AMF York possessed the required drawings, specifications, etc. to produce the Locks. The solicitation applicable to this procurement was publicized in the Department of Commerce *Commerce Business Daily*, with a notation pointing out that a complete tech data package was not available. A copy of the solicitation was also posted in the SPCC Bid Room.

Prior to the closing date for offers under this solicitation, namely, 5 March 1968, numerous copies of the solicitation were requested by, and were furnished to, interested suppliers. Two such suppliers were the Newbould Tool Company, and Milo Components, Inc. While the contract file is not clear as to exactly when copies of NASC–NAVAIR Drawing 2518518 were first made available to the purchasing office for distribution to interested suppliers, it was apparently some time after 23 February 1967. The record does indicate that copies of this drawing were in fact furnished by the buyer to Mr. Newbould of the Newbould Tool Company during a visit to SPCC on 27 February 1968 and to Milo Components, Inc., by mail, also on 27 February 1968.

GAO COMMENT

The drawing for the new breechblock locks was approved by the Navy on August 29, 1967, and was available at SPCC by at least January 19, 1968. However, when the request for proposals was issued on February 13, 1968, the lock drawing was unavailable. Upon insistence by representatives of the Newbould and Milo companies the buyer located the drawings and furnished copies to both Newbould and Milo. This matter is discussed on page 5 of our letter.

QUESTION NO. 8

When the emergency procurement requisition was issued, why did Capt. Larson and his staff not seek to negotiate for the production of the 2,000 additional units by the lowest bidder on the original contract?

SPCC COMMENT

As has been previously stated in response to Question No. 5, when the purchase request for the urgently required 2,000 Locks was generated in SPCC on 21 March 1968 the only previous producer/contractor was AMF York. The Newbould contract was not awarded until 12 April 1968, with the two First Article Test samples due for delivery for testing by 11 July 1968.

Based upon all the facts that were known to the contracting personnel at the time purchase action was initiated to satisfy this very critical and very urgent requirement, a judgment was made that the interests of the Government would best be served by negotiating a contract with the only supplier who had previously produced a satisfactory Breechblock Lock and for whom, therefore, First Article testing requirements could be waived and 120 days saved in obtaining first deliveries. This supplier was AMF York.

GAO COMMENT

We believe the contracting officer should have considered negotiation with the previous low bidder or others who may have been interested in the procurement. While Newbould had not met first article testing requirements by the date of the award to AMF, they had been judged under the preaward survey to be capable of producing the locks and had been awarded a contract.

QUESTION NO. 9

What is the current status of the multimillion dollar defense contracts now held by American Machine and Foundry for the manufacture of bomb casings? How many such contracts are currently being performed or have been awarded to AMF and is AMF in default on any of these contracts and to what degree?

SPCC COMMENT

AMF York currently is performing under SPCC Contract N00104–68–C–0715 covering the manufacture of MK–82 Bomb Bodies. This contract is not delinquent or in default; deliveries are ahead of schedule. AMF previously produced MK–82 Bomb Bodies under Contract N104–8358A. That contract was completed on 30 October 1967, which was 30 days ahead of schedule.

GAO COMMENT

Our review disclosed that AMF was not in default on the bomb casing contracts.

QUESTION NO. 10

If AMF is in default on contracts to supply bomb casings, and I am advised that it is, how could York AMF pass the production capability and financial stability tests to secure this additional contract?

SPCC COMMENT

As noted under Question No. 9, AMF is not delinquent or in default under any SPCC contract for Bomb Bodies.

GAO COMMENT

See Navy reply.

QUESTION NO. 11

If AMF is in default on contracts to supply bomb casings, what penalties are being applied by the Navy Department or any other federal agency or department?

SPCC COMMENT

As noted under Question No. 9, AMF is not delinquent or in default under any SPCC Bomb Body contracts.

GAO COMMENT

See Navy reply.

QUESTION NO. 12

Does York AMF have the production capability to meet the delivery terms of this breechblock lock contract without defaulting on it or on any of the other existing AMF contracts?

SPCC COMMENT

At the time of contract award, the SPCC Contracting Officer made the required (ASPR 1–904) affirmative determination that AMF was a responsible prospective contractor and could comply with the delivery schedule offered in its proposal. Such determination was based in part on an assessment of AMF's production capabilities and its existing business commitments.

GAO COMMENT

AMF met the required delivery schedule. However, the Navy granted AMF certain waivers and as of January 1, 1969, 300 units had not been accepted by the Navy. These matters are discussed on pages 9 and 10 of our letter.

QUESTION NO. 13

Capt. Larson has advised Newbould that he "deliberately" excluded them from his consideration for the emergency procurement because York AMF already had preproduction approval for its item on the basis of the earlier design contract. He contended that he was saving 120 days by negotiating with York AMF. But the fact is, no time whatever has been saved and a great deal of public money is to be lost.

SPCC COMMENT

The basis for the decision made in late March 1968 to negotiate solely with AMF York for the supply of 2,000 Breechblock Locks, which negotiations led to the award of Contract N00104–68–C–4759 on 13 May 1968, has already been covered. As of 22 August 1968 AMF had produced and offered for acceptance 391 of the 2,000 units covered by this contract.

As of 22 August 1968, the Newbould Tool Company, under Contract N00104–68–C–4695 dated 12 April 1968, had offered no units for Government acceptance. Delivery of the 2,400 units covered by this contract is not, in fact, due until 25 November 1968.

GAO COMMENT

The 120 days mentioned in SPCC's reply is that time provided Newbould for obtaining first article testing. However, the Navy made no attempt to expedite Newbould's first article testing. Further, because of the time required to negotiate with AMF and the approximately 10-week lead time AMF required before starting production, AMF's initial delivery was not required until August 10, 1968, Newbould was notified of successful first article testing on July 26, 1968. These matters are discussed in further detail on pages 6 through 9 of our letter.

Why has formal written notice of approval for Newbould's preprod samples been delayed when three sample pieces performed considerably better than contract requirements on June 21st and were orally approved at that time?

SPCC COMMENT

As has been previously stated in response to Question No. 5, by speedletter dated 19 July 1968 NWL Dahlgren notified SPCC that Newbould's First Article Test samples had satisfactorily passed the required tests and recommended authorization to commence production. The NWL speedletter also recommended a change in the marking specifications for the Locks. Following receipt of the speedletter in SPCC on or about 25 July, the technical question relative to the marking requirements was resolved and formal written notice in the form of Modification No. 1 to the contract was issued on 26 July 1968.

GAO COMMENT

NWL, Dahlgren, notified SPCC by telephone during the week of July 1, 1968, that Newbould's sample locks met test requirements. An SPCC official advised us that he had no knowledge of this telephone message nor any information concerning the test results until receipt of the July 19, 1968, letter referred to above. NWL officials advised us that preparation of the letter was delayed because of higher priority work. This matter is discussed on page 6 of our letter.

FAMILY EMERGENCY SMALL LOAN PROGRAM

The SPEAKER pro tempore. Under previous order of the House the gentleman from New York (Mr. FARBSTEIN) is recognized for 30 minutes.

Mr. FARBSTEIN. Mr. Speaker, I have today introduced the Emergency Consumer Small Loan Act of 1969. This act would make the emergency small loan program a separate program under the community action program and provide separate appropriations under the Economic Opportunity Act, thus returning it to its pre-1968 status.

I am privileged to have initiated and been instrumental in the adoption of the family emergency small loan program which first appeared as section 206(b) of the Economic Opportunity Amendments of 1966. Under this program, individuals may borrow up to $300 at 2-percent interest without collateral and with a minimum investigation.

In 15 areas throughout the country where the program is now in effect, it has proven a boon to those low-income individuals who have resorted thereto for assistance. It is not a giveaway program. It is a program which permits the individual to meet an emergency without loss of dignity. Repayments have ranged up to 75 or 80 percent although the median figure is closer to 45 percent. While this rate of repayment may not, at first glance, appear to be particularly good, it must be remembered the recipients are the abject poor who do not meet normal credit requirements. If we would compare the repayment rates of the categories of clients served by the various Small Business Administration loan programs, the repayment figures of the family emergency loan program are quite good. The comparable loss rate figures for the Small Business Administration business loans—section 7a—which serves the regular business community is 3.3 percent, while the loss rate for the Small Business Administration economic opportunity loan program which serves minority group members with limited collateral, based on character, represents a greater risk at 11.8 percent.

Administrative expenses are quite low since most of the program is administered as part of existing poverty agencies.

This is probably the only poverty program which actually returns money to the U.S. Treasury. The Rosebud Sioux Tribe in South Dakota, for example, returned $159.47 last year in interest payment on $15,000 in loan capital. Small as this amount may be, the 2-percent interest not only returns money to the Treasury, but the repaid principal is kept by the local agency and is used to make new loans—thus the principal becomes a revolving fund permitting the same appropriations to serve for many times the quantity in loaned dollars.

The types of areas served by the emergency loan program range from the urban ghettos of New York, Detroit, St. Louis, and Boston to a South Dakota Indian reservation; from seasonal farm workers in Tennessee, Alabama, and California, to Mexican-Americans in San Antonio, Tex.

Loan purposes vary, and include money for rent and utilities, house repair and reconstruction, medical expenses, job training and education, temporary unemployment, relief from high-interest-rate lenders, food stamps and emergency sustenance, tools or transportation for maintenance of employment, nonreceipt of pension, welfare or social security checks—when a primary source of income—and debt consolidation.

The best testimony to the needs served by this program is a description of the areas where it is at work. A woman in Texas, for example, obtained a loan with which to buy a special pair of shoes so that she could go to work as a nurse.

Loans in the amount of $240,000 were provided to families suffering income and property losses due to the Roxbury, Mass., riots. A lady in Jasper, Ala., obtained a loan to purchase windows, doors, and other materials for a home to replace one burnt down. And, a blind lady who was supporting five children on $176 a month, and who was living without water because of rusted pipes, was able to have work done on the pipes to restore her source of water with an emergency loan.

Incidental to the operation of the program has also been the effects of personal contact with those seeking loans in terms of counseling potential applicants regarding eligibility for other programs of which they might be unaware, finding them jobs, and providing financial counseling. The record of repayment that is established by the recipient also allows him to obtain credit in the future from regular commercial sources without having to go back to the finance company.

This is the kind of program that makes a lot of practical sense to me, for it fulfills a real basic need for small consumer loans for emergency needs. The small investment made in this program has paid many times its worth in helping the poor stand on their own two feet with personal dignity.

Unfortunately, it has run into difficulty, as a consequence of the financial squeeze on the Office of Economic Opportunity. Appropriations were provided at OEO's request for only 1 year, fiscal year 1968, after which time the program was made a discretionary function of the community action program—section 221(a)(7) by Public Law 90–222—and was provided with no separate funds. The consequence was that, except in one or two notable cases, no additional loan programs were established beyond the initial 15 "demonstration programs." After the initial funding ran out, these programs continued to operate on loan repayments and limited administrative funds. The expiration of OEO's authorization in June means that the future of this effort is at stake.

I have introduced this legislation in the hope that the program will not only be maintained and funded, but that it will be expanded to allow it to meet more of the demand that exists for small emergency consumer loans. I hope that the honorable chairman of the House Committee on Education and Labor will have an opportunity, during the committee's extensive hearings on the Office of Economic Opportunity, to examine the emergency small loan program in some detail, for I am sure that he will conclude, as I have, that it has been one of the most worthwhile OEO programs.

Text of my bill follows:

H.R. 9643

A bill to amend the Economic Opportunity Act of 1964 to establish an emergency family loan program as a national emphasis program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 222(a) of the Economic Opportunity Act of 1964 is amended by adding to the end thereof the following:

"(8) An 'emergency family loan' program for making small loans to persons in low-income families to meet immediate and urgent family needs. The total outstanding balance of such loans made to an individual may not at any time exceed $300. Loans under this program shall bear interest at the rate of 2 per centum per annum and shall be made on such other terms and conditions as the Director may prescribe. Of the sums appropriated or allocated for programs authorized under this title, the Director shall reserve and make available not less than $15,000,000 for each fiscal year for carrying out programs under this title."

ANTI-BALLISTIC-MISSILE SYSTEM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois (Mr. PUCINSKI) is recognized for 30 minutes.

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks and include charts and tables.)

Mr. PUCINSKI. Mr. Speaker, the only point I want to make with reference to the colloquy that was just concluded is that I do not ever impugn anyone's integrity or good judgment. Each Member of this House and each Member of the other body is his own best judge of his own good judgment and far be it from me to try ever to question the validity or the integrity of anyone's positions or statements.

But, unfortunately, there are in our midst many wonderful people who fail to realize that we do not have the options in this great world struggle. The United States is inherently and historically and ethnically and culturally a peace-loving nation.

We do not seek foreign territories. We do not seek foreign wars. We do not seek anyone's territory or anyone's liberty. We do not impose our own beliefs on other people. We help other nations because this is the generous spirit of the American people.

It has been the Soviet Union which has in the last 20 years kept this world in turmoil and every effort that has been made to try to solve the problem whether it has been in the Far East or whether it has been in Europe or whether it has been in the Middle East, we see the Soviet Union exercising her options of intrigue, subversion, and aggression.

We need look no farther than the Middle East. The Middle East problem could have been resolved years ago if the Arabs and Israeli were permitted to alone sit down and work the problem out. But it has been the Soviet Union that has rearmed every one of the Arab States and today is turning up the seeds of war in the Middle East and trying to keep that country in turmoil. It has been the Soviet Union that moved through the Dardanelles into the Mediterranean and is now challenging the peace of the world in that part of the world.

It has been the Soviet Union that has been supplying the Vietcong and the North Vietnamese with sinews to carry on aggression against South Vietnam and against American soldiers.

So I say that those who are pleading this cause today tragically and regretfully fail to recognize that we do not have the options; the Soviet Union is the one that has been pushing the button for world intrigue, and until the day comes when the options for freedom are on our side, we obviously are going to have to do everything humanly possible to defend ourselves.

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

Mr. PUCINSKI. I yield to the gentleman from Washington.

Mr. PELLY. I just wish to inquire of the gentleman from Illinois as to whether or not he is against disarmament talks with the Soviet Union.

Mr. PUCINSKI. I am for all sorts of talks. But I learned one thing: When you deal with the Soviet Union, you had better keep your powder dry.

Mr. PELLY. I agree, but I want to know next whether you are opposed to talking with the Soviet Union and other nations about peace in the Middle East. We have got to sit down and talk.

Mr. PUCINSKI. I am opposed, I am unalterably opposed to any four-power conferences regarding the settlement of the Middle East for this reason: I do not want to see Israel become another victim of a Yalta, and that is what is going to happen. The great powers cut up Poland, Czechoslovakia, Lithuania, Estonia, and all the "captive" nations after World War II at Yalta and Potsdam. I do not want to see Israel become another victim of a Yalta.

Mr. PELLY. If the gentleman will recall, I said with other nations. I did not limit it to three others besides the Soviet Union.

Mr. PUCINSKI. If the four powers would permit the Arab States and Israel to sit as coequal partners and have an equal voice in the determination of their destiny, I would be for such talks.

Mr. YATES. Mr. Speaker, will the gentleman yield further?

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

Mr. YATES. Again, I repeat, the gentleman is clouding the issue.

Mr. PUCINSKI. Oh, no.

Mr. YATES. Let the gentleman from Illinois (Mr. YATES) proceed for just one moment.

Mr. PUCINSKI. Be my guest.

Mr. YATES. If the gentleman will yield further, I, too, am opposed to the proposed four-power talks in the Middle East. I believe the Israel and the Arab nations are the ones to settle this controversy if lasting peace is to come to the Near East. I, too, recognize the role the Soviet Union has played since the end of World War II, and it is a perfidious role, in creating dissension throughout the world. But these are peripheral issues to the subject on which the gentleman from Washington got up to speak. That was the question of the validity of the proposed ABM at this time, question, not the motives of the gentle- and the question whether or not it should be deployed. There are a number of reasons why it should not be deployed, and that was the subject of the debate in which we were engaged.

It seems to me the point the gentleman raised—and I have no illusions about what the Soviet Union is doing in the Middle East and throughout the world for that matter, the question under discussion is the ABM system, good or bad, for our country. It will not help our national strength. It may contribute to the contrary. I say to the gentle-

man that you and I can debate the merits and the demerits of the ABM, as we have in the past. The gentleman from Illinois (Mr. PUCINSKI) is for the ABM. I am opposed to the ABM, and that is the basis on which we should debate the question, not the motives of the gentleman from Washington or the motives of the gentleman from Illinois. I think that is the way the debate ought to be.

Mr. PUCINSKI. My colleague has been here for the last 10 years that I have been here——

Mr. YATES. I have been here 20 years.

Mr. PUCINSKI. With a brief interlude, he has been here longer. In that period my colleague has never heard me question or challenge the motives of another Member of this Congress, and I am not about to start that now. But I believe that if you are going to discuss the relevancy of the ABM, the necessity of the ABM, whether or not this country ought to proceed forward, we do have to put it into total perspective.

All I say is that it is rather ironic that many of the same voices we hear today being raised against the ABM are the same voices which were a year ago pleading to stop the bombing of the Vietnam, because once we do that the whole thing will be over and the Communists will roll over and lie down and give in and everything will be sweet and glorious and the war will be over. These are the same voices which a few years ago were denouncing us for taking a position in Elisabethville to save the Congo from Communist domination. These are the same voices which, when we see this great debate going on—and I do not challenge the patriotism or the motives of my colleagues who are Americans as I am, but I submit unfortunately they have been wrong and time and time again history has proven them wrong.

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

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

Mr. YATES. Mr. Speaker, may I point out something to the gentleman which was said by the gentleman from Washington (Mr. PELLY)? The gentleman from Washington supported the ABM last year, as the gentleman from Illinois (Mr. PUCINSKI) knows, and the gentleman from Washington (Mr. PELLY) and the gentleman from Illinois (Mr. YATES) appeared before the subcommittee headed by the gentleman from Florida (Mr. SIKES). The gentleman from Washington at that time said he supported the ABM and was opposed to the particular site that had been selected for the city of Seattle. The gentleman at the time appeared and stated he was in opposition to the position I had taken. At that time I suggested the possibility of having the site away from the city of Chicago and perhaps near the airbase, because I did not think it should be near the city and would not be effective in protecting the city. The gentleman took the position that he wanted it close to the city where it would protect the people.

The gentleman knows very well, of what President Nixon said recently, that the ABM would not protect the people of the cities, neither a thin system nor a thick system would protect them. The President recommended deployment around our ICBM sites in two places.

The Congress has never considered that. This was the recommendation of the President. What I am arguing for and what the gentleman from Washington is arguing for is that the Congress go into this question very, very carefully.

I think the arguments in opposition are as valid insofar as the missile sites are concerned and insofar as the effectiveness of the system is concerned as they might have been against the cities. But that point is something we have to investigate.

Mr. PUCINSKI. Mr. Speaker, the gentleman well knows the President has stated that this program, under the revised plan he submitted, will be under continuing review.

I see the distinguished chairman of the Armed Services Committee here. The gentleman plans to hold hearings shortly. The Senate is now holding hearings. The program is under constant review and that is as it should be, because that is the whole story of our Defense Establishment. Every one of the programs we have has that history.

This Nation has spent in the last 20 years, in the two decades, well over a trillion dollars on all sorts of defense hardware.

Mr. YATES. That is correct.

Mr. PUCINSKI. That is the price we Americans have had to pay to contain the Soviet Union from trying to take over this country and this world. Each one of these programs has been under continual review. Some we accept and some we reject.

Much of the hardware we buy, understandably, is obsolete at the time it is delivered, but at the point in time when we buy it, it is the best piece of hardware available.

If we follow the gentleman's rationale and thinking, we ought not to buy anything in defense procurement simply because each of these things has a certain built-in period of effectiveness and then technology makes them obsolete.

Mr. YATES. Mr. Speaker, the gentleman is totally incorrect when he makes that statement.

Mr. PUCINSKI. If the gentleman will permit me to finish, I do not yield, but I will yield when I have completed, and I have been yielding right along.

The fact of the matter is, if we were to break ground on the ABM system tomorrow, we would not have one unit operational for at least 4 years, assuming there will be no major breakdowns in construction—and we cannot make that assumption under today's conditions. But assuming that everything went well, we would have an ABM that would be operational in 48 months at the minimum.

Now, we have hard intelligence—not speculation, not washroom rumor or gossip, but hard intelligence that Red China, which has no regard for the peace of this world and has no regard for or fear of America's offensive or retaliatory power, is going to have 30 deliverable nuclear warhead missiles in 48 months, and has a potential industrial capability of churning them out at the rate of 200 a year thereafter.

I say to you, it is playing Russian roulette with the future of this country for us to delay a single day on this development.

That is why I am not happy with the compromise the President proposed, but I learned a long time ago, as a legislator in this body, if every one of the Members here were to wait for perfection in legislation, Government would come to a grinding halt. So I accept this compromise.

I would prefer that we move along on a greater scale. I have confidence in the system. I believe that in the next 4 years, by the time we complete the installation, we ourselves will have made tremendous progress. We ourselves will continue to improve this system. We ourselves are going to have a much more effective system.

But I say to you, the greatest tragedy the United States could ever commit is to do nothing at this crucial time, when we know that the Soviet Union is moving forward and we know that Red China is moving forward.

Where is there an iota of evidence anywhere in this world that either the Chinese Communists or the Russian Communists are ready to start living in this world with any degree of decency?

So I say to you, this debate, which has taken on monumental proportions, needs for those of us who support this program to speak out. Up to now, for the most part, it has been the opponents who have had the floor and the great exposure. It has been the opponents who have gone to the American people to say, "It is no good. You ought not do it. You ought to spend this money on schools."

I have a speech over here on schools, which I originally prepared, but I will say this: We do not have to worry about schools, and we do not have to worry about model cities, because the Soviets can have the greatest urban renewal program this country could ever have if we do not continue to check them.

There is not an iota of evidence the Soviet Union has given up its aspirations for the ultimate conquest of and domination of the world.

If I am to err, I would rather err on the side of the safety of the American people. I would rather move ahead. This $3 billion or $4 billion we are talking about is not the first time we have engaged in a program that was not pluperfect.

But at this point in time, in March of 1969, this ABM system is the best system devised by the human mind anywhere in the world. I say that Mr. Nixon and Mr. Laird are to be congratulated for having the courage to stand up against this opposition and to say, "We are going to move forward."

I say to you, by 1972, we Americans are going to say a prayer of thanks that somewhere along the line there were people who decided to move forward.

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

Mr. PUCINSKI. I yield to the chairman of the Committee on Armed Services.

Mr. RIVERS. I wish that the other distinguished gentleman from Illinois were possessed of the same intelligence on Russia that I am. I believe even he might change his position. We had better get onto this ABM while time remains.

You are getting this from the horse's mouth.

The gentleman in the well is to be congratulated.

Once William Jennings Bryan said:

The humblest citizen of all the land, when clad in the armor of a righteous cause is stronger than all the hosts of Error.

We are going to get this ABM system and save America. Stick on your course. You have plenty of help.

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

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

Mr. YATES. Of course the chairman of the committee is entitled to his opinion on the ABM as I am entitled to mine. The gentleman from Illinois (Mr. PUCINSKI) had advanced the argument as though there were no weapons of any kind in our arsenal, that the ABM is the only weapon with which we were facing the aggressiveness of the Soviets and, of course, that is untrue. The facts are that we are spending $80 billion for military purposes. There is no question about that. We are buying planes, arms, guns, and ships and all of the weapons of war. As the gentleman knows, we have spent over a trillion dollars in the last 20 years. The ABM is not the only weapon that must be considered. Should it be deployed? Upon the recommendation of the Joint Chiefs of Staff, during the tenure of President Eisenhower, it was recommended that the Nike-Zeus be deployed. This was the predecessor of the Sentinel ABM. President Eisenhower turned down the Nike-Zeus. History showed that President Eisenhower was quite right. Had the Nike-Zeus been deployed at that time——

Mr. PUCINSKI. Let me interject at that point it is only fair to keep the record correct that he turned it down because he saw what was coming up on the drawing boards with relation to ABM's. This ABM did not develop yesterday. We have spent $4 billion——

Mr. YATES. I know that.

Mr. PUCINSKI. We have spent $4 billion on research over 14 years.

Mr. YATES. That is right.

Mr. PUCINSKI. That is why President Eisenhower decided not to move with the Nike-Zeus. It was because he saw the Sentinel system on the drawing board.

Mr. YATES. I question whether the Sentinel was that far advanced at that time, but that is the point. But there is a time for research and development and a time for deployment. This is not the time for deployment.

Mr. PUCINSKI. Tell me this——

Mr. YATES. Let me finish my statement.

Mr. PUCINSKI. What is on the drawing boards at this point in time, right now?

Mr. YATES. With respect to the ABM?

Mr. PUCINSKI. Now.

Mr. YATES. I will tell you what Dr. Foster said with respect to the primitive Chinese threat for which he wants to deploy the ABM.

Mr. PUCINSKI. Wait a minute. Do not say "primitive." I am talking about 1972 and not 1968.

Mr. YATES. I am telling you what Dr. Foster said.

Mr. PUCINSKI. I want to know where you will be in 1972 when the Chinese do have deliverable missiles.

Mr. YATES. Let me finish my statement, and I will tell you. Dr. Foster said two things. First of all, he said that he wanted an ABM in order to protect our cities from a primitive Chinese threat. The second thing he said is that we will not have an ABM for 4 years. Therefore, in 1972, when there is an ABM, presumably you will have a primitive Chinese threat at that time against which the ABM might be countered. Today you do not have an ABM to protect you against the primitive Chinese threat because there is none yet. They do not have an ICBM threat in being now.

Mr. PUCINSKI. The gentleman is aware, though, that, of course, of the 10 nuclear explosions and detonations that the Chinese have had, three of them were in the form of deliverable missiles. The gentleman is aware of that; is he not?

Mr. YATES. What do you mean by "explosions"?

Mr. PUCINSKI. There were 10 nuclear detonations.

Mr. YATES. They have nuclear warheads, but they do not have the means of delivering them yet.

Mr. PUCINSKI. Three of the ten were in deliverable missiles, and the gentleman ought to know that if he does not know it now.

Mr. YATES. But the gentleman does know what the Department of Defense said about that.

Mr. PUCINSKI. Yes. But let me tell you——

Mr. YATES. Let me finish my statement. You asked me about the developments in relation to the ABM. Dr. Foster also said in response to a question on what would happen if the Chinese threat became more sophisticated, that the United States will be making progress, too, in respect to sophisticating the ABM. Hopefully, it will be able to cope wtih the Chinese advances, but that is still a hope. The point that I make is that just as the gentleman himself has pointed out, the Nike-Zeus was a primitive ABM by comparison to the present Sentinel system. The present ABM, according to Dr. Foster, will be improved as time goes on. I suggest that there are eminent scientists who have said that we ought to wait, to still engage in research and development. Yes, there is a time for deployment and there is a time for research. The gentleman from Washington (Mr. PELLY) and I continue to vote for the funds for research which will perfect and better the ABM. We are for research but against deployment at the present time.

Mr. PUCINSKI. And you do not want to do anything now?

Mr. YATES. On the ABM.

Mr. PUCINSKI. The fact that the military have said——

Mr. YATES. The gentleman makes these sweeping statements—these grand statements, these huge and sweeping statements——

Mr. PUCINSKI. You do not want to build any ABM's now.

Mr. YATES. You do not say that. You say you do not want to do anything now. We told you we favored continued research, not deployment.

Mr. PUCINSKI. What the gentleman from Illinois (Mr. YATES) wants to do is study this thing and to study the country to death. I have studied this thing for 14 years and it has been at a cost of $4 billion thus far.

Mr. YATES. That is correct; but we do not have to deploy them.

Mr. PUCINSKI. We have reached the point in time where our very able and distinguished scientists state that this Sentinel system is necessary; that it was not developed by some cigar-smoking general in the basement of the Pentagon. It was developed by the Atomic Energy Commission and on that Commission we have some of the finest scientific brains in the world. These men have said that at this point in time, seeing what the potential is going to be of the Red Chinese 4 years from now—and I think I know the time it is going to take us to build a unit if we start it at this time. We cannot wait any longer, when on eight different occasions this Congress has voted for this program. So what has happened in the last 8 or 9 months to change the mind of the gentleman?

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

Mr. PUCINSKI. I am happy to yield to the gentleman from Washington, because he was so generous in yielding to me.

Mr. PELLY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks which I made under my own special order and also in the colloquy with the gentleman from Illinois (Mr. PUCINSKI) during his special order.

The SPEAKER pro tempore (Mr. MATSUNAGA). Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. YATES. Mr. Speaker, will the gentleman yield further?

Mr. PUCINSKI. Yes. I yield further to the gentleman from Illinois.

Mr. YATES. The gentleman asked me what event has transpired that would have changed anything. I would tell the gentleman there has been a significant change. Had the deployment proceeded under last years concept, it would have been the wrong step. The President of the United States said that himself. He said the Sentinel system would not have protected the cities of this Nation. He said it must be changed. The sites selected by the Army were designed to protect the cities. Now they are to be placed in position to protect missile sites. So it would have been a mistake to proceed with that deployment. It would have been a waste of funds. It would have been a premature deployment, for a mission that according to President Nixon could not be accomplished.

Mr. PUCINSKI. Some of the people in my district come from Germany and the Scandanavian countries who state that we grow old too soon and get smart too late. What you are saying is that this has been the tragic story of defense for 20 years, but we do not stop long enough to rationalize and reason this thing through. We should not buy anything except that for our immediate

needs, because a lot of the things we buy this year—because of the fantastic technological surge which is now present with us and which I envision, but when we start building these installations and pouring the mortar and start putting together the electronics hardware, this does not mean we have stopped our pace at all. It means we have accelerated that pace.

The scientists and our military people are a lot wiser than some of us in Congress give them credit for being. They know it will not do us an iota of good to have the best system in the world in 1972 on the drawing board if it cannot be put into operation within the period of 4 months against the Chinese whom I believe will have a capability of delivering warheads upon our principal cities. In my opinion that is our basic difference of views.

Mr. YATES. If we had proceeded last year the Army would have purchased the Libertyville site.

Mr. PUCINSKI. I think the gentleman ought to make clear one thing. While President Nixon has announced for the time being the development and deployment of two ABM sites along the border of Canada, the fact of the matter is that the Defense Department has selected eight other sites.

Mr. YATES. Where?

Mr. PUCINSKI. Across the entire United States.

Mr. YATES. They have not selected them, but they have them under contemplation.

Mr. PUCINSKI. I did not rule out, and I dare say that I give the American people credit for being a lot smarter than a lot of the people around here, because 66 out of 100 of the American people are certainly in support of the President's position.

These people know what the stakes are, and they will support the President. I would not rule out the fact that at some point in time we may very well have to put up defenses around the big cities of this country if we fail to reach any kind of an agreement with the Soviet Union for a mutual inspection treaty.

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

Mr. PUCINSKI. I yield to the gentleman from Washington.

Mr. PELLY. I thank the gentleman for yielding.

I believe the gentleman has dwelled at length here on the threat posed by the Red Chinese. I wonder if the gentleman recognizes that Secretary of Defense McNamara pointed out that by the time the Red Chinese get these missiles, between 1972 and 1975, we will still have second-strike capacity. So that if they ever launched any missiles at us, we could wipe their whole nation off the face of the earth. That should deter Red China.

Mr. PUCINSKI. The argument posed by the gentleman from Washington is totally fallacious, because Red China, with 800 million people, and with the population growing by leaps and bounds, the last thing in the world that the Red Chinese leaders are concerned about is nuclear retaliation. They have publicly stated—publicly stated—that perhaps the answer to their problem is to have three to four hundred million of their people destroyed by nuclear exchanges. And that is certainly no consolation to my constituents. And this Member is going to stand in the well of this House and argue as long as he can.

If we are to follow the rationale that we have a second-strike capacity, I do not want that.

I do not even want the first rocket to hit this country.

Mr. PELLY. I agree with the gentleman.

Mr. PUCINSKI. I do not want the first missile to strike our Nation.

So those who argue that we have some 1,000 or 2,000 missiles, as I heard a distinguished Member of the other body the other day, with big charts, point out how we could destroy each other, I will say to the Members that the logic for such reasoning totally escapes me.

It is my belief that it is our responsibility as duly elected Representatives of the people to make sure that we have a Defense Establishment which will preclude any missile coming to this country, first, second, or third.

Mr. PELLY. If the gentleman will yield further, is the gentleman saying that the Red Chinese are so foolish that they would commit mass suicide?

Mr. PUCINSKI. The gentleman from Illinois is saying that; yes, sir.

Mr. PELLY. That 800 million Chinese would be killed?

Mr. PUCINSKI. That is correct.

Mr. PELLY. In that case, there would be no Chinese remaining any longer, because we can literally wipe them entirely off the face of the earth.

Mr. PUCINSKI. I would say to the gentleman, no.

Mr. PELLY. That is what Secretary McNamara said.

Mr. PUCINSKI. Because if they had 30 deliverable missiles, as our intelligence assures us that they will have by 1972, any one of those 30 missiles is enough to destroy the city of Chicago, the city of New York, the city of Washington, D.C., or any other city.

Mr. Speaker, I am not going to play Russian roulette with the security and the future of my country.

I will tell the Members that anyone who believes that we have got a second-strike capacity, as we have been hearing on occasion, and that has been the thing that has contained the Soviet Union from expanding their reign of terror, is in error. We have this huge arsenal of missiles, and they have a huge arsenal of missiles, and we both realize the complete folly of trying to knock each other out of the picture, if we could. But do not believe for 1 second that the Soviet Union will hesitate for one moment if they had the advantage, and Czechoslovakia proves that.

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

FEDERAL AID TO HELP MEET THE COST OF EDUCATING CHILDREN LIVING IN PUBLIC HOUSING—AN AMENDMENT TO H.R. 514

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that I be permitted to extend at this point in the RECORD my original remarks on the subject relative to Federal aid for the school program, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, all across America, school districts are faced with the gravest financial crisis in their existence. In Youngstown, Ohio, the public schools were shut down last fall because of insufficient operating revenue. In Chicago, the superintendent of schools has announced that unless he receives massive State and Federal aid, he may have to shut down the entire school system. This pattern of school closures will spread across our Nation unless the State and Federal governments substantially increase their support of education.

Last week, the Committee on Education and Labor reported a bill which would give this type of meaningful assistance to our schools. H.R. 514 would extend for 5 years the Elementary and Secondary Education Act and the Impacted Aid Act. These public laws, the major commitments by the Federal Government to elementary and secondary education, provide vital support at a cost of approximately $1.5 billion to many of the school districts in our country.

But the committee in H.R. 514 went beyond a simple extension of these two laws. By a vote of 28 to 2 with broad bipartisan support, the committee initiated a major new program which would extend the benefits of the impacted aid laws to children residing in public housing projects. Under this program, local school districts would be reimbursed approximately one-half of the local cost of education for each pupil in the school district who lives in a public housing unit.

A total of 381 congressional districts would receive direct benefits for their local school districts because these congressional districts actually have public housing in their districts. But even those few districts that do not have public housing would benefit by bringing more school funds into their States.

This aid would not be earmarked for any specific programs, rather, it would go into the general operating budget of the local school district. I believe that this type of aid is vitally needed now if our school systems are to survive.

The committee added this amendment to the impacted aid laws because it believed that the Federal Government has unintentionally created a severe impact in many school districts through the public housing laws. These housing acts have as their purpose the guaranteeing of a decent home for every American regardless of income. As a direct consequence, today more than 670,000 families occupy low-rent housing constructed with the

financial assistance of the Federal Government.

But this Federal housing policy has also resulted in inadvertantly placing a crushing burden upon many school systems. Frequently, the existence of this attractive low-rent housing has lured poor, uneducated families from rural areas into our cities, both large and small. While the results of this migration are frequently most dramatically seen in our larger cities, they are, nonetheless, also present in the semirural areas of Alabama, North Carolina, and almost all other States, often causing a greater strain on these schools because of the more limited tax bases. Thus, many of our school systems across the Nation have been weighted with large numbers of disadvantaged children drawn into the school districts by the construction of federally financed public housing.

Since Federal laws exempt all public housing from State and local taxation, schools serving children from public housing are deprived of tax revenue which would make possible funds for adequate education for these children. Recognizing this gross inequity unintentionally caused by the housing acts, the Federal Government presently makes a token payment in lieu of property taxes to the local school districts.

The national annual average of this Federal payment in lieu of taxes is only $11 per child for each schoolchild. This amount is shamefully inadequate to offset the revenue lost by exempting public housing from State and local taxation. The results of this insufficient compensation by the Federal Government are inadequate education for all children within the school districts affected and an excessive burden placed upon the property owners within these school districts.

The Federal Government must assume a greater financial responsibility for the education of these children from public housing projects. Testimony presented before the General Subcommittee on Education, which I chair, has shown that enrollments in certain surveyed areas have doubled with the construction of federally financed public housing. This suddent concentration of large numbers of disadvantaged students has placed a great stress on already strained school systems.

Testimony has also shown that the property tax revenue per nonpublic housing pupil attending public schools averages $415 and that if the payment in lieu of taxes per low-rent housing pupil were deducted, an amount of $404 would be needed to close the gap between the cost of education per public housing student and the revenue produced by the housing projects. This difference of $404 per child is now being borne by other property owners in the school districts causing an excessive burden on these property owners.

Testimony presented before the Committee on Education and Labor has shown wide support from a great number of witnesses for this amendment. I would like to insert a few of their statements:

Dr. Gary N. Pottorff, board of education, Wichita, Kans.: "Our board would be in favor (of the amendment) since the Federal Government is taking existing properties from the tax rolls."

Dr. William Kottmeyer, superintendent of schools, St. Louis, Mo.: "In return for the loss of local tax revenue (which theoretically is compensated for by the in-lieu-of taxes payments) and a local cost of $15 million, the St. Louis School Board must struggle with five times the number of children massed into a highly undesirable environment and gets $11.56 per pupil instead of the $182 paid for an impact aid pupil."

Dr. William Simmons, deputy superintendent of schools, Detroit, Mich.: "This type of program would reinforce the impacted area legislation."

Dr. Joseph Manch, superintendent of schools, Buffalo, N.Y.: "I would urge the committee to extend Public Law 874 to include children from public housing. The virtual loss of public housing property from school tax rolls is one reason for such legislation. Equally important, the provision of low-rent public housing inadvertently creates high rise ghettoes wherein the cycle of cultural disadvantage is strengthened."

These witnesses and many others have demonstrated the urgent need for this legislation. The leading national educational associations have also endorsed my amendment. These associations include the following:

The National School Boards Association.

The Chief State School Officers.

The National Education Association.

The National Association of State Boards of Education.

The American Association of School Administrators.

The National Congress of Parent-Teachers Associations.

The Research Council of the Great Cities.

Some may argue that although the principle of this amendment is worthy, it should not be included under the impacted aid laws. I think that I have demonstrated that the Federal housing policy has indeed created an impact in many school districts. In fact, this impact in many instances is much greater than that caused by other Federal activity in the same community.

But let me emphasize that this amendment creates a new authorization of funds for public housing children. This separate authorization will insure that the appropriations for "A" and "B" children under the present laws will in no way be decreased.

Finally, I would urge my colleagues to consider carefully the following two tables which I am inserting into the RECORD. The first table lists the number of public housing units under operation in each congressional district in the country as of June 30, 1968.

The second table is a listing of the amount of money which each congressional district would receive if my amendment is enacted into law. These amounts were derived from a national average of the number of public school pupils in each public housing unit and the national average of half the local tax contribution for education. Since many school districts spend more than the national average on education, the amount which they would receive under my amendment would be more. And since the present law provides that no school district may receive less than either the State or National average expenditure for education, no congressional district would receive less than the amount in this table. Please note that in those congressional districts where there is no public housing, we have included either the city or the State total. The tables follow:

TABLE I.—*Number of public housing units in each congressional district as of June 30, 1968*

[By congressional district]

Alabama:	
1st	3,870
2d	2,941
3d	3,513
4th	2,662
5th	3,371
6th	5,857
7th	3,807
8th	3,511
Alaska (at large)	532
Arizona:	
1st	1,954
2d	497
3d	981
Arkansas:	
1st	2,274
2d	2,198
3d	1,801
4th	956
California:	
1st	496
2d	170
3d	1,328
4th	505
5th	5,382
6th	1,354
7th	1,272
8th	650
11th	40
12th	326
13th	1,060
14th	2,155
15th	1,460
16th	1,761
17th	1,564
18th	938
21st	3,326
22d	448
26th	601
29th	489
30th	2,421
32d	712
33d	1,131
38th	491
Colorado:	
1st	3,596
3d	660
4th	54
Connecticut:	
1st	3,184
2d	827
3d	2,770
4th	4,373
5th	855
6th	1,050
Delaware (at large)	1,614
District of Columbia (no district)	9,665
Florida:	
1st	1,436
2d	902
3d	1,827
4th	1,447
5th	2,245
6th	3,892
7th	1,190
8th	612
9th	1,554
10th	540
11th	3,616
12th	1,232
Georgia:	
1st	4,032
2d	3,317
3d	3,313
4th	3,186
5th	7,188

TABLE I.—*Number of public housing units in each congressional district as of June 30, 1968*—Continued

[By congressional district]

Georgia—Continued	
6th	3,391
7th	2,816
8th	2,903
9th	2,220
10th	4,147
Hawaii (at large)	3,124
Idaho:	
1st	95
2d	164
Illinois:	
1st	13,122
2d	2,479
3d	2,395
4th	563
5th	912
6th	151
7th	9,784
8th	1,039
9th	4,382
10th	127
12th	455
14th	749
15th	576
16th	660
17th	1,010
18th	2,149
19th	1,070
20th	1,831
21st	3,302
22d	1,191
23d	1,359
24th	3,609
Indiana:	
1st	1,819
3d	612
4th	423
5th	200
7th	496
8th	1,932
9th	300
10th	464
11th	1,196
Iowa:	
1st	20
3d	80
4th	230
6th	40
7th	134
Kansas:	
1st	60
2d	229
3d	574
4th	500
Kentucky:	
1st	2,299
2d	1,198
3d	5,297
4th	1,483
5th	1,106
6th	3,109
7th	622
Louisiana:	
1st	6,900
2d	5,856
3d	1,263
4th	977
5th	786
6th	820
7th	2,291
8th	596
Maine:	
1st	270
2d	126
Maryland:	
1st	753
3d	6,533
4th	3,160
6th	1,246
7th	587
8th	140
Massachusetts:	
1st	927
2d	1,107
3th	100
4th	1,315
5th	2,183

TABLE I.—*Number of public housing units in each congressional district as of June 30, 1968*—Continued

[By congressional district]

Massachusetts—Continued	
6th	776
7th	1,149
8th	3,502
9th	10,428
10th	1,722
11th	480
12th	900
Michigan:	
1st	200
2d	120
3d	240
4th	510
5th	60
6th	23
7th	32
8th	883
9th	200
10th	170
11th	432
12th	362
13th	4,244
14th	1,820
15th	540
16th	698
17th	2,316
18th	163
19th	400
Minnesota:	
1st	199
3d	245
4th	2,718
5th	3,003
7th	379
8th	1,009
Mississippi:	
1st	1,009
2d	906
3d	700
4th	1,250
5th	2,300
Missouri:	
1st	5,077
3d	3,055
4th	200
5th	2,376
8th	543
9th	432
10th	754
Montana:	
1st	634
2d	435
Nebraska:	
1st	833
2d	2,358
3d	963
Nevada (at large)	1,815
New Hampshire:	
1st	1,470
2d	280
New Jersey:	
1st	2,134
2d	1,533
3d	1,831
4th	2,407
5th	424
6th	211
8th	2,890
9th	784
10th	5,109
11th	6,886
12th	248
13th	5,674
14th	4,025
15th	2,126
New Mexico (at large)	1,187
New York:	
2d	40
3d	40
5th	295
7th	1,447
9th	3,149
10th	4,235
11th	8,117
12th	8
13th	1,402
14th	7,516

TABLE I.—*Number of public housing units in each congressional district as of June 30, 1968*—Continued

[By congressional district]

New York—Continued	
16th	2,100
17th	2,324
18th	15,029
19th	6,333
20th	1,153
21st	7,007
22d	5,007
24th	3,762
25th	2,253
26th	511
27th	12
28th	215
29th	2,975
30th	475
31st	572
32d	405
33d	549
34th	1,659
35th	170
36th	178
38th	34
39th	26
40th	1,309
41st	4,334
North Carolina:	
1st	1,253
2d	1,362
3d	1,195
4th	1,699
5th	2,690
6th	2,237
7th	2,130
8th	2,195
9th	542
10th	226
11th	880
North Dakota:	
1st	356
2d	180
Ohio:	
1st	423
2d	5,676
3d	2,334
6th	475
7th	330
9th	1,953
10th	190
12th	1,903
13th	651
14th	968
15th	1,396
16th	196
17th	324
18th	500
19th	1,376
20th	2,822
21st	4,830
22d	272
24th	533
Oklahoma:	
1st	80
2d	51
3d	28
5th	423
Oregon:	
1st	640
2d	68
3d	748
4th	872
Pennsylvania:	
1st	4,407
2d	3,854
3d	4,525
4th	1,036
5th	1,253
6th	1,328
7th	424
8th	239
9th	1,786
10th	1,214
11th	150
12th	580
13th	307
14th	6,264
15th	2,524
16th	199

TABLE I.—*Number of public housing units in each congressional district as of June 30, 1968*—Continued

[By congressional district]

Pennsylvania—Continued	
17th	2,130
18th	246
19th	400
20th	5,263
21st	688
22d	1,241
23d	98
24th	1,702
25th	1,674
26th	1,854
27th	1,456
Rhode Island:	
1st	3,719
2d	2,798
South Carolina:	
1st	2,033
2d	1,409
3d	875
4th	1,906
5th	528
6th	200
South Dakota:	
2d	526
Tennessee:	
1st	1,867
2d	3,002
3d	3,303
4th	2,677
5th	4,904
6th	1,556
7th	1,153
8th	1,554
9th	5,063
Texas:	
1st	1,754
2d	1,166
3d	4,105
4th	1,374
5th	2,267
6th	758
7th	1,990
8th	210
9th	2,120
10th	1,494
11th	1,853
12th	1,184
13th	1,335
14th	2,087
15th	2,349
16th	1,684
17th	1,286
18th	352
19th	424
20th	5,829
21st	382
22d	564
23d	1,409
Utah: 1st	30
Vermont (at large)	178
Virginia:	
1st	1,802
2d	5,627
3d	2,885
4th	466
5th	500
6th	700
7th	226
9th	431
10th	1,134
Washington:	
1st	3,220
2d	500
3d	422
4th	501
6th	1,510
7th	1,846
West Virginia:	
1st	757
2d	250
3d	574
4th	550
5th	180
Wisconsin:	
2d	368
3d	150
4th	180
5th	2,946
6th	50
7th	97
8th	26
10th	732
Wyoming	30
Puerto Rico (no district)	32,455
Virgin Islands (no district)	1,354

TABLE II.—ESTIMATED PAYMENTS TO EACH CONGRESSIONAL DISTRICT IF THE FEDERAL GOVERNMENT WERE TO REIMBURSE LOCAL SCHOOL DISTRICTS FOR THE COST OF EDUCATING CHILDREN LIVING IN PUBLIC HOUSING

State	Congressional district	Estimated number of pupils residing in low-rent housing attending public schools	National average of Federal payment to local school districts under impacted aid legislation (½ the local tax contribution)	Estimated payment per district (col. 3 × col. 4)
Alabama	1	7,740	$182	$1,408,680
Do	2	5,882	182	1,070,524
Do	3	7,026	182	1,278,732
Do	4	5,324	182	968,968
Do	5	6,742	182	1,227,044
Do	6	11,714	182	2,131,948
Do	7	7,614	182	1,385,748
Do	8	7,022	182	1,278,004
Alaska	(*)	1,064	182	193,648
Arizona	1	3,908	182	711,256
Do	2	994	182	180,908
Do	3	1,962	182	357,084
Arkansas	1	4,548	182	827,736
Do	2	4,396	182	800,072
Do	3	3,602	182	655,564
Do	4	1,912	182	347,984
California	1	992	182	180,544
Do	2	340	182	61,880
Do	3	2,656	182	483,392
Do	4	1,010	182	183,820
Do	[1] 5	12,354	182	2,248,428
Do	[1] 6	12,354	182	2,248,428
Do	7	2,544	182	463,008
Do	8	1,300	182	326,600
Do	[2] 9	58,832	182	10,707,424
Do	[2] 10	58,832	182	10,707,424
Do	11	80	182	14,560
Do	12	652	182	118,664
Do	13	2,120	182	385,840
Do	14	4,310	182	784,420
Do	15	2,920	182	531,440
Do	16	3,522	182	641,004
Do	17	3,128	182	569,296
Do	18	1,876	182	341,432
Do	[2] 19	58,832	182	10,707,424
Do	[2] 20	58,832	182	10,707,424
Do	[1] 21	19,503	182	3,549,546
Do	22	896	182	163,072
Do	[2] 23	58,832	182	10,707,424
Do	[1] 24	19,503	182	3,549,546
Do	[2] 25	58,832	182	10,707,424
Do	26	1,202	182	218,764
Do	[2] 27		182	10,707,424
Do	[1] 28	19,503	182	3,549,546
Do	29	978	182	177,996
Do	[1] 30	19,503	182	3,549,546
California—Continued	[1] 31	19,503	$182	$3,549,546
Do	32	1,424	182	259,168
Do	33	2,262	182	411,684
Do	[2] 34	58,832	182	10,707,424
Do	[2] 35	58,832	182	10,707,424
Do	[2] 36	58,832	182	10,707,424
Do	[2] 37	58,832	182	10,707,424
Do	38	982	182	178,724
Colorado	1	7,192	182	1,308,944
Do	2	8,620	182	1,568,840
Do	3	1,320	182	240,240
Do	4	108	182	19,656
Connecticut	1	6,368	182	1,158,976
Do	2	1,654	182	301,028
Do	3	5,540	182	1,008,280
Do	4	8,746	182	1,591,772
Do	5	1,710	182	311,220
Do	6	2,100	182	382,200
Delaware	(*)	3,228	182	587,496
District of Columbia	(**)	19,330	182	3,518,060
Florida	1	2,872	182	522,704
Do	2	1,804	182	328,328
Do	3	3,654	182	665,028
Do	4	2,894	182	526,708
Do	5	4,490	182	817,180
Do	6	7,784	182	1,416,688
Do	7	2,380	182	433,160
Do	8	1,224	182	222,768
Do	9	3,108	182	565,656
Do	10	1,080	182	196,560
Do	11	7,232	182	1,316,224
Do	12	2,464	182	448,448
Georgia	1	8,064	182	1,467,648
Do	2	6,634	182	1,207,388
Do	3	6,626	182	1,205,932
Do	4	6,372	182	1,159,704
Do	5	14,376	182	2,616,432
Do	6	6,782	182	1,234,324
Do	7	5,632	182	1,025,024
Do	8	5,806	182	1,056,692
Do	9	4,440	182	808,080
Do	10	8,294	182	1,509,508
Hawaii	(*)	8,696	182	1,582,672
Idaho	1	190	182	34,580
Do	2	344	182	62,608

See footnotes at end of table.

TABLE II.—ESTIMATED PAYMENTS TO EACH CONGRESSIONAL DISTRICT IF THE FEDERAL GOVERNMENT WERE TO REIMBURSE LOCAL SCHOOL DISTRICTS FOR THE COST OF EDUCATING CHILDREN LIVING IN PUBLIC HOUSING—Continued

State	Congressional district	Estimated number of pupils residing in low-rent housing attending public schools	National average of Federal payment to local school districts under impacted aid legislation (⅓ the local tax contribution)	Estimated payment per district (col. 3 × col. 4)
Illinois	(1)1	69,216	$182	$12,597,312
Do	(1)2	69,216	182	12,597,312
Do	(1)3	69,216	182	12,597,312
Do	(1)4	69,216	182	12,597,312
Do	(1)5	1,824	182	331,968
Do	(1)6	69,216	182	12,597,312
Do	(1)7	69,216	182	12,597,312
Do	(1)8	69,216	182	12,597,312
Do	(1)9	69,216	182	12,597,312
Do	10	254	182	46,228
Do	1 11	69,216	182	12,597,312
Do	12	910	182	165,620
Do	2 13	105,830	182	19,261,060
Do	14	1,573	182	286,286
Do	15	1,152	182	209,664
Do	16	1,320	182	240,240
Do	17	2,020	182	367,640
Do	18	4,298	182	782,236
Do	19	2,140	182	389,480
Do	20	3,662	182	782,236
Do	21	6,604	182	1,201,928
Do	22	2,382	182	433,524
Do	23	2,718	182	494,676
Do	24	7,218	182	1,313,676
Indiana	1	3,638	182	662,116
Do	2 2	14,684	182	2,672,488
Do	3	2,388	182	434,616
Do	4	846	182	153,972
Do	5	400	182	72,800
Do	2 6	14,684	182	2,672,488
Do	7	992	182	180,544
Do	8	3,864	182	703,248
Do	9	600	182	109,200
Do	10	928	182	168,896
Do	11	2,392	182	435,344
Iowa	1	40	182	7,280
Do	2 2	1,008	182	183,456
Do	3	160	182	29,120
Do	4	460	182	83,720
Do	2 5	1,008	182	183,456
Do	6	80	$182	14,560
Do	7	491	182	89,362
Kansas	1	120	182	21,840
Do	2	458	182	83,356
Do	3	1,148	182	208,936
Do	4	1,000	182	182,000
Kentucky	1	4,598	182	836,836
Do	2	2,396	182	436,072
Do	3	10,594	182	1,928,108
Do	4	2,966	182	539,812
Do	5	2,212	182	402,584
Do	6	6,218	182	1,131,676
Do	7	2,555	182	465,010
Louisiana	1	13,800	182	2,511,600
Do	2	11,712	182	2,131,584
Do	3	2,526	182	459,732
Do	4	1,954	182	355,628
Do	5	1,572	182	286,104
Do	6	1,640	182	298,480
Do	7	4,582	182	833,924
Do	8	1,192	182	216,944
Maine	1	540	182	98,280
Do	2	252	182	127,218
Maryland	1	1,506	182	274,092
Do	2 2	16,828	182	3,062,696
Do	1 8	13,066	182	2,378,012
Do	4	6,320	182	1,150,240
Do	2 5	16,828	182	3,062,696
Do	6	2,492	182	453,544
Do	7	1,174	182	213,668
Do	8	280	182	50,960
Massachusetts	1	1,854	182	337,428
Do	2	2,214	182	402,948
Do	3	200	182	36,400
Do	4	2,630	182	478,660
Do	5	4,366	182	794,612
Do	6	1,552	182	282,464
Do	7	2,298	182	418,236
Do	8	7,004	182	1,274,728
Do	9	20,856	182	3,795,792
Do	10	3,444	182	626,808
Do	11	960	182	174,720
Do	12	1,800	182	327,600
Michigan	1	400	182	72,800
Do	2	252	182	45,864
Do	3	480	182	87,360
Do	4	1,020	182	185,640
Do	5	120	182	21,840
Do	6	46	182	8,372
Do	7	64	182	11,648
Do	8	1,766	182	321,412
Do	9	400	182	72,800
Do	10	340	182	61,880
Do	11	864	182	157,248
Do	12	724	182	131,768
Michigan—Continued	13	8,488	$182	$1,544,816
Do	14	3,640	182	662,480
Do	15	1,080	182	196,560
Do	16	1,396	182	254,072
Do	17	4,632	182	843,024
Do	18	326	182	59,332
Do	19	800	182	145,600
Minnesota	1	691	182	125,762
Do	2 2	15,106	182	2,749,292
Do	3	490	182	89,180
Do	4	5,436	182	987,352
Do	5	6,006	182	1,093,092
Do	2 6	15,106	182	2,749,292
Do	7	758	182	137,956
Do	8	2,018	182	367,276
Mississippi	1	2,018	182	367,276
Do	2	1,812	182	329,784
Do	3	1,400	182	254,800
Do	4	2,500	182	455,000
Do	5	4,600	182	837,200
Missouri	1 1	15,215	182	2,769,130
Do	2 2	24,874	182	4,527,068
Do	1 3	15,215	182	2,769,130
Do	4	400	182	72,800
Do	5	4,752	182	864,864
Do	2 6	24,874	182	4,527,068
Do	2 7	24,874	182	4,527,068
Do	8	1,086	182	197,652
Do	9	864	182	157,248
Do	10	1,508	182	274,456
Montana	1	1,268	182	230,776
Do	2	870	182	158,340
Nebraska	1	1,666	182	303,212
Do	2	4,716	182	858,312
Do	3	1,926	182	350,532
Nevada	(*)	3,630	182	660,660
New Hampshire	1	2,940	182	535,080
Do	2	480	182	87,360
New Jersey	1	4,268	182	776,776
Do	2	3,066	182	558,012
Do	3	3,662	182	666,484
Do	4	4,655	182	847,210
Do	5	848	182	154,336
Do	6	422	182	76,804
Do	2 7	72,264	182	13,152,048
Do	8	5,780	182	1,051,960
Do	9	1,568	182	285,376
Do	10	10,218	182	1,859,676
Do	11	13,772	182	2,506,504
Do	12	496	182	90,272
Do	13	11,348	182	2,065,336
Do	14	8,453	182	1,538,446
Do	15	4,252	182	773,864
New Mexico	(*)	2,374	182	432,068
New York	2 1	169,282	182	30,809,324
Do	2	80	182	14,560
Do	3	80	182	14,560
Do	2 4	169,282	182	30,809,324
Do	5	590	182	107,380
Do	2 6	169,282	182	30,809,324
Do	7	2,294	182	417,508
Do	2 8	169,282	182	30,809,324
Do	9	6,298	182	1,146,236
Do	1 10	135,729	182	24,701,678
Do	1 11	135,729	182	24,701,678
Do	1 12	135,729	182	24,701,678
Do	1 13	135,729	182	24,701,678
Do	1 14	135,729	182	24,701,678
Do	1 15	135,729	182	24,701,678
Do	1 16	135,729	182	24,701,678
Do	1 17	135,729	182	24,701,678
Do	1 18	135,729	182	24,701,678
Do	1 19	135,729	182	24,701,678
Do	1 20	135,729	182	24,701,678
Do	1 21	135,729	182	24,701,678
Do	1 22	135,729	182	24,701,678
Do	1 23	135,729	182	24,701,678
Do	1 24	135,729	182	24,701,678
Do	25	4,500	182	820,092
Do	26	1,073	182	195,285
Do	27	24	182	4,368
Do	28	430	182	78,260
Do	29	5,950	182	1,082,900
Do	30	950	182	172,900
Do	31	1,144	182	208,208
Do	32	810	182	147,420
Do	33	1,098	182	198,836
Do	34	3,318	182	603,876
Do	35	340	182	61,880
Do	36	356	182	64,792
Do	37	157,844	182	28,836,808
Do	38	68	182	12,376
Do	39	52	182	9,464
Do	40	2,618	182	476,476
Do	41	8,668	182	1,577,576

See footnotes at end of table.

TABLE II.—ESTIMATED PAYMENTS TO EACH CONGRESSIONAL DISTRICT IF THE FEDERAL GOVERNMENT WERE TO REIMBURSE LOCAL SCHOOL DISTRICTS FOR THE COST OF EDUCATING CHILDREN LIVING IN PUBLIC HOUSING—Continued

State	Congressional district	Estimated number of pupils residing in low-rent housing attending public schools	National average of Federal payment to local school districts under impacted aid legislation (½ the local tax contribution)	Estimated payment per district (col. 3 × col. 4)
North Carolina	1	2,506	$182	$456,092
Do	2	2,724	182	495,768
Do	3	2,390	182	434,980
Do	4	2,398	182	618,436
Do	5	5,380	182	979,160
Do	6	4,474	182	814,268
Do	7	4,260	182	775,320
Do	8	4,610	182	859,020
Do	9	1,084	182	197,288
Do	10	452	182	82,264
Do	11	1,760	182	320,320
North Dakota	1	712	182	129,584
Do	2	360	182	65,520
Ohio	1	846	182	153,972
Do	2	11,352	182	2,066,064
Do	3	4,668	182	849,576
Do	[2]4	54,304	182	9,883,328
Do	[2]5	54,304	182	9,883,328
Do	6	950	182	172,900
Do	7	660	182	120,120
Do	[2]8	54,304	182	9,883,328
Do	9	3,806	182	710,892
Do	10	380	182	69,160
Do	[2]11	54,304	182	9,883,328
Do	12	3,806	182	692,692
Do	13	1,302	182	236,964
Do	14	3,209	182	584,038
Do	15	2,792	182	508,144
Do	16	392	182	71,344
Do	17	953	182	173,446
Do	18	1,000	182	182,000
Do	19	2,752	182	500,864
Do	[1]20	15,662	182	2,850,484
Do	[1]21	15,662	182	2,850,484
Do	[1]22	15,662	182	2,850,484
Do	[2]23	54,304	182	9,883,328
Do	24	1,066	182	194,012
Oklahoma	1	160	182	29,120
Do	2	102	182	18,564
Do	3	56	182	10,192
Do	[2]4	1,164	182	211,848
Do	5	846	182	153,972
Oregon	1	1,280	182	232,960
Do	2	138	182	25,116
Do	3	1,571	182	285,922
Do	4	2,117	182	385,294
Pennsylvania	[1]1	31,438	182	5,721,716
Do	[1]2	31,438	182	5,721,716
Do	[1]3	31,438	182	5,721,716
Do	[1]4	31,438	182	5,721,716
Do	[1]5	31,438	182	5,721,716
Do	6	2,656	182	483,392
Do	7	848	182	154,336
Do	8	478	182	86,996
Do	9	3,572	182	650,104
Do	10	2,428	182	441,896
Do	11	300	182	54,600
Do	12	1,160	182	211,120
Do	13	614	182	111,748
Do	14	12,528	182	2,280,096
Do	15	5,048	182	918,736
Do	16	1,134	182	206,388
Do	17	4,260	182	775,320
Do	18	492	182	89,544
Do	19	800	182	145,600
Do	20	11,052	182	2,011,464
Do	21	1,445	182	262,990
Do	22	2,482	182	451,724
Do	23	196	182	35,672
Do	24	3,404	182	619,528
Do	25	1,674	182	304,668
Do	26	3,708	182	674,856
Do	27	2,912	182	529,984
Rhode Island	1	7,438	182	1,353,716
Do	2	5,596	182	1,018,472
South Carolina	1	4,066	$182	$740,012
Do	2	2,818	182	512,876
Do	3	1,750	182	318,500
Do	4	3,812	182	693,784
Do	5	1,056	182	192,192
Do	6	400	182	72,800
South Dakota	[2]1	1,052	182	191,464
Do	[2]2	1,052	182	191,464
Tennessee	1	3,734	182	679,588
Do	2	6,004	182	1,092,728
Do	3	6,604	182	1,201,928
Do	4	5,354	182	974,428
Do	5	9,808	182	1,785,056
Do	6	3,112	182	566,384
Do	7	2,306	182	419,692
Do	8	3,108	182	565,656
Do	9	10,126	182	1,842,932
Texas	1	3,508	182	638,456
Do	2	2,332	182	424,424
Do	3	8,621	182	1,569,022
Do	4	2,748	182	500,136
Do	5	4,534	182	825,188
Do	6	1,516	182	275,912
Do	7	3,980	182	724,360
Do	8	420	182	76,440
Do	9	4,240	182	771,680
Do	10	2,988	182	534,816
Do	11	3,706	182	674,492
Do	12	2,368	182	430,976
Do	13	2,670	182	485,940
Do	14	4,174	182	759,668
Do	15	4,698	182	855,036
Do	16	3,368	182	612,976
Do	17	2,572	182	468,104
Do	18	702	182	127,764
Do	19	848	182	154,336
Do	20	11,658	182	2,121,756
Do	21	764	182	139,048
Do	22	1,128	182	205,296
Do	23	2,819	182	513,058
Utah	1	60	182	10,920
Do	[2]2	60	182	10,920
Vermont	(*)	356	182	67,792
Virginia	1	3,604	182	655,928
Do	2	11,254	182	2,048,228
Do	3	5,770	182	1,050,140
Do	4	932	182	169,624
Do	5	1,000	182	182,000
Do	6	1,400	182	254,800
Do	7	452	182	82,264
Do	[2]8	27,542	182	5,012,644
Do	9	862	182	156,884
Do	10	2,268	182	412,726
Washington	1	6,440	182	1,172,080
Do	2	2,747	182	499,954
Do	3	844	182	153,608
Do	4	1,002	182	182,364
Do	[2]5	15,998	182	2,911,636
Do	6	3,020	182	549,640
Do	7	3,692	182	671,944
West Virginia	1	1,514	182	275,548
Do	2	500	182	91,000
Do	3	1,148	182	208,936
Do	4	1,100	182	200,200
Do	5	360	182	65,520
Wisconsin	[2]1	9,098	182	1,655,836
Do	2	736	182	133,952
Do	3	300	182	54,600
Do	4	360	182	65,520
Do	5	5,892	182	1,072,344
Do	6	100	182	18,200
Do	7	194	182	35,308
Do	8	52	182	9,464
Do	[2]9	9,098	182	1 655,836
Do	10	1,464	182	266,448
Wyoming	(*)	60	182	10,920

[1] City total.
[2] No public housing units in district; substituted State totals.

*At large.
**No district.

HOMEOWNER SWINDLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HALPERN) is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, I would like to tell the Members of this distinguished body about a constituent of mine.

He sold his house. He did not mean to, and at the time, he did not know he was doing it, but nevertheless—legally, he did sell his house.

It all started when a gentleman appeared at the front door and announced that he represented a home improvement firm. He asked if the homeowner would be interested in having some obviously needed work done on his house.

The deal sounded good, so my constituent signed what he thought was a contract for the work, only briefly thinking that it was a little strange that the date, total amount of money owed, and interest charges were left blank. However, the man assured my constituent that it was standard procedure and so he signed anyway.

What happened next is one of the oldest swindles on the books.

After leaving his victim, the salesman

filled in an amount for the cost of the work which was approximately twice the price that he had quoted. Then he took the contract, and another paper that he had also asked my constituent to sign, and had them "falsely" notarized by a notary public out of the presence of the homeowner.

This other paper which had been represented to him as an application for a title search, was actually a mortgage on the man's home.

The salesman then "transferred" the note and mortgage to a credit firm for less than 60 percent of each note's face value, and the firm set up a "balloon" payment schedule, which works like this: The note calls for a total of $7,000 to be repaid at $50 a month in 60 months. Sixty months times $50 equals $3,000.

This leaves $4,000 yet to be paid. The clause in the fine print says that the full note is due and payable on the same day as the final payment.

In other words, if the victim cannot come up with the extra $4,000 on the 60th month, he will lose his home. My constituent could not and he is now homeless.

Mr. Speaker, this man is just one of many who have been preyed upon by these swindlers. Most of them have been getting away with their crooked practices for too long. Consumer losses as a result of these frauds cost the American public an estimated $750 million each year and represent roughly between 4 and 8 percent of the entire home improvement business. And invariably, home improvement frauds tend to focus upon these persons least able to afford them: the poor, the uneducated, the unsophisticated and the elderly.

I have today introduced legislation which would permit a stepped up nationwide drive against the home improvement racketeering.

The measure would provide more funds and wider authority to the Federal Trade Commission in its conduct of a 1-year comprehensive investigation of unfair practices within the home improvement industry. Further, it would enable the commission to obtain an immediate court order temporarily halting the practices while pursuing a permanent "cease and desist" order through further judicial action.

Under present law such deceptive practices cannot be stopped when they are discovered, because litigation of these cases generally takes years. In the meantime, countless more consumers are swindled.

Mr. Speaker, it is high time we had tough and meaningful laws to deal with these people. I am today introducing legislation to do so, and I urge my colleagues to join me.

MANPOWER PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 30 minutes.

Mr. MICHEL. Mr. Speaker, it is my understanding that the Nixon administration is going to reorganize the manpower programs in the executive branch. This is welcome news, because economy and efficiency can be brought about by the elimination of duplicating and overlapping manpower activities.

I have gone through the budget that President Johnson sent to the Congress shortly before he left the White House and am astonished and amazed at the size of the manpower programs that are administered by the various departments and agencies of the executive branch. Over $2½ billion has been allotted for manpower programs for fiscal year 1970. This huge sum does not include money to be spent by the Veterans' Administration on behalf of ex-servicemen. The actual amount will be even larger, as much of the money to be spent for retraining the unemployed cannot easily be separated from unemployment compensation, just as it is difficult to break down many of the funds to be spent for rehabilitation so as to show how much would go for manpower activities.

As many of my colleagues will be looking for places to cut when the various appropriations bills come to the floor for consideration by this body, I am inserting in the RECORD a tabulation that shows the sums obligated for manpower programs for the fiscal years 1968, 1969, and 1970:

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
FUNDS APPROPRIATED TO THE PRESIDENT			
Office of Economic Opportunity			
Economic opportunity program:			
Work and training programs:			
Job Corps	318,329	277,000	283,000
School and summer work program	197,700	181,400	181,400
Comprehensive employment programs	241,912	424,800	486,400
Special impact (industry incentive)	6,306	12,000	14,500
Work experience program	98,477	46,700	.....
Total	862,724	941,900	965,300

Job Corps. This provides work and training in residential centers for young people aged 14 through 21 who are out of school and out of work. The objective of conservation centers, located in rural areas and managed by the Interior and Agriculture Departments and by State governments, is to raise the enrollee's level of basic education while improving prevocational and basic work skills. Urban centers are operated under contract by private businesses, universities, and State and local nonprofit organizations. Young men and women urban center enrollees receive specialized vocational training as well as general education, counseling, and help in improving work attitudes and habits. Inner-city skill centers allow young men and women to be trained away from home while remaining in an urban environment.

School and summer work program. This assists disadvantaged students of high school age to remain in school by providing part-time and summer work experience.

Comprehensive employment programs. These programs, which the Office of Economic Opportunity delegates to the Department of Labor, offer a wide range of manpower services which include work experience, counseling, remedial education, on-the-job training, and jobs leading to career opportunities. Individuals served, in both urban and rural areas, are unemployed and underemployed low-income people needing special assistance to develop their occupational potential. Job Opportunities in the Business Sector encourages private industry to hire the hard-core unemployed by reimbursing participating firms for the extraordinary expenses connected with on-the-job training of disadvantaged persons. The Concentrated Employment Program brings together manpower programs and necessary supportive services such as day care and medical examinations in cities and rural areas with unusually heavy concentrations of poverty. Other programs provide work experience and training opportunities in Operation Mainstream, New Careers, and Out-of-School activities.

Special Impact (industry incentive). This provides monetary incentives to attract private industry to relocate plant facilities and creating additional employment opportunities in selected urban and rural depressed areas. It emphasizes hiring, training, and retraining disadvantaged workers through job promotion and stock-sharing.

Work experience program. This is being replaced by the Work Incentive Program in 1970.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
DEPARTMENT OF COMMERCE			
Promotion of industry and commerce:			
Business and Defense Services Administration:			
Advances and reimbursements:			
Department of Labor (manpower)	42	22	.....
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
Consumer Protection and Environmental Health Service:			
Air pollution control:			
Manpower training:			
Grants	2,706	3,159	3,500
Direct operations	1,251	1,900	1,990

Grants. Fellowship awards support individual postgraduate training in air pollution research and control activities; training grants are awarded to universities to support the development and improvement of, primarily, graduate-level air pollution curricula and to provide student stipends.

Direct operations. Training of technical personnel for Federal, State, and local government research and control operations is carried out.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION			
Mental Health			
Manpower development:			
Grants:			
Training	96,518	109,046	112,500
Fellowships	10,155	10,641	10,866
Direct operations	2,532	3,094	4,583
Total	109,205	122,781	127,949

Manpower development. Grants, Training. Grants are made to training institutions for training in psychiatry, behavioral sciences, psychiatric nursing, psychiatric social work, and other mental health disciplines. Experimental and special programs and continuing

education in the mental health field are included as well as special training in such areas as alcoholism, drug abuse, and suicide prevention. *Fellowships.* Awards are made on the basis of excellence to individuals involved in mental health research.

Direct operations. Analytic studies of manpower are undertaken and the national mental health training program is coordinated and supported. Emphasis is given to the full range of manpower requirements in the field of mental health including the disciplines of psychiatry, behavioral sciences, psychiatric nursing, and social work. Also funded in this subactivity are the training activities of the National Center for Mental Health Services, Training, and Research and a program for training psychiatrists for careers in the Public Health Service.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
NATIONAL INSTITUTES OF HEALTH			
Heath Manpower:			
Institutional support:			
Medical, dental, and related	32,588	66,000	96,400
Nursing	5,657	7,000	7,000
Public health	6,558	9,471	9,471
Allied health professions	8,123	10,975	10,988
Student assistance:			
Traineeships	17,135	30,958	25,620
Scholarships and opportunity grants	16,636	24,636	48,800
Loans	38,680	41,979	30,500
Manpower requirements and utilization:			
Grants	2,992	4,195	4,425
Direct operations	5,955	10,107	10,870
Program direction and management services	1,261	1,339	1,390
Total program costs, funded	135,586	206,659	245,464
Change in selected resources	25,059	----------	----------
Total obligations	160,645	206,659	245,464

Institutional support. The principal agents of this activity are grant programs directed toward enhancing the educational experience of students entering the health and allied health profession. Improving the utilization of limited resources of health professionals requires appraisal of how various types of personnel are being utilized and the identification of new categories of allied health professionals and technicians for more effective team practice.

Student assistance. This includes graduate and specialized, comprising traineeships and research fellowship; and undergraduate, comprising scholarships and student loans. Research fellowships support candidates at the predoctoral and postdoctoral levels for research training in special fields related to studies for improving nursing care. Traineeships support the graduate and specialized preparation of teachers needed to expand and improve curriculum offerings, and the advanced training needed by supervisors, administrators, and other specialists in nursing, public health, and the allied health professions. Nursing and health professions scholarships enable deserving students from low-income families to pursue their education. Schools make scholarship awards to students who, in the judgment of the school, have an exceptional financial need. The student loan programs for the health professions, including nurses, are also designed to help provide an adequate supply of health manpower and to assure that the needed supply of health professions and nursing manpower is drawn from the most capable individuals, but particularly to assure that students from low-income families can enroll for health professions training. The 1970 program concentrates these loans to students from families with annual incomes under $10,000.

Manpower requirements and utilization. Grants. Research grants support studies in the areas of the physician methods and techniques, continuing physician education, effective use of health manpower, nursing care, and methods to deliver nursing care to patients. Research training grants enable institutions to establish training programs in fields where there is unusual demand for researchers having skills in nursing specialties and in the field of educational research. *Direct operations.* Funds are provided for programs to assess requirements, availability, and quality of health discipline education; provide professional guidance and leadership to meet the goals of nursing care by means of research, consultation, application of research findings and administration of grants; develop, administer, and support grant and operational programs to increase the supply and improve the education, utilization, and effectiveness of manpower in the health occupations; for servicing training and construction grants, student loans, scholarships, and operational programs for training of personnel.

Program direction and management services. The Bureau of Health Manpower provides a national focus for health manpower activities. It guides and supports health manpower programs, designs proposals to meet needs for new or revised health manpower programs, coordinates research and program reporting activities, and provides technical guidance and coordination to Bureau activities.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Advances and reimbursements:			
Health, manpower, education, and utilization	1,810	1,979	2,110
SOCIAL AND REHABILITATION SERVICE			
Work incentives:			
Training and incentives:			
On-the-job training	13,469		33,746
Institutional and work experience training	48,131		93,254
Program direction and evaluation	4,819		8,000

On-the-job training. This provides costs of on-the-job training both coupled and full cost as well as followup (regular, intensive, and employer). Included in this activity are program service costs related to on-the-job training programs.

Institutional and work experience training. This provides for the costs of orientation of participants in priority 1 and 2 activities of the Work Incentives program. Through the orientation process, each person will be given training in basic employment skills along wtih vocational counseling and testing. Upon completion of the orientation period, some persons will go directly into employment, with the remainder going into some phase of training. This activity also provides for the classroom and/or work experience training which will be needed by the majority of persons served in this program. In addition to the categories of orientation, work sampling and internship, basic education and general development, institutional and vocational training, work experience, and relocation, in 1970, three new categories will be introduced to the program. They are: vestibule training—utilizing "company schools"; para-professional—classroom vocational training aimed toward entry in public service employment; and employment preparation—to be used for participants who have completed training but lack motivational and social behavior necessary to "sell" themselves to employers.

Program direction and evaluation. This provides for the program development, evaluation, and administration of the Work Incentives program by the Department of Labor.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Juvenile delinquency prevention and control: Training		1,300	2,600

Training. Funds are for the purpose of training personnel employed in or preparing for employment in fields related to the diagnosis, treatment, or rehabilitation of youths who are delinquent or in danger of becoming delinquent. This training will be accomplished through curriculum development, short-term institutes, and traineeship grants and projects.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Rehabilitation research and training: Training	31,177	31,717	31,700

Training. Grants and contracts support the training of personnel in professional and technical fields relating to vocational rehabilitation, including teaching grants and traineeship grants to educational institutions, and research fellowships to individuals.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Salaries and expenses: Work incentives		85	302

Work incentives. This develops comprehensive work and training programs and related child care arrangements for appropriate members of families with dependent children, who are referred to manpower agencies for work and training, to foster self-sufficiency. This includes referral through followup after placement in the labor market, work plans, policy standards, procedures development, and technical assistance to State and local agencies.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Grants for correctional rehabilitation study: Study of correctional manpower needs	800	----------	----------
Departmental management:			
Office of the Secretary, salaries and expenses, manpower study	39	----------	----------
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Administrative operations fund:			
Special manpower programs			2,607
DEPARTMENT OF THE INTERIOR			
Public land management:			
Bureau of Indian Affairs:			
Education and welfare services:			
Relocation and adult vocational training	21,454	24,376	44,026

Relocation and adult vocational training. Indians are aided in securing employment or enrolling in training which will qualify them for employment either locally or in industrial areas away from the reservations.

The services provided include financial assistance, as well as counseling and guidance services.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Advances and reimbursements: Basic education and vocational training	470		

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Department of Labor, Manpower Administration, manpower development and training activities:			
Training and allowance payments:			
Job opportunities in the business sector	44,600	48,000	240,000
Concentrated employment program	22,100	31,800	105,000
Other	260,775	270,926	254,492
Program services:			
Employment security service	33,495	33,521	42,976
State institutional training services	7,995	8,000	8,000
On-the-job training services	3,998	1,500	1,500
Comprehensive manpower program planning		8,725	33,979
Federal institutional training services	2,452	2,560	2,449
Disadvantaged youth programs		13,000	
Total program costs, funded	375,415	418,032	688,396
Change in selected resources	5,374		
Total obligations	380,789	418,032	688,396

Training and allowance payments. Direct program costs for occupational and basic education training programs are provided to equip the Nation's unemployed and underemployed workers with skills that will enable them to participate in productive employment. Institutional training projects are conducted by State and local vocational education agencies and on-the-job training projects are conducted by employers and other organizations. This activity provides for the costs of conducting the training and for the payment of trainee allowances to those trainees who are heads of households or who meet other provisions of the Manpower Development and Training Act of 1962, as amended. The Concentrated Employment Program is designed to insure that disadvantaged individuals receive proper training and manpower supportive services, enabling them to obtain permanent employment. The Job Opportunities in the Business Sector program is operated in conjunction with the promotional efforts of the National Association of Businessmen and is a cooperative business-Government venture to hire and train disadvantaged individuals.

Program services. This provides for services provided by the State employment security agencies in the overall development and administration of employment service activities including the identification of occupations in which shortages or potential demand exists, the selection, referral, and placement of trainees and the paying of trainee allowances. Overall supervision of the institutional program is provided by the State vocational education agencies. On-the-job project promotion, development, and supervision are also provided by cooperating State agencies and by employers, associations, and other organizations. Manpower Development and Training Activities and other manpower programs are coordinated by utilizing the interagency Cooperative Area Manpower Planning System. This activity also provides technical assistance for all manpower programs and furnishes training for all personnel involved in the administration, direction, and performance of these programs. It likewise provides for a comprehensive system of labor market information and a job matching program on a national, State, local, or other appropriate basis.

Federal institutional training services. This provides for the program development and administration of the institutional training programs by the Department of Health, Education, and Welfare.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
OFFICE OF MANPOWER ADMINISTRATOR, SALARIES AND EXPENSES			
Experimental, demonstration, and research programs	27,567	18,918	21,030
Planning, research, and evaluation	4,703	4,708	4,809
Federal on-the-job training services	1,642	2,164	2,688
Federal employment security services	2,359	2,407	2,521
Executive direction:			
Office of the Administrator	823	889	920
Financial and management services	1,905	2,074	2,117
Manpower management data systems	2,518	2,975	3,546
Reports to the public on manpower programs	612	774	779
Total program costs, funded	42,129	34,909	38,410
Change in selected resources	−4,880		
Total obligations	37,249	24,909	38,410

Experimental, demonstration, and research programs. Experimental and demonstration training projects are conducted through contracts and/or grants with public or private nonprofit organizations. They are intended to improve techniques and demonstrate effectiveness of specialized methods in meeting manpower, employment, and training problems of worker groups, such as long-term unemployed, disadvantaged youth, displaced older workers, handicapped, minority groups, and others. The program provides for labor mobility demonstration and placement assistance (bonding). A wide-range manpower research program is carried on to investigate and study programs which give promise of furthering activities under the Manpower Development and Training Act and its amendments. Areas of study include appraisal of manpower requirements and resources, unemployment resulting from automation and technological advances, mobility of workers, adequacy of manpower development efforts, and manpower utilization.

Planning, research, and evaluation. The Office of the Manpower Administrator is responsible for the planning, research, and evaluation necessary to develop and implement a comprehensive manpower program. It provides leadership, coordination, and direction to the manpower research program. It provides continuing review and appraisal of operating programs. It identifies, through experimental and demonstration programs, special needs and problems of various groups of potential trainees and develops methods of solving the problems.

Federal on-the-job training services. A program of on-the-job training is administered through employers, associations, community and civic groups, and unions. Assistance is provided in the operation of inplant training programs intended to facilitate hiring of disadvantaged job applicants and to upgrade skills. Contracts are negotiated with employers to partially reimburse them for training costs. State apprenticeship agencies are called on to assist in the programs, and in turn are reimbursed for expenses incurred in developing and administering training programs. During 1969 and 1970, firms located in the ghetto areas will be offered on-the-job training contracts, and efforts will be made through the Concentrated Employment Program to place ghetto residents in the on-the-job training programs.

Federal employment security services. The Manpower Administration furnishes guidance and assistance to the States in developing, administering, and evaluating a manpower program which provides: (1) payment of relocation assistance allowances to workers who must move to new areas to find employment; (2) payment of training, travel, and subsistence training allowances to persons found to need such assistance during their training under the Manpower Development and Training Act; (3) giving basic educational and occupational training to unemployed and underemployed persons; (4) counseling and testing services to such persons before, during, and after their training, whenever needed; (5) specialized services to jobseekers who have especially difficult placement problems, such as youth, older workers, handicapped, minority groups, hardcore unemployed, and workers displaced by automation or technological change; (6) improvement in mobility of labor by providing guidance when workers must shift between geographical areas and across occupational lines; (7) surveys of characteristics of jobs to determine types of training programs needed; (8) placement services that will satisfy the need of both trainees and employers; (9) active participation in community affairs to stimulate and support expanded educational and job opportunities.

Executive direction. Office of the Administrator. This provides for the executive direction, supervision, and coordination of the manpower programs of the Department of Labor. *Financial and management services.* This furnishes the Manpower Administrator with administrative staff support. It provides budgetary, fiscal management, audit, administrative and management services, personnel, and contract services for all organizations of the Manpower Administration. *Manpower management data systems.* This designs, maintains, and operates all data systems for the work and training programs of the Manpower Administration, including (in partnership with the Office of Financial and Management Services) combined reports on finances and performance. It develops a central data bank for all Manpower Administration work-training programs, determines standards and procedures for and functional supervision of all Manpower Administration data reporting systems, and provides statistical and technical services to the Manpower Administration. *Reports to the public on manpower programs.* This office, working with the Office of Information, Publications, and Reports in the Office of the Secretary, prepares and disseminates all news of Manpower Administration activities. It fills requests for publications and provides other information concerning manpower programs. It also is the headquarters for a manpower community relations program.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
OFFICE OF MANPOWER ADMINISTRATOR			
Salaries and expenses (proposed for separate transmittal, existing legislation):			
Labor mobility demonstration program		2,000	
Placement assistance (bonding)		143	
Total obligations		2,143	

Labor mobility demonstration program. This provides for assistance to meet reloca-

tion expenses in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment) and are deemed qualified to perform the work for which they are being employed.

Placement assistance (bonding). This provides for payment to or contracts with employers or institutions to cover losses incurred by employees who have successfully completed or participated in federally assisted or financed training, counseling, work training, or work experience programs and have been found to be qualified for employment but may be denied employment for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Bureau of Apprenticeship and Training, salaries and expenses:			
Training promotion and service to industry	5,931	6,464	6,247
Administration and management services	343	382	382
Total program costs, funded	6,274	6,846	6,629
Change in selected resources	8		
Total obligations	6,282	6,846	6,629

Training promotion and service to industry. Industrial management and labor organizations are encouraged and aided to conduct apprenticeship, training, and retraining programs which will help individual workers attain and improve skill, competence, and adaptability. Apprenticeship and training programs are promoted by direct contact at national and local levels with employers and unions by use of informational media and by cooperation with State and community agencies. Such programs provide, on a nondiscriminatory basis, employee development opportunities for new labor market entrants and workers who need greater skills. Technical assistance is provided to employers directly or through labor management committees. Apprentices and journeymen participate. Skill requirements and training needs within particular industries are identified. Information is provided on training methods, apprenticeship labor standards, and basic principles applicable to training in the apprenticeable and nonapprenticeable occupations. Training programs are evaluated and pamphlets, articles, and reprints are published annually to call attention to skill needs, to indicate trends, and to describe superior apprenticeship and training programs.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
BUREAU OF EMPLOYMENT SECURITY			
Trust fund limitation: U.S. Employment Service	10,397	11,987	11,887

United States Employment Service. This assists and guides State agencies in the management of their employment service in order to provide an effective and efficient manpower service for all workers and employers by: (1) furnishing all activities related to identifying and reaching out to disadvantaged individuals not readily employable and providing the kinds of assistance necessary for them to become productive members of the work force and of our society; (2) giving specialized counseling and providing job development, and placements services to youth, older workers, handicapped, minority groups, and workers displaced by automation and technological change; (3) offering counseling and placement services to veterans and stimulating employers to hire veterans; (4) counseling and testing services to assist both ready-to-work jobseekers and employers in meeting their employment needs; and (5) improving mobility of labor by guiding necessary shifts of workers between geographical areas and across occupational and industrial lines. The Employment Service also provides occupational information and support services such as: the development of various forms of foreign language and culturally unbiased occupational tests, labor area information analyses, estimates of area employment and the occupational characteristics of job opportunities, occupational analyses for employers and unions, and stimulation and support for community action to develop expanded job opportunities and to stabilize employment. Special assistance is furnished to the Nation's agricultural workers and employers by: implementing special recruitment and farm placement programs to help unemployed and underemployed farmworkers achieve maximum employment and to meet agriculture's needs for year-round and seasonal workers, providing greater job continuity by maintaining and expanding interstate migratory routes, providing assistance to local migratory committees for the extension of community services to migratory farmworkers and their families, and investigating farm and nonfarm employment offered aliens seeking permanent entry into the United States under the Immigration and Nationality Act.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Advances and reimbursements:			
Job Corps: Office of Economic Opportunity	7,585	7,946	7,976
Work experience and training program: Title V—Economic Opportunity Act	2,235	540	
Limitation on grants to States for Employment Service administration: Employment Service	283,607	305,993	316,341

Employment service. The Federal-State employment service system is a nationwide network of local employment offices financed by Federal grants and administered by the State employment security agencies. The local offices provide a community manpower service for the areas served by developing the employability of disadvantaged persons; obtaining jobs for those who are job-ready; providing workers for employers having jobs to offer; developing or carrying out programs designed to resolve the employment, unemployment, and manpower utilization problems of an area; and providing special services to employers, individuals, and community agencies or groups requiring or seeking them. These functions are supplemented by counseling and testing services to assist applicants to obtain suitable jobs or to upgrade their skills through further training; by assisting employers in analyzing their skill requirements by solving problems of recruitment and turnover; and through development of labor area information. Specialized services are offered the disadvantaged and others who are presently unsuited for available employment. These specialized services are grouped together under the Human Resources Development concept. Programs are carried on to aid communities in developing employment opportunities and to provide necessary employment services to workers and employers in areas where the establishment of full-time offices is not economically feasible. Statistical and survey operations are carried out to assist employers, local offices, and other government agencies in their considerations of manpower needs. The services outlined above are provided for both farm and nonfarm workers.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Wage and labor standards: Promoting employment of the handicapped	497	533	540

Promoting employment of the handicapped. The President's Committee on Employment of the Handicapped conducts a continuing program of public information and education to advance employment of the handicapped citizen and cooperates with all national groups interested in this field, including the Governors' Committees and local communities.

[In thousands of dollars]

	1968 actual	1969 estimate	1970 estimate
Total cost, all programs listed above	1,920,964	2,191,226	2,632,727

HONEY PROMOTION AND RESEARCH ACT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 5 minutes.

Mr. QUIE. Mr. Speaker, the honey producers of America have not enjoyed the expanded markets for their product which should have resulted from the burgeoning population in the United States. As a matter of fact, the per capita consumption of honey has been cut in half since the early 1940's. At that time, per capita consumption was close to 2 pounds per person, but this dropped to 1.1 pounds per person in 1967.

Facing this adverse market situation, many of the honey producers decided that a self-help promotion project is the best answer to their situation. Consequently, I am today introducing the Honey Promotion and Research Act of 1969. The bill is considerably revised over last year's proposal.

This act authorizes the establishment of a National Honey Promotion and Research Board to develop marketing research and promotion programs. It is obvious in this day of mass media and the very effective advertising techniques used to appeal to the millions of today's consumers that promotion is an essential component of marketing procedures. The failure of the honey industry to promote its excellent product has resulted in declined per capita consumption.

This board would be comprised of nine members. Six members would be selected from persons nominated by honey producers from regions established by the Secretary of Agriculture based on honey production statistics. Three handler members would be appointed at large.

The board members would serve 3-year terms, with the exception of six members originally appointed, three of whom would serve 1 year and three of whom serve 2 years.

Funds for marketing research and promotion would come from assessments placed on honey produced and sold through commercial handlers. Beekeeping hobbyists and small producers would be excluded from the assessment procedure. The assessment rate could be no more than 15 cents per 60-pound can or equivalent.

Under the terms of the bill, the Secretary of Agriculture would be required to hold hearings on a proposed order establishing the Board and its functions. Before the order could be enforced, a referendum among honey producers would be held. Approval of the order would be given if either two-thirds of the producers favored it or at least one-half of the producers voted for it and they produced two-thirds of the honey in the representative period. If the order proved ineffective or producers later decided to discontinue the program, an election could be called by the Secretary or upon request of 10 percent of the producers. The order would be terminated by majority vote if that majority produced at least 50 percent of the honey in the representative period.

The bill also permits individual producers who do not wish to participate to have the assessments made against their honey refunded.

The bill would prohibit proxy voting.

Mr. Speaker, I believe the bill represents an honest effort by honey producers to improve the market for honey and I applaud this self-help approach. I welcome support from the House, and hope that the bill will soon be reported favorably for consideration by this body.

To provide additional details, I submit a section-by-section analysis for printing in the RECORD:

HONEY PROMOTION AND RESEARCH ACT OF 1969: SECTION-BY-SECTION ANALYSIS

SEC. 1. Short Title, cites act as the Honey Promotion and Research Act of 1969.

SEC. 2. Findings and Declaration of Policy. Declares it in the public interest to establish an orderly procedure for financing, through assessments on honey marketed in the U.S., marketing research and promotion to strengthen the competitive position of honey.

SEC. 3. Authority to Issue an Order. Gives the Secretary of Agriculture authority to issue orders pertaining to the collection of assessments and use of such assessments.

SEC. 4. Notice and Hearing. Directs the Secretary of Agriculture to hold a hearing on a proposed order when it appears it would effectuate the policy of the Act.

SEC. 5. Finding and Issuance of an Order. Directs the Secretary to issue the order, after hearings, if it will effectuate the policy of the Act.

SEC. 6. Regulations. Authorizes the Secretary to make regulations to carry out the Act.

SEC. 7. Required Terms. Defines the composition, selection, powers and duties of the National Honey Promotion and Research Board. The Board is given authority to administer the order, to make rules and regulations effectuating the order, to investigate complaints, and to recommend amendments of the order to the Secretary. The Board will be composed of nine members: six producers and three handlers. The producers shall be named from nominees selected by producers from six districts, determined by the Secretary on the basis of 1966 honey production. Handler representatives shall be at large. The terms of office shall be three years, except that initial membership shall be staggered to allow one third of the Board's membership to change each year. The Board will prepare a budget to cover marketing research, development, advertising, and promotion and present it to the Secretary. The Board will fix the assessment rate not exceeding 15¢ per sixty pound can of honey produced. Prohibits use of funds for influencing governmental policy. The Board will develop advertising or research and development plans for presentation to the Secretary. Authorizes refund of assessments upon request of producer. Requires the Board to keep records and submit report to the Secretary. Authorizes the Secretary to maintain suits for collection of unpaid assessments.

SEC. 8. Permissive Terms and Provisions. Authorizes issuance of an order containing following terms: exemption from assessment on exported honey. Reducing assessment in states where state-run programs duplicate efforts of National Board. Promoting honey on a nationwide basis or in surplus-producing area without reference to specific brand names. Providing for marketing research and development, processing, distribution, or utilization of honey projects.

SEC. 9. Assessments. Directs honey handlers to pay assessments to the Board. The handlers are authorized to collect the assessments from the producers.

SEC. 10. Petition and Review. Authorizes individuals to petition the Secretary for changes in any order. Authorizes Secretary to rule on petition. Gives district courts jurisdiction to review such ruling.

SEC. 11. Enforcement. Gives the district courts jurisdiction to enforce any order or regulation under this Act. Violation of any order subject to fine between $100 and $1,000 upon conviction.

SEC. 12. Investigation and Power to Subpoena. Authorizes Secretary to investigate possible violations of law, to issue subpoenas and compel attendance of witnesses, to invoke aid of courts to carry out this authority.

SEC. 13. Amendments. Applies provisions of this Act on orders to amendments to orders.

SEC. 14. Requirement of Referendum. Requires Secretary to hold a referendum on order among honey producers. Order would become effective only if ⅔rds of producers voting favored it or if a majority of the voters favored it and produced not less than ⅔rds of the honey in the representative period. Proxy voting would be prohibited.

SEC. 15. Suspension and Termination. Authorizes Secretary to terminate or suspend operation of an order or portion thereof which does not effectuate policy of the Act. Authorizes a referendum on request of the Board or 10% of the producers to determine if the order should be terminated. Order would be terminated by majority vote in such referendum if they produced more than 50% of the honey in the representative period.

SEC. 16. Delegation. Authorizes delegation of Secretary's authority to any officer of the Department of Agriculture.

SEC. 17. Definitions. Several definitions, the following two of which are verbatim: "Handler" means any person (except a common or contract carrier of honey owned by other persons) who handles honey, either of his own production or that of another producer or of foreign production, in a manner specified in the order or in rules and regulations issued thereunder.

"Producer" means any person within the marketing area engaged in a proprietary capacity in the production of honey for delivery to a handler or for sale by that person as a handler but excludes beekeeping hobbyists, persons who make only occasional deliveries to handlers, and such other persons as may be excluded by the order or any rules and regulations issued thereunder.

SEC. 18. Modification. Authorizes Secretary to change definitions upon basis of hearing evidence, recommendation of the Board or other information, whenever change would effectuate the Act.

SEC. 19. Separability. Retains validity of remainder of Act if any provision is held invalid.

SEC. 20. Authorization. Provides authority for appropriations.

INVESTMENT TAX CREDIT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, this week's issue of Newsweek magazine, March 31, 1969, contains an article by the distinguished economist Paul Samuelson in which he recommends suspension of the 7-percent investment tax credit.

I have been joined by 31 of my colleagues (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) in sponsoring H.R. 5250 and identical bills, designed to raise $9 billion annually in additional revenue by closing off 13 tax loopholes. One of the loopholes H.R. 5250 would close is the 7-percent investment tax credit Paul Samuelson discusses.

I commend this column to my colleagues and include it at this point in the RECORD:

INVESTMENT TAX CREDIT

(By Paul A. Samuelson)

Inflation watchers were rocked last week by news from the SEC and Commerce Department that businessmen intend to increase their plant and equipment investments by almost 14 per cent.

The new outlook for excessive investment spending should, in my opinion, cause President Nixon to suspend the 7 per cent investment credit temporarily. Here's why:

1. The economy is still on an inflationary binge. To bring the rate of price increase down from 4 per cent toward a more moderate figure of, say, 3 per cent, some actions are going to be needed. Every weapon counts.

2. Already the Federal Reserve is being called upon to take Draconian measures to fight inflation. This will mean not only painfully higher interest rates; it will also bring in most of the discomforts associated with the money crunch of 1966—uneven rationing of credit between new and old business, growing and stagnant business, small and large business.

3. Experience demonstrates that tight money takes for its principal casually the housing industry. When there is a scramble for more resources than the total resouces available, it is right that housing should share in the restraint. But it is not, in my judgment, good national policy to have housing starts cut by 40 to 50 per cent as happened in 1966. In the 1970s, with their bumper crop of young marrieds, we shall pay in higher rents and zooming residential costs for any serious diminution of home construction in the waning years of the Vietnam war.

4. Admittedly, inflation could be fought by adding onto the present surcharge another 5 or 10 per cent tax. But I see no evidence that this would be politically popular or feasible. Nor is it clear that consumer spending is the prime villain in the present inflationary scenario.

5. Admittedly, inflation could be fought by still further tightening of the Federal Reserve money screw. And the impact of such tightness on the housing industry could be alleviated by special financial subsidies to home construction through the Federal housing agencies, through the U.S. Treasury, or through the Federal Reserve. Since all such measures will add to the nominal public debt, I don't expect that anything but tokenism would, in fact, be politically feasible in this area.

Even if it were possible to cushion the impact of tight money on residential housing, to get the same restriction of aggregate demand from enforced reductions on plant and equipment spending would, I suspect, require very high interest rates. These will cause difficulties for our partners abroad. And they may hang on to plague us in the years to come when the winds may be blowing up deflation rather than inflation.

6. In September of 1966, to alleviate the money crunch and moderate what looked like an excessive fixed investment boom, the Johnson Administration did suspend the 7 per cent investment tax credit. Almost at once relief was felt in the money markets of the country. On the whole (despite the protests of the Treasury, which naturally found it a headache), the operation seems to have been a successful one in accomplishing its purpose—namely, ensuring against an overexuberant fixed investment boom.

So historical experience, as well as the common-sense view that firms will invest less when their returns from doing so are reduced, justifies suspending the tax credit.

What are the possible arguments against suspension of the tax credit?

1. The Nixon Administration might be regarded as a pro-business Administration. Why should it take from business this accustomed source of profit?

2. Perhaps the inflationary danger is being exaggerated. Perhaps it will involve overkill if suspension of the investment tax credit reduces investment severely.

3. Vigorous growth requires as much capital formation as we can get. Adjusting to inflation by reducing investment will reduce our future capacity to produce an enlarged total of real national product.

4. It is a bad thing to use variations in the investment tax credit as a deliberate weapon of stabilization. Why? Because it is plain immoral. Because it involves discretion by government, which is wicked. Because it disturbs business planning.

5. Suspension creates administrative problems for the Treasury.

In economics, every decision involves pros and cons. Judgment is necessary. My advice to Mr. Nixon: suspend the investment tax credit.

RURAL-URBAN IMBALANCE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois (Mr. SHIPLEY) is recognized for 10 minutes.

Mr. SHIPLEY. Mr. Speaker, some of our Nation's most pressing problems have their roots in the recent massive migration of rural people into our already overcrowded cities. The result is frequently referred to as "rural-urban imbalance," and while to some it may not seem as important as the "urban crisis" nor as immediate as "crime in the streets," it is a significant contributing factor to many of our domestic problems.

Much has been written and said about the problems of rural America, and a number of programs have been suggested and legislation proposed to solve these problems. But while there has been progress in some areas, the overall situation remains unchanged.

Why has there been so little progress? Is there general understanding of the problems of rural America? What kind of programs will do the job that needs to be done?

The National Rural Electric Co-op Association, which is the service organization of the Nation's nearly 1,000 rural electric cooperatives, sought the answers to these complex questions in a survey conducted for NRECA by an independent research organization. The survey covered a representative sample of the adult American public, with interviews conducted in major central cities, suburban areas, small towns, and rural areas. The results shed considerable light on the questions I have just raised.

For instance, the survey finds that on the whole, Americans feel there are few if any problems within rural America. In fact, the survey states that the American public—

> Looks upon rural America in very favorable terms, assigning to rural life and rural people most of the classic virtues, and few, if any, faults. These feelings extend directly to the mistaken impression that rural America faces few problems.

According to the survey findings, American citizenry believes that people who live in rural areas are much friendlier, healthier, and more honest and hard working than city dwellers. It is interesting to note that most people believe poverty and poor housing to be more prevalent in the big city than in rural areas, and that rural educational facilities are better than urban ones.

The survey report states:

> The average American does not believe rural problems to be as important as others that face the nation. He ranks them lowest in priority among seven major issues and tends to set the problems of the cities at a significantly higher level. Residents in the rural areas themselves tend to view rural problems as secondary in the national context and consider them only slightly more critical than those of the cities.

In probing for publicly acceptable solutions for rural-urban imbalance and for the problems confronting both rural and urban areas, the survey found that the average citizen believes, first, in the concept of self-help. Only slightly below this in acceptability are solutions that, although sponsored by either government or industry, involve the citizenry and become self-help projects.

The solution to rural-urban imbalance and its attendant problems is twofold. First of all, since the general public does not understand the relationship between rural and urban problems, we must exert every effort to tell that story in vivid and meaningful terms. Second, in developing programs to solve the problems of rural America, we must begin with the idea that people would rather help themselves than be the recipients of outside help. We must concentrate on helping to build a rural leadership capable of developing an economically sound and productive rural America—the kind of rural America which many city dwellers already think exists outside the city limits.

Most rural areas lack the readymade organizations of urban areas through which developmental work can be carried out. However, many of them have rural electric cooperatives, which are self-help organizations capable of providing the kind of leadership required for self-help rural development programs. Since its beginning in the depression-ridden 1930's, the rural electric program has been one of the most successful self-help programs ever undertaken in this Nation. During its 34 years, this Federal and local self-help partnership has brought not only lights and power to the farm, but economic and social benefits to all of rural America.

The NRECA survey points out that while the average American does not know very much about rural electric cooperatives, he does have sympathy for the concept and for the rural electric program.

The survey report observes:

> There is a general feeling that the rural electric cooperatives have been quite successful in electrifying rural areas and apparently consumers believe that there is little reason to change a successful formula.

Specifically, the average American believes that the Government-cooperative relationship is a good one. Seventy-six percent of those polled indicated that the Federal Government should continue loan money at a 2-percent interest rate to the rural electric systems. Seventy-three percent felt that the rural electric systems should continue, and only 13 percent believed they should be eventually taken over by the private power companies.

I would say from this that the rural electric cooperatives enjoy a high degree of national popularity as well as local trust.

In conclusion, I want to reemphasize that we must look to rural America as a means of alleviating some of our urban ills. We must establish a national awareness of the fact that while rural America has the potential of being the ideal place to live and work, which most people think it to be, the present situation there is far from ideal. We must carefully plan and implement self-help rural community development programs through which rural people can help themselves to achieve a better and more abundant life. Once the quality of life and the opportunities offered by rural America have been upgraded, we can look to a reversal of the current outmigration from rural areas.

I congratulate NRECA for sponsoring this enlightening survey on the Nation's view of rural America and rural electrification, and I salute the members, directors, and employees of our rural elec-

tric cooperatives for their continuing effort to improve rural America for the benefit of all Americans.

BROADER ACCESS TO HIGHER EDUCATION ACT OF 1969

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, it is time America faced up to the realization that its future well-being depends upon making available to all its citizens a full range of educational opportunity. Many today in our country are unable to help themselves because financial requirements close doors of educational opportunity to them. Tuition costs are appallingly high and constantly increasing. Steadily it becomes obvious that the wealthy and middle-class child gets the best educational opportunity. As the poor are left further behind, they remain uneducated and untrained, taking from society all their lives, in the form of unemployment and welfare payments, which give them a subsistence level of existence.

Today I am introducing a measure aimed at providing a chance for higher education to poorer youngsters in our society. I do this on the premise that a chance for such education in our kind of society is not a privilege, but a right.

My bill amends the educational opportunity grants program of title IV of the Higher Education Act of 1965 by expanding its grant provisions in section 402. It doubles the amount of grant money available to the student from $1,000 to $2,000 yearly, removing the stipulation from the present program that the student may receive only half the amount as a grant and the remainder as a repayable loan. Under my measure the student may receive the full amount as a grant.

Many of these youngsters avoid the challenge of college because of fear of being unable to repay the loan. We must realize that coming from underprivileged backgrounds, they have little formal understanding of the college world. A little generosity on our part would pay large dividends to our country. This would be provided for under this bill.

The bill is designed to cover tuition, student fees, and book costs up to $2,000 a year. It also cuts in half the minimum amount which may be granted from $200 to $100 a year.

It is an attempt to institutionalize the American principle of equality of opportunity for all. In these times, it is particularly apropo that we extend a tangible sign of our desire to help these young people help themselves.

ANOTHER TECHNICAL MILITARY DISASTER, THE ARMY'S MBT–70 "DREAM TANK"

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, in recent weeks I have seen fit to call into question the ABM, TFX–F–111 and other wasteful extravagances which now pass under the humorous title of new military defense systems. This has brought forth indignation and patriotic protestations from some quarters. It is precisely my love of country and capacity for indignation that requires me to call into question another massive military expenditure which has expended so much and produced so little. I have reference to the Army's proposed new main battle tank—the MBT–70 "Dream Tank."

We are now informed by press reports and congressional hearings that the Government has spent between $1 and $2 billion over the past 8 years on this project without passing beyond the prototype stage. These are figures emanating from the General Accounting Office, which has been monitoring the project. The Comptroller General gives us a $1.3 billion figure.

Mr. STRATTON, of New York, has rendered a public service to the Nation by deriding the Army's desperate attempts to hide its ineptness through calling for closed hearings and refusing to testify in public.

The armored vehicle in question was supposed to maintain a high speed while being able to fire its main armament on the move. Conditioned against fallout, it was to be able to fire missiles and conventional shells with disposable casings through the same tube. Unit cost, exclusive of research and development, was to be between $500,000 and $1 million. In tandem with West Germany, we would develop this sophisticated answer to Russian tank strength.

Obviously, German and American standards did not mesh. A powerful enough engine has defied efforts at development. The Germans dropped out, seeing how futile it was to continue. We are left holding the bag, which the Army refuses to drop. In fact, even if we had this tank in being, ready for combat, it would be questionable if it could perform effectively against what the Russians already possess in Europe on a combat-ready basis.

Presently we possess about a dozen pilot models of the MBT–70. Doubts are strong as to whether it will ever be brought to fruition as a weapons system. Now we are told that disposable ammunition casings are not disposable, and that, despite all these difficulties, the Army has continued procurement of this system.

Right now the Army is still building Sheridan training simulators that do not work. Each would cost $500 to be made workable. So far, $1 million would have to be spent on modifications, but they are still rolling off the assembly line.

The Army itself admitted to Congressman STRATTON that it put the tank into production knowing it had basic flaws, a violation of its own regulations on the subject.

So we see the Army throwing away hundreds of millions on a weapons system it knows is faulty in order to prevent loss of appropriations. This is why our cities are collapsing before our eyes and the taxpayer groans under a staggering weight.

What excuses shall we be given this time? Or shall we be called unpatriotic because we dare ask what in Heaven's name the Pentagon and America's defense industry are doing with these awesome sums of money.

I passionately believe in an adequate defense for our Nation. Yet if a mortal challenge is ever delivered, I doubt if our defense would be able to meet it. I do not begrudge profits to any contractor—even massive profit. But for the sake of all that is holy, can we not obtain weapons systems from these corporations that will function? They seem to be incapable of performance, yet the Soviets seem to quickly produce first-rate weapons in many fields.

It is becoming damningly obvious that a few major defense contractors are increasingly milking America for skyrocketing sums on the excuse that they can and will produce effective military hardware in reasonable spans of time. Never was so much taken from so many by so few, and so little given in return. Meanwhile, our social problems grow from sores to cancers, while this mad dance of death mounts to a wild crescendo of spending, profiteering, excuses, and closed hearings.

Mr. Speaker, this is not to be suffered any longer in silence. The American public not only has a right to be defended, it has a right to know what is being done with its money. People pay taxes in return for security and protection. That is the first duty of government. America's citizenry also possesses the right to demand prosecution and punishment of those who take vast sums and return us nothing. If the small thief is sent off to reform school or prison, what is to be done in the case of the major malfeasor?

THE SUPREME COURT DECISIONS SHOW DISREGARD FOR PUBLIC INTEREST

(Mr. HUNT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUNT. Mr. Speaker, that Supreme Court decisions are hampering law enforcement and the administration of criminal justice is hardly a debatable issue any longer. The more pertinent question these days is how far the Court will go to protect individual rights, convicted criminals no less, as against the collective rights of society and, to be sure, the ultimate right of any society, that of its own self-preservation.

One of the basic responsibilities of government is to protect the lives and property of those for whom its existence depends. Laws are enacted as binding rules of social conduct to insure the adequacy of this protection. But no law will secure to every person the unalienable rights to "life, liberty, and the pursuit of happiness" at the hands of the elite tribunal of nine men, the majority of whom appear to be bent on achieving the utopian way of life wherein laws would not be necessary.

No one denies or doubts that a criminal, too, has rights protected by the Constitution, but it is high time the Supreme Court deals in realities, viewing muck and mire of crime in the streets and realizing that the victim of crime also has rights, significantly, his

unalienable rights. No law can revive the life of a victim or erase the agonizing experience of a vicious assault against his life or property. But laws can bring to justice those who defiantly violate the laws of society, providing the courts identify the realities rather than becoming preoccupied with the abstractions of impractical idealism. There can be no more convincing evidence than the phenomenal increase in the incidence of crime which strikes at the very existence of our society.

Decisions of the Court will undoubtedly stand so long as the public and the representatives of the people have respect for its logic and reasoning. I find cause to believe, however, that such respect is diminishing, and inevitably, the Court must concede to a persistent public will lest it risk the dilution of its powers. One can only hope that day is near.

A very pertinent editorial appeared in the March 21, 1969, Wall Street Journal in which are reiterated the remarks of Chief Justice Weintraub of the New Jersey Supreme Court concerning two significant anomalies of recent Supreme Court procedural decisions. The first is the impractically ideal and abstract reasoning of the Court:

If the judiciary exerts its undoubted power to create new Constitutional doctrines, it must first learn what authority the other departments (executive and legislative) must have. The need must be found, not in abstract contemplation, but in the tumult of the streets. Clichés and slogans will not do.

The second concerns the suppression of truth in the courtroom:

It is an unhappy fact that the capacity of the judicial process to deal with the demands of law enforcement is doubted by a substantial body of responsible men. The reasons are several. One is the lengthening line of decisions which suppress the truth or block access to it.

According to the editorial:

In the case before the New Jersey court . . . no one contested the truth of the evidence the defense sought to suppress. The argument was that since the evidence had been acquired in a manner the Supreme Court has since disapproved, it should not be admitted to the courtroom. Since the police had broken the rules, the criminal should go free.

The full text of the editorial follows:

[From the Wall Street Journal, Mar. 21, 1969]

A Regard for Truth

An impressive number of prominent jurists have joined the complaints about the recent string of Supreme Court decisions on criminal procedure, which have made life easier for defendants and tougher for police and prosecutors. Some especially penetrating comments were offered recently by Chief Justice Weintraub of the New Jersey Supreme Court.

Justice Weintraub's court got its back up about a Supreme Court case declaring that requiring gamblers to buy Federal gambling stamps infringes on the Fifth Amendment protection against self-incrimination. In a 6–0 decision, the New Jersey court refused to suppress evidence arising from the law the High Court had struck down. There are troublesome aspects to such acts of judicial defiance, but Justice Weintraub's opinion certainly put a finger on two of the biggest anomalies in the recent procedural decisions.

The first of these is the ivory-tower reasoning behind most of the Supreme Court decisions. Remarking that the first duty of all branches of government is to insure the peace, Justice Weintraub added, "If the judiciary exerts its undoubted power to create new Constitutional doctrines, it must first learn what authority the other departments must have. The need must be found, not in abstract contemplation, but in the tumult of the streets. Cliches and slogans will not do."

It's bad enough that the High Court's abstract decisions may have very concrete effects in hampering law enforcement. But the decisions' contact with reality is equally tenuous with regard to the need for the reforms they proclaim. The cases before the Court have seldom if ever concerned innocent people unjustly convicted; they have concerned criminals whose guilt was mortally certain. The Court has been changing the rules not to correct demonstrated injustice, but in pursuit of some other-worldly ideal.

The second and more central anomaly is that the changes in the rules have hampered rather than advanced the search for truth in the courtroom. As Justice Weintraub puts it, "It is an unhappy fact that the capacity of the judicial process to deal with the demands of law enforcement is doubted by a substantial body of responsible men. The reasons are several. One is the lengthening line of decisions which suppress the truth or block access to it."

In the case before the New Jersey court, for example, no one contested the truth of the evidence the defense sought to suppress. The argument was that since the evidence had been acquired in a manner the Supreme Court has since disapproved, it should not be admitted to the courtroom. Since the police had broken the rules, the criminal should go free.

This is of course a standard argument in U.S. appellate courts. Reversing the criminal's conviction, or sending the case back for a new trial with access to vital evidence barred, is how the courts discipline the police. Presumably this does control police behavior. But its unhappy side effect is that so often the highly rarified rules of the game, not the objective facts of guilt or innocence, determine the outcome in the courtroom.

Now, some critics of the Supreme Court's recent procedural decisions are talking about very sweeping remedies. One prominent judge has proposed a lengthy Constitutional Amendment detailing what protection from self incrimination does and does not encompass. If remedies of this scope are being discussed, a far more elegant and penetrating solution might be an Amendment guaranteeing that courts may consider whatever relevant evidence is available.

This suggestion, we recognize, will leave many lawyers aghast. But while it is foreign to their traditions, it remains highly commended by common sense. Freeing guilty criminals is scarcely the only way to discipline transgressing policemen; they can, for one alternative, be treated like other lawbreakers. A complete end to suppression of evidence might not prove a practical or even desirable reform, of course, but serious discussion of it would starkly illustrate the problems bothering Justice Weintraub and a good many others.

To wit, the new proliferation of abstract rules is making the criminal process an increasingly stylized and therefore increasingly empty ritual. Somehow or other, it needs to be infused with a sound regard for simple truth.

Another timely report on the suppression of evidence secured through electronic eavesdropping appeared in the Evening Star on March 24 under the byline of Lyle Denniston. Contrary to existing law, which deliberately took care to guard the rights of individuals to privacy to the maximum extent feasible, while still insuring the public interest, the Supreme Court ruled in effect "that the Government will have to turn over to defense lawyers and criminal suspects all logs of eavesdropping done—without a judge's permission—whether the snooping was done for security purposes or for any other reason." Despite a rare plea by the Justice Department to have the Court review its decision, considering that it would immeasurably impair prosecution in certain criminal cases, the Court refused in a brief six words. It takes no stretch of the imagination to feel this decision will further weigh the balance of justice in favor of the criminal, suspected or convicted.

As these developments, reported in the article, the full text following, and editorialized in the preceding editorial, are most relevant to our legislative responsibilities and prerogatives, I commend them to your close attention:

[From the Washington (D.C.) Evening Star, Mar. 24, 1969]

(By Lyle Denniston)

The Supreme Court today flatly rejected the Justice Department's plea for unrestricted permission to use secret listening devices in "foreign intelligence spying."

With no dissent and with no explanation, the justices refused to reconsider their controversial March 10 ruling that any electronic snooping that was done without a judge's permission, in any kind of case, is forbidden by the Constitution's Fourth Amendment.

Last Wednesday, Solicitor General Erwin N. Griswold urged an exemption from the amendment when government agents use wiretaps or hidden microphones to gather foreign intelligence.

Griswold had argued that eavesdropping for that sole purpose was necessary "in the interest of self-preservation" for the nation.

The effect of today's six-word order denying reconsideration is that the government will have to turn over to defense lawyers and criminal suspects all logs of eavesdropping done illegally, whether the snooping was done for security purposes or for any other reason.

The Justice Department will be left with the option of giving up its criminal cases in which illegal bugging has been done, rather than hand over its secret files of bugging transcripts.

The high court, in a separate ruling today, may have eased somewhat the impact of its March 10 decision on past federal cases.

By a vote of 5–3, the court said that a key 1967 decision broadening the Fourth Amendment coverage of electronic eavesdropping will not apply to any bugging done before Dec. 18, 1967—the date of the previous decision.

This action will mean that some government eavesdropping that would be considered illegal is not unlawful because pre-1967 decision approved of it.

Thus, a suspect and his defense lawyer seeking access to government eavesdropping transcripts will not be able, at least in some cases, to claim the monitoring was illegal. Unless they can make that claim, they have no right under the March 10 decision to look at government bugging transcripts.

RECONSIDERATION ASKED

Whatever gain the Justice Department may have made because the 1967 decision was not applied retroactively is not likely to make up for its disappointment at the court's refusal to reconsider its March 10 decision.

That ruling seriously upset key department officials and resulted in the rare request by the government for the court to take another look at the decision.

Department officials were particularly disturbed that disclosure of some tapes of illegal eavesdropping would betray government secrets about the location of foreign intelligence bugs, including bugs and wiretaps of foreign embassy telephones.

The government also was concerned that some persons under suspicion for purely domestic crimes would "stumble into" foreign intelligence bugs and be overheard.

Because the government would not be willing to reveal the tapes of that overhearing the suspect would have gained "immunity from prosecution for all crimes, present or future," Griswold contended.

He asked the justices to modify their decision so that the Fourth Amendment did not apply to any use of electronic devices that had been expressly approved by the U.S. attorney general for foreign intelligence operations.

By refusing to reconsider, the court declined to make such an exception—at least for the time being. At some point in the future, the justices could take up that issue.

In the meantime, however, the March 10 decision will stand without the constitutional immunity which the government had insisted was necessary.

Following up the March 10 ruling, the high court today ordered federal judges in Chattanooga, Tenn., and Chicago to look again at two federal criminal convictions of former Teamster Union president James R. Hoffa.

The Chattanooga conviction in 1964 of jury-tampering sent Hoffa to federal prison for an eight-year term. The Chicago conviction, also in 1964, could increase his prison stay five more years.

Demonstrating further that the new decision could have a widespread impact on federal cases, the justices also returned nearly two dozen other cases to be re-examined under the March 10 decision.

Among these others was the draft-evasion conviction of former boxing champion Cassious Clay. The Justice Department has admitted that one of the five instances in which it electronically eavesdropped on Clay's conversations came when he "stumbled into" a foreign intelligence probe.

Clay is free on bail pending outcome of his appeal.

The court action in the Hoffa cases gave his lawyers at least a temporary victory. For two years, they have been attempting to get reconsideration of the jury-tampering conviction on the grounds that federal agents used illegal eavesdropping. Before today, the high court had turned aside such pleas three times.

Two years ago, the justices did require the lower court to re-examine the Chicago fraud case, because of a government admission of eavesdropping but the scope of that review was limited, since it came before the new decision widening defense lawyers' access to government bugging transcripts.

Federal judges re-examining criminal cases under the March 10 decision must go through two steps:

First, they must decide if the eavesdropping was done illegally—that is, without advance permission from a court to invade a private conversation.

Second, if the eavesdropping was illegal, the defense lawyers and their clients are to be shown all transcripts of conversations involving the defendant himself or conversations that took place on his "premises" but involving other persons.

The Supreme Court's decision today on the issue of retroactive use of the 1967 decision will figure in the first of these two steps.

Under the 1967 ruling, the justices said for the first time that it was illegal to use hidden devices to listen in on private conversation, no matter where the conversation took place, if the monitoring had not been approved in advance by a judge.

Prior to that ruling, eavesdropping was illegal only if the hidden device had intruded physically into a private place. The 1967 decision said that privacy did not belong to physical locations, but to persons.

NEW PROTECTION

This decision gave new constitutional protection to private conversations even in such places as public telephone booths.

But the court said today that it would not apply that protection to eavesdropping prior to Dec. 18, 1967. Therefore, any bugging done before that day that did not physically intrude into a private place is not considered illegal, even if it was done without the judge's approval.

The court expressly refused to apply the 1967 ruling to a criminal case in which a microphone had been placed in a hotel but did not actually penetrate the room in which the overheard conversation took place. The case involved a group of five people convicted of taking part in a $100 million heroin deal.

In a second case, the court refused to apply the 1967 decision to a New York bar owner who was overheard on a police wiretap of a public telephone. Evidence gathered by the wiretap helped police convict the man of an extortion conspiracy.

OVERSEAS MILITARY CREDIT UNIONS STILL BEST METHOD OF FIGHTING LOAN SHARKS

(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, from time to time I have placed in the RECORD the reports of the progress being made by U.S. military credit unions operating in Germany.

These credit unions were brought about because of investigations conducted by the Domestic Finance Subcommittee which revealed that servicemen stationed overseas were paying interest rates as high as 60 and 70 percent to obtain loans.

A majority of the credit unions in Germany were opened about 15 months ago. Last November, a credit union was opened at Lakenheath Air Base in England and in December, a credit union was opened at Clark Air Force Base in the Philippines.

On the first of April, a military credit union will open in Seoul, Korea. Arrangements have also been made to provide a specialized type of credit union service in Rota, Spain, and in the near future, credit union facilities will be operating in Naples and Aviano, Italy.

At the end of February, the eight overseas credit unions had signed up more than 43,000 members, had received share deposits in the amount of nearly $5 million and made loans amounting to nearly $26 million. The reason the loans are higher than the shares is that the credit unions are suboffices of existing U.S. credit unions and the excess funds of the stateside credit unions are being put to use by the overseas facilities.

It should be noted that the credit unions, in addition to saving servicemen from $200 to $500 on the financing costs of a new automobile, are also helping to fight our balance-of-payments problem since the servicemen borrow money that is returned to the United States as it is repaid rather than borrowing from a foreign finance company. This availability of credit also encourages servicemen to purchase large ticket items at the military exchange facilities rather than buying such items on the economy. Formerly, these items had to be purchased on the economy if they were to be financed.

The following is a letter from Brig. Gen. Evert S. Thomas, Jr., retired, executive secretary of the Defense Credit Union Council reporting the activities of the eight credit unions now in operation. It should be noted that a vast majority of the loans are made to enlisted men, particularly those at the bottom of the pay scale. These were the servicemen who were formerly the No. 1 victims of the loan sharks. Before any serviceman receives a loan from one of the credit unions, he is fully counseled about the wise use of credit and the loan is tailored to his income.

Although it is still too early to obtain any extremely accurate loss experience on these loans, preliminary indications show that writeoffs are extremely low and in many cases are far below the average of all credit unions.

DEFENSE CREDIT UNION COUNCIL,
Washington, D.C., March 24, 1969.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The following progress report concerning the operations of credit union suboffices in Germany, England, and the Philippine Islands is submitted for your information.

Andrews Federal Credit Union began operations at Wiesbaden on 11 March 1968. It has since opened a sub-office at Frankfurt. As of 28 February these sub-offices had acquired 8,897 members, made loans in the amount of $8,051,132.62, and had received share deposits in the total amount of $2,599,886.91. During the month of February, 761 loans were made to military personnel. These loans were distributed by pay grades as follows:

	No. of loans
E-2	4
E-3	70
E-4	175
E-5	198
E-6	136
E-7	47
E-8	10
E-9	5
W-1	2
W-2	7
O-1	19
O-2	31
O-3	34
O-4	12
O-5	11

Fort Belvoir Federal Credit Union began operations at Wurzburg on 1 February 1968. As of 28 February this sub-office had 2,614 members, made loans in the amount of $1,561,878.27, and received share deposits in the total amount of $135,303.71. During the month of February, 284 loans were made to military personnel. These loans were distributed by pay grades as follows:

	No. of loans
E-1	3
E-2	9
E-3	43
E-4	76
E-5	82
E-6	41
E-7	17
E-8	2
W-O	3
O-1	1
O-2	7

Pease AFB Federal Credit Union began operations at Ramstein on 15 January 1968. It has since opened a sub-office at Baumholder. As of 28 February these sub-offices had acquired 11,691 members, made loans in the total amount of $5,725,728.59, and received share deposits in the amount of $561,331.68. During the month of February these sub-offices made 694 loans to military personnel. These loans were distributed by pay grade as follows:

	No. of loans
E-2	12
E-3	95
E-4	214
E-5	178
E-6	115
E-7	28
E-8	10
E-9	4
O-1	7
O-2	13
O-3	13
O-4	2
O-5	3

Lackland AFB Federal Credit Union began operations in Berlin on 26 December 1967. As of 28 February this sub-office had acquired 2,021 members, made loans in the total amount of $1,606,672.46, and received share deposits in the amount of $326,114.61. During the month of February this sub-office made 113 loans to military personnel distributed by pay grades as follows:

	No. of loans
E-3	10
E-4	31
E-5	32
E-6	23
E-7	4
E-8	1
W-0	1
O-1	5
O-2	2
O-3	3
O-4	1

Redstone Federal Credit Union began operations in the Mannheim-Stuttgart area on 15 February 1968. As of 28 February this sub-office had acquired 8,655 members, made loans in the total amount of $5,528,826.67, and received share deposits in the amount of $371,827.11. During the month of February this sub-office made 1,107 loans to military personnel and these loans were distributed by pay grades as follows:

	No. of loans
E-1	1
E-2	9
E-3	64
E-4	268
E-5	341
E-6	240
E-7	63
E-8	11
E-9	5
W-1	3
W-2	11
W-3	3
O-1	15
O-2	33
O-3	28
O-4	5
O-5	6
O-6	1

Finance Center Federal Credit Union began operations at Furth on 15 February 1968. As of 28 February this sub-office had acquired 4,191 members, made loans in the amount of $1,552,635.02, and had received share deposits in the amount of $417,058.65. During the month of February this sub-office made 256 loans to military personnel and these loans were distributed by pay grade as follows:

	No. of loans
E-2	2
E-3	23
E-4	69
E-5	69
E-6	53
E-7	13
WO-1	1
WO-2	3
O-1	8
O-2	8
O-3	7

Keesler AFB Federal Credit Union began operations at Lakenheath, England on 15 November 1968. As of 28 February this credit union had acquired 1,616 members, made loans in the amount of $627,933.44, and received share deposits in the amount of $167,114.73. During the month of February this sub-office made 230 loans to military personnel and these loans were distributed by pay grade as follows:

	No. of loans
E-2	2
E-3	29
E-4	94
E-5	57
E-6	21
E-7	7
E-8	1
E-9	1
O-1	3
O-2	2
O-3	10
O-5	2
O-6	1

Barksdale AFB Federal Credit Union began operations at Clark Air Base in the Philippine Islands on 20 December 1968. As of 28 February this credit union had acquired 3,490 members, made loans in the amount of $1,333,012.62, and received share deposits in the amount of $407,663.74. During the month of February this sub-office made 1,340 loans to military personnel and these loans were distributed by pay grade as follows:

	No. of loans
E-2	196
E-3	193
E-4	387
E-5	350
E-6	111
E-7	78
E-8	14
E-9	3
O-1	3
O-2	12
O-3	24
O-4	5
O-5	3
O-6	1

As of 28 February the sub-offices had signed up 43,175 members, received share deposits in the amount of $4,986,301.14, and made loans in the amount of $25,987,819.69.

Respectfully,

EVERT S. THOMAS, Jr.,
Brigadier General, U.S.A. (retired),
Executive Secretary.

THE EXPERTS DISCOVER THAT THE FEDERAL RESERVE IS NOT INFALLIBLE

(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, the Nation is slowly coming to realize that our Federal Reserve System is an unworkable hodge podge of creaking machinery that is doing tremendous damage to the entire economy.

We now have major commentators from all shades of political opinion facing the fact that the Federal Reserve and its illustrious chairman, William McChesney Martin, are not infallible.

It has taken many crises and near economic disasters to bring this realization home. It is coming none too early. The American public has long recognized the evils and the misguided policies of this ancient institution, but these facts have only recently filtered up to the leaders and the news columnists.

Mr. Speaker, there is unquestionably great disagreement about what kind of changes should be made at the Federal Reserve, but there seems to be a growing unanimity of opinion that there must be change. Fewer and fewer economists and writers are willing to suggest any longer that the Federal Reserve and William McChesney Martin have all the answers. The fallacy of allowing a monetary system to operate on its own without coordination with general economic policies is sinking home in high places. I hope that we do not have to face a general economic collapse before this administration and the Congress do something about the Federal Reserve System.

While I do not agree with all of the statements, I do urge my colleagues to read the Evans and Novak column in today's Washington Post, March 27. The Evans and Novak column outlines some of the recent criticisms which are being voiced about the collapse of our monetary policymaking.

Mr. Speaker, I place a copy of this column in the RECORD:

OVERZEALOUS FIGHT ON INFLATION BY FED FEARED

(By Rowland Evans and Robert Novak)

Even though the fires of inflation still roar with no sign they will diminish, economic policymakers in the Nixon Administration are afraid that the Federal Reserve Board will go too far in battling inflation and do grave damage to the economy.

Specifically, they fear that the brakes put on the money supply by the Fed—the Nation's central bank—might late this year trigger a business decline and rising unemployment that President Nixon feels would doom his Administration.

Nobody in the Administration is even faintly considering anything so disruptive as an open bid to bring the Federal Reserve Board under control of the White House and Treasury. Rather, they are just hoping for better coordination of future Fed moves with Administration economic policy.

The irony is that the harsh words are coming from a Republican Administration. Economic officials in the Democratic Administrations of the past eight years were circumspect in dealing with the Fed and its much respected chairman, William McChesney Martin—sacred cows of the financial establishment. The Nixon officials, supposedly the friends of the Fed, are less wary of sniping at the Fed (at least in private).

Such sniping has been growing outside Government, particularly in commercial banking circles, on grounds that the Fed has zigged when it should have zagged in recent years. A favorite target is the Fed's supertight money policy of 1966, which produced a credit crunch of nearly calamitous proportions.

Furthermore, some Administration officials feel Chairman Martin overstepped himself into politics by loudly championing President Johnson's 10 per cent surtax and then made an economic blooper by depending unduly on that tax increase to curb inflation. According to this analysis, Martin was so confident that the surtax would apply the economic brakes that the Fed let the money supply grow too rapidly last fall—inadvertently feeding inflation.

Other Nixon officials, particularly at the Treasury, share the Johnson Administration's high confidence in Martin personally and work with him harmoniously. But confidence in the other six members of the Reserve Board is considerably lower in official Washington today than it was before Jan. 20. Some Nixon policymakers view the Fed as a Tower of Babel, its members spreading a bewildering variety of political gospel about the Nation in innumerable speeches.

Thus, in February, top Administration officials read with great interest an issue of the high-priced economic report written by consultant Carter H. Golembe, a former official of the American Bankers Association, severely criticizing the operations and policies of the Federal Reserve Board.

Even if these officials did not fully concur in the scope of Golembe's criticism, they agreed with the general tenor of the memorandum that the central banking system devised in Woodrow Wilson's day is overdue for revamping. For example, one Nixon policymaker passed the Golembe report to another with this memo attached to it: "Extreme, but interesting."

Since the Golembe report, official concern about the Fed has risen. Nixon officials were basically in sympathy with a recent lead editorial of the New York Times suggesting that the Fed's crackdown on any growth in the money supply since last December has lasted too long and should now be replaced by reinforcing money reserves of the Nation's commercial banks.

The problem of the Nixon men is manifest. Attempting to kill the inflationary psychology and promote anti-inflation by every word and deed, they can scarcely take the Fed to task—in public—for adjusting the money screws too tight.

In fact, however, the Nixon economists believe that neither higher taxes nor a tight money policy can stop inflation. Only greatly reduced Federal spending is the answer, and that may prove impossible, while the Vietnam war still rages. The worry on Pennsylvania Avenue now is whether the independent Federal Reserve Board has the subtlety and expertise to weather this most difficult economic period.

Mr. Speaker, we need broad structural reforms of the Federal Reserve System. It is something that cannot be delayed. In January, I introduced H.R. 11 which is designed to bring about these reforms and to assure the fullest coordination of monetary policy with economic policy.

Mr. Speaker, H.R. 11 would:

First. Coordinate our economic policy. This would require that the Federal Reserve Board consult and work with other agencies of the Government as provided for in the Full Employment Act of 1946. In other words, the Federal Reserve would no longer be allowed to ride off in one direction while the rest of the country was moving in the opposite direction. This is basic to providing a stable economy without the disruptive ups and downs created by a "go it alone" Federal Reserve policy.

Two. Shorten the terms of the members of the Federal Reserve Board from 14 years to 5 years. This would enable the President to appoint a majority during his first term of office and would thereby make the Board more responsive to the will of the people. At the present time, the 14-year terms are staggered in such a manner as to prevent the President from appointing a majority until his very last year in office. This prevents a President from ever effectively controlling the Board at any time.

Third. Enable the President to appoint a Chairman of his own choosing. H.R. 11 would provide that the term of the Chairman be coterminous with that of the President of the United States. It would also allow the President to appoint any qualified person as Chairman. At present, the President is required to pick the Chairman from among the existing members of the Federal Reserve Board, thus narrowing his choice drastically.

Fourth. Require that the Federal Reserve seek appropriations from Congress. At the present time, the Federal Reserve does not come to Congress for appropriations. This prevents the Congress from exercising any kind of meaningful annual review of the activities of the Federal Reserve, or from checking any of its expenditures. The appropriations processes are essential to our democratic system and, in the past, have prevented bureaucrats and Federal agencies from ignoring the public interest.

Fifth. Require the Federal Reserve to submit to independent audits. The Federal Reserve's books are not audited. The General Accounting Office, which inspects the records of other Government agencies, is not allowed to look at any of the Federal Reserve's activities. As a result, there is no real knowledge of what the Federal Reserve does with all of its money.

Sixth. Abolish the Federal Open Market Committee and turn its functions over solely to the Federal Reserve Board.

Mr. Speaker, these are some of the basic highlights of H.R. 11. Overall, the bill is designed to bring the Federal Reserve System in line with the principles of our democratic government. This means designing the Federal Reserve System in such a manner that it will respond to the desires and the needs of the people and not just to the wishes of the bankers. This is not a revolutionary bill by any means. It simply makes the Federal Reserve conform to the rules and operating procedures followed by other Government agencies.

NATION MAGAZINE DENOUNCES UNIFORM CONSUMER CREDIT CODE

(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, in recent weeks, there has been much confusion—some of it generated in the press—about the so-called Uniform Consumer Credit Code which is being pushed in 48 of the 50 State legislatures this year.

Therefore, I am happy to see that at least one national publication, the Nation magazine, has clearly laid out the facts in an editorial in its issue dated March 31.

The Nation magazine gives some excellent advice when it says:

It would be much wiser for all States now covered by their own consumer credit laws to reject this package that has only one easily detectable virtue—uniformity, if indeed that is a virtue.

Mr. Speaker, the Nation magazine is to be commended for so forthrightly setting out the issues in this very important controversy. Mr. Speaker, I place in the RECORD a copy of this excellent editorial:

REVOLVING CREDIT

When Congress passed the Truth in Lending Act last year, it quieted the States' rights advocates by including a provision that would exempt from federal jurisdiction any state that passed its own law offering the consumer as much protection as the federal statute. Now in a majority of states a bill called the Uniform Consumer Credit Code is being pushed. Some of its consumer protection features are pust as good as the federal law.

But buried among these positive features one finds that the proposed Code would permit 36 per cent interest on revolving bank credit-card sales and 24 per cent interest on regular department store revolving credit sales. While that is high, it does not violate the exemption requirements, because the Truth in Lending Act leaves interest rates to the states. The federal law requires only that the charges be spelled out so that people can more clearly see when and how they are being gypped.

The goal of the lobbyists for this Code sounds very plausible—equal charges throughout the land. But in fact it would be regressive to make all states adjust to this Code. Its provisions might actually improve debtors' lives in some of the more backward states, where 36 per cent and 24 per cent would sound like progress, but the Code would raise interest rates on loans in California, Illinois, New York, New Jersey, Massachusetts, Pennsylvania and a good many other states. In fact, in the states where revolving credit is regulated—which is about half the states—not one permits an interest rate as high as the Uniform Code's proposed 24 per cent.

In the first round of legislative votes, the Code has been defeated four times, but three of these losses were in thinly populated states—Montana, Wyoming, New Mexico—and the other state legislature. Indiana's, did not permanently turn it down but only put off the decision for two years. So the bulk of the arguing is still to be done, and it will come in the heavily populated states where lies the big pay-off in the $100 billion consumer credit business.

The best chance the consumer has for seeing the Code turned down is the infighting now going on between the bankers and the loan companies.

Wright Patman, chairman of the House Banking Committee, has traced $297,000 of the money (there may be more he hasn't found) that went into the drafting-lobbying campaign behind the Code. At least $75,000 of that, he says, came from the bankers. (That's why the Code gives them 36 per cent interest on purchases made with bank credit cards, while department stores get 12 per cent less for their own credit-card sales.) But when a "free entry provision" was written into the Code to allow loan companies to muscle into some of the dealings previously reserved solely for the banks, the bankers reversed themselves and opposed the Code. At least on that point. In two states where the "free entry" provision was knocked out by the legislatures, the bankers reversed themselves again and supported the Code.

Since it is a little difficult to take sides with

either the banks or the loan companies, and since, as Judge George Brunn of Berkeley has said, "this is one of the most technical and difficult to understand pieces of legislation I have ever seen, difficult even for lawyers, let alone laymen," it would be much wiser for all states now covered by their own consumer credit laws to reject this package that has only one easily detectable virtue—uniformity, if indeed that is a virtue.

INTRODUCTION OF LEGISLATION AMENDING THE ATOMIC ENERGY ACT OF 1954

(Mr. HOLIFIELD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOLIFIELD. Mr. Speaker, early in this session of Congress the Atomic Energy Commission submitted to the Congress a number of proposed bills which had been cleared by the outgoing administration in its final weeks in office. Neither Senator PASTORE, vice chairman of the Joint Committee on Atomic Energy, nor I, as chairman of the committee, introduced these measures at the time of their submission because the new administration had not had the opportunity to review and approve the Commission's legislative proposals.

We have now received a communication from Dr. Glenn T. Seaborg, Chairman of the Commission, informing the committee that most of these bills have received clearance from the new administration. I am therefore introducing these legislative proposals today by request, and ask unanimous consent that Dr. Seaborg's letter and the AEC's analysis of each of these measures be included in the RECORD at the conclusion of my remarks.

One other measure submitted to the Congress in the waning hours of the last administration—namely, a bill to authorize appropriations to the Commission in fiscal year 1970—has not yet received the approval of the new administration. I will therefore continue to refrain from introducing this bill, and perforce the committee will continue to defer hearings on this measure, until we have received word that the new administration has completed its review of the Commission's proposed fiscal year 1970 budget and either supports the request or has specific amendments which it wishes to recommend.

I believe it would be helpful to include in the RECORD at this point correspondence which Senator PASTORE and I exchanged with the Honorable Robert P. Mayo, Director of the Bureau of the Budget on this matter.

U.S. CONGRESS,
JOINT COMMITTEE ON ATOMIC ENERGY,
January 24, 1969.

Hon. ROBERT MAYO,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. MAYO: As you know, the Atomic Energy Commission on January 15,, 1969 submitted to the President of the Senate and the Speaker of the House of Representatives its proposed bill to authorize appropriations to the Commission in fiscal year 1970. The proposed bills have been referred to the Joint Committee on Atomic Energy.

We fully expect that in the coming weeks the new Administration will wish to review the budget requests of the various Federal agencies and departments with a view to possibly revising some of them in accordance with the policies of the new Administration. In view of this, we believe it might well be a futile and meaningless exercise for the Joint Committee to perform its customary early, in-depth review of the Commission's authorization proposal prior to word from the new Administration that it concurs in the Commission's budget request or plans to modify the pending request. Therefore, we plan to defer hearings on this matter until we hear from you or some other appropriate person in the Executive Branch that the AEC's present budget request has been reviewed and is supported by the new Administration, or, alternatively, that the new Administration has specific amendments to the AEC request which it would like to recommend.

We appreciate your cooperation and look forward to hearing from you at your earliest opportunity.

Sincerely yours,

CHET HOLIFIELD.
JOHN O. PASTORE.

BUREAU OF THE BUDGET,
Washington, D.C., January 28, 1969.

Hon. CHET HOLIFIELD,
Vice Chairman, Joint Committee on Atomic Energy, House of Representatives, Washington, D.C.

DEAR MR. HOLIFIELD: I am writing separately to both you and Senator Pastore to thank you for your joint letter of January 24, 1969.

I appreciate both the substance and the spirit of your offer to defer hearings on the AEC authorization until we have had a chance to review the budget requests.

Although I cannot yet give you an exact date for completion of our review, I can assure that we will try to work as quickly as possible. As soon as I do know the date, I will be in touch with both you and Senator Pastore.

Again many thanks for your consideration.

Sincerely,

ROBERT P. MAYO,
Director.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., March 21, 1969.

Hon. CHET HOLIFIELD,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. HOLIFIELD: The Bureau of the Budget on March 7, 1969, advised us that there would be no objection to continued support by the Atomic Energy Commission of the following draft bills:

(1) "To amend the Atomic Energy Act to provide that life imprisonment shall be the maximum criminal penalty for certain offenses, and to increase the criminal penalties for unauthorized diversion of special nuclear material and other offenses." (Submitted to the Joint Committee by my letter of January 10, 1969.)

(2) "To amend the Atomic Energy Act to authorize the Commission to enter into agreements of indemnification for ocean transport of materials." (Submitted to the Joint Committee by my letter of January 16, 1969.)

(3) "To amend Subsection 182 b. of the Atomic Energy Act modifying the requirement for mandatory review by the Advisory Committee on Reactor Safeguards of certain facility license applications." (Submitted to the Joint Committee by my letter of January 3, 1969.)

(4) "To amend the Atomic Energy Act to eliminate the requirement for a finding of practical value and abolish the distinction between commercial and certain research and development licenses for facilities." (Submitted to the Joint Committee by my letter of January 16, 1969.)

(5) "To amend the Atomic Energy Act, to provide for civil monetary penalties." (Submitted to the Joint Committee by my letter of January 17, 1969.)

Cordially,

GLENN T. SEABORG,
Chairman.

I sincerely hope that the administration can complete its review of this portion of the fiscal year 1970 budget in the very near future. Otherwise, I strongly suspect that appropriations for the AEC in fiscal 1970, which are of course dependent upon the prior enactment by Congress of legislation authorizing appropriations to the AEC, will be delayed until well into the new fiscal year which begins on July 1, 1969.

The AEC's analysis of the legislative proposals follow:

AEC ANALYSIS OF PROPOSED LEGISLATION TO PROVIDE THAT LIFE IMPRISONMENT SHALL BE MAXIMUM CRIMINAL PENALTY FOR CERTAIN OFFENSES

Sections 1 through 4 of the proposed legislation would restore life imprisonment as the maximum criminal penalty for violations of Sections 222, 224 a., 225, and 226 of the Atomic Energy Act of 1954. Section 1 would also amend Section 222 of the Act to increase the maximum criminal penalties for unauthorized diversion of special nuclear material and related offenses to imprisonment for ten years and a fine of $10,000, when the offense is committed without the intent to injure the United States or secure an advantage to any foreign nation.

Section 222 of the Atomic Energy Act provides criminal sanctions for violations of Sections 57, 92, and 101 and for unlawful interference with the Commission's recapture of special nuclear material or entry into any plant or facility under Section 108. Section 57 prohibits possession of or dealing in special nuclear material without a general or specific license issued by the Commission. Under Section 92, the unauthorized possession, manufacture or transfer of an atomic weapon is unlawful. Section 101 requires a Commission license for the possession, manufacture or transfer of a production or utilization facility. Section 108 authorizes the Commission, when a state of war or national emergency exists, to order the recapture of special nuclear material or the operation of any licensed facility and to enter any plant or facility to carry out these orders.

In the absence of intent to injure the United States or secure an advantage to any foreign nation, the maximum penalty for a violation of Section 222 is imprisonment for five years and a fine of $10,000. With such an intent, the penalty is death or imprisonment for life (if recommended by a jury) or a fine of not more than $20,000 or imprisonment for not more than 20 years, or both.

Sections 224 a., 225, and 226 of the Atomic Energy Act provide criminal penalties, respectively, for the unlawful communication of Restricted Data, the unlawful acquisition of Restricted Data, and removal or concealment of or tampering with Restricted Data. With intent to injure the United States or to secure an advantage to any foreign nation, the penalty for violation of each of these sections is death or imprisonment for life (if recommended by a jury) or a fine of not more than $20,000 or imprisonment for not more than 20 years, or both.

On April 8, 1968, the United States Supreme Court, in the case of *United States* v. *Jackson*, 390 U.S. 570, held unconstitutional the death penalty provision of the Federal Kidnaping Act. Because the language of the Kidnaping Act is comparable to the death and life imprisonment penalty provisions of Sections 222, 224 a., 225, and 226 of the Act, it is believed that these provisions might be sub-

ject to a similar constitutional attack. The maximum penalties which may now be imposed therefore appear to be imprisonment for 20 years and a fine of $20,000.

It is proposed that life imprisonment be made the maximum penalty for violating each of these sections, without regard to a jury recommendation. The Commission has concluded that the death penalty may properly be deleted and that a maximum penalty of life imprisonment is sufficiently severe, in view of the trend of opinion away from the use of capital punishment, doubt whether the death penalty serves as a substantial deterrent, the very small number of executions for any crimes in the United States during the past decade, and the views of some legal scholars and penologists that capital punishment has a harmful effect upon the administration of justice.

One of the most significant crimes punishable under section 222 is unauthorized diversion of special nuclear material, which is a violation of section 57. An unauthorized diversion by a thief or even a terrorist, insurrectionist, or criminal group might conceivably be found to lack intent to injure the United States or secure an advantage to any foreign nation. An Ad Hoc Advisory Panel on Safeguarding Special Nuclear Material recently recommended that the maximum penalty for diversion lacking the specific intent be increased. The Panel felt that the existing penalties "may not be a sufficient deterrent to illicit transactions involving materials valued in excess of millions of dollars."

An increase in the maximum penalties for a violation of Section 222 to imprisonment for ten years and a fine of $10,000 would perhaps increase the deterrent effect on a potential diverter. The increased penalties would also be comparable to those for crimes of similar gravity, such as theft of Government property (ten years' imprisonment and a $10,000 fine) and theft of property in interstate or foreign commerce (ten years' imprisonment and a $5,000 fine). No increase in the maximum fine is proposed. Because of the intrinsic value of special nuclear material, imprisonment would seem to be a more suitable deterrent than a fine.

The proposed amendments would have no budgetary effect. Enactment is not expected to result in additional man-years of employment during the first five years following its passage.

AEC Analysis of Proposed Legislation To Amend Section 170 of the Atomic Energy Act

Section 1(a) of the draft bill amends subsection 11 q. of the Atomic Energy Act of 1954, as amended [hereinafter "Act"] by adding to the definition of "nuclear incident" appropriate language broadening the scope of the definition so that it will encompass incidents to be covered by indemnity agreements authorized under new subsection 170 p. As the term "nuclear incident" is used in new subsection 170 p. it shall mean those occurrences which arise out of the transportation of source, special nuclear or byproduct material on vessels of United States registry and which take place in the course of such transportation and outside the territorial limits of the United States or any other nation, i.e., on the high seas or within some international zone not belonging to a particular government or nation, such as Antarctica. The occurrence, of course, in accordance with the present definition of nuclear incident must cause, within or outside the United States, bodily injury, sickness, disease, or death, or loss of or damage to property, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of the source, special nuclear, or byproduct material, in order to qualify as a nuclear incident.

While the language of subsection 11 q. is susceptible of the interpretation that the term "nuclear incident" as used in subsection 170 p. includes "extraordinary nuclear occurrence", it is the intent of the Commission that the language shall not be so interpreted. The Commission does not intend to make the concept of "extraordinary nuclear occurrence" and the waiver of defenses provisions applicable to incidents on the high seas.

Section 1(b) amends subsection 11 t. by setting forth those persons who would be indemnified under agreements entered into pursuant to subsection 170 p. The term "person indemnified" in such agreements has a more limited meaning than it does generally under Price-Anderson. As that system operates domestically, any one who may be liable is a person indemnified. With respect to indemnity agreements under subsection 170 p., the term "person indemnified" is to be limited to the person with whom an indemnity agreement is executed (licensee or contractor) and any other person who may be liable for public liability by reason of his activities within the United States (e.g., U.S. cask designer and manufacturer, a stevedore in an American port); or on board the vessel transporting the nuclear material while such vessel is on the high seas (e.g., seaman); or who may be liable in connection with his ownership or operation of such vessel (e.g., the owner or master of the vessel); and any other person who has his principal place of business in the United States or who is the agent or employee of such other person and who may be liable for public liability (e.g., employee of American cask manufacturer who may supervise loading at the foreign port).

Section 1(c) amends subsection 11 w. of the Act which defines the term "public liability". As used in new subsection 170 p. that term will not include certain liabilities. Comparable to the domestic Price-Anderson coverage which does not indemnify for the loss of the transporting vehicle, the indemnity would not cover the vessel transporting the nuclear material and its equipment, fuel and stores—which are covered by hull insurance. Also, the nuclear material being transported and the containers used would not be covered.

Section 2 amends subsection 170 e. by providing for a limitation of liability in the amount of $100 million together with the amount of financial protection (underlying commercial insurance) for nuclear incidents covered by an agreement of indemnification pursuant to a new subsection 170 p. The aggregate liability, however, shall not exceed $115 million.

Section 3 amends subsection 170 f. of the Act. That subsection authorizes the Commission to collect a fee from all persons with whom an indemnification agreement is executed. It gives some guidance as to what fee amounts should be for certain licensed activities. The amendment authorizes the Commission to establish criteria for determining an additional fee for entering into an indemnification agreement under new subsection 170 p.

Section 4 amends section 170 of the Act by adding new subsection 170 p. The new subsection would authorize the Commission until August 1, 1977 to enter into additional agreements of indemnification with its licensees and contractors engaged in activities in the United States covered by an indemnity agreement. The new agreement would indemnify and hold harmless the licensee, contractor, and other persons indemnified, from public liability in excess of the level of financial protection required, arising from nuclear incidents which arise out of the transportation of source, special nuclear or byproduct material to or from the site of such activities on a vessel of United States registry and which take place in the course of such transportation and outside the territorial limits of the United States or any other nation.

Following the pattern of domestic arrangements, with respect to licensees the Commission must, and with respect to contractors the Commission may, require that financial protection be provided. The amount of financial protection to be required would be $15 million (the amount which appears to be presently available). The Commission may establish a greater or lesser amount of financial protection, taking into consideration the amount of liability insurance available from private sources (domestic and foreign), and the cost and terms of such insurance.

The amount of indemnity for persons indemnified in connection with each nuclear incident would be $100 million including the reasonable costs of investigating and settling claims and defending suits for damage.

The amount of indemnity would be reduced by the amount that the financial protection required exceeds $15 million.

AEC Bill Analysis of Proposed Legislation To Amend Section 1825 of Atomic Energy Act

The Atomic Energy Commission's Advisory Committee on Reactor Safeguards was established by Section 29 of the Atomic Energy Act of 1954, as amended, to review safety studies and facility license applications, advise the Commission with regard to the hazards of proposed or existing reactor facilities and the adequacy of proposed reactor safety standards, and perform such other duties as the Commission may request. At present, Subsection 182 b. of the Act requires that the ACRS shall review each application under Section 103 or Subsection 104 b. for a construction permit or an operating license for a facility, any application under Subsection 104 c. for a construction permit or an operating license for a testing facility, any application under Subsections 104 a. or c. specifically referred to it by the Commission and any application for an amendment to a construction permit or an amendment to an operating license under Sections 103 or 104 a., b. or c. specifically referred to it by the Commission, and shall submit a report thereon. Thus, a mandatory review and reporting requirement exists for all power and test reactor applications for construction permits and operating licenses.

The legislation proposed would modify the mandatory review requirement of Subsection 182 b. by providing in effect that unless the Commission specifically requests a review and report on an application, the ACRS may dispense therewith by notifying the Commission in writing that ACRS review is not warranted. The proposed legislation would require that any notice from the ACRS to the effect that review is not warranted in a given case be made a part of the record of the application.

Relaxation of the mandatory review and reporting requirements will enable the Committee to concentrate its activities on the more novel and difficult questions of reactor safety. It would, moreover, place the ACRS in a better position to deal with the increasing volume of reactor applications by giving them the flexibility to review certain features of a reactor rather than the whole application. Neither the Commission nor the ACRS has felt that reactor cases coming in during the past and current year would include those for which ACRS review would not be desirable. However, as reactors are becoming more standardized, it seems appropriate and desirable to have the statutory flexibility to omit ACRS review if and when such omission appears warranted to both the Commission and the ACRS.

ANALYSIS OF PROPOSED LEGISLATION TO ELIMINATE REQUIREMENT OF FINDING OF PRACTICAL VALUE

INTRODUCTION

The basic approach of the draft amendments to eliminate the requirement for a finding of practical value and to in effect abolish the distinction between "commercial" licenses and "demonstration" licenses is relatively simple in concept. Essentially two amending actions are proposed: first, revocation of section 102 (providing for the finding of practical value), section 103 (authorizing "commercial" licenses), and subsection 104 b. (authorizing "demonstration" licenses); second, substitution of a new section (numbered "102") in place of the revoked sections and covering commercial and demonstration licenses as a single class. The new section 102 retains essentially all of the statutory qualifications and limitations applicable under present law to section 103 licenses.

While the basic concept of the amendments is simple, many different sections of the Act require revision, owing to the fact that the present Act contains numerous cross references to sections 103 and 104.

The draft amendments are contained in a proposed bill having forty separate sections. Of these forty sections, twenty-five of them [1] (and a portion of a twenty-sixth [2]) are fairly characterized as providing for no substantive changes in the Act.

Having in mind the basic scheme, the analysis of each amendatory section is as follows:

Sec. 1. Technical (cross reference) amendment to 11 b.

Sec. 2. This section constitutes a substantive amendment to the research provisions of section 31 a.(4) to delete the concept of authorizing AEC to make research arrangements to demonstrate "practical value" of reactors and to substitute in lieu thereof authority to make research arrangements to demonstrate "advances in the application of atomic energy" for industrial or commercial purposes.

Sec. 3. Technical (cross reference) amendment to 41 a.

Sec. 4. Technical (cross reference) amendment to 53 a.(3).

Sec. 5. Technical (cross reference) amendment to 53 c.(1).

Sec. 6. This section constitutes a substantive amendment to 53 c.(4) qualifying the flat requirement now contained in the Act that the Commission *shall* make a charge for special nuclear material distributed for use under a section 103 license (per 57 a.(3), which, as amended by section 4 of this draft bill now refers to a license under 102). As qualified, AEC must make the charge under a 102 license, "unless otherwise authorized by law." To unqualifiedly prevent any waiver of charges under new 102 (which, in effect, combines 103 and 104 b. facilities) would not be consistent with present 53 c.(1) which, in pertinent part provides that unless "otherwise authorized by law, the Commission shall not after December 31, 1970, distribute special nuclear material except by sale to any person who possesses or operates a utilization facility under a license issued pursuant to [103 or 104 b.] 102". In effect, Congress would be retaining authority to authorize waiver of charges on a case-by-case basis.

Sec. 7. Technical (cross reference) amendments in opening of subsection 53 d. and 53 d.(4), plus substantive (but conforming) amendment in 53 d.(4) and 53 d.(5) to recognize that with respect to 102 facilities the waiver of use and burn-up charges could be "otherwise authorized".

[1] Sections 1, 3, 4, 5, 10, 12, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35 and 38.

[2] Section 7.

Sec. 8. Substantive (but conforming) amendment to section 54 to recognize substantive amendment to section 56 (made by section 9 of this draft bill) which extends guaranteed purchase prices to plutonium and uranium enriched in the isotope 233 produced in 102 reactors.

Sec. 9. (See explanation under section 8.)

Sec. 10. Technical (cross reference) amendment to 63 a.(3).

Sec. 11. Substantive amendment to 63 c. to permit case-by-case waiver by Congress of otherwise unqualified requirement to charge for source material distributed under a 102 license.

Sec. 12. Technical (cross reference) amendment to section 101.

Sec. 13. This section, together with sections 14 and 15, comprise the substantive core of the bill: namely, an entirely new section 102 combining old 103 and old 104 b. and removing reference to the old "practical value" concept formerly contained in old 102 and 103. The other features of this amendment are:

A. The concept of issuance of licenses "on a non-exclusive basis" is preserved.

B. The injunction to the Commission under old 104 b. to "impose the minimum amount of such regulations and terms of license as will permit the Commission to fulfill its obligations under this Act to promote the common defense and security and to protect the health and safety of the public and will be compatible with the regulations and terms of license which would apply in the event that a commercial license were later to be issued pursuant to section 103 for that type of facility", has been deleted as unnecesary in view of the abolition of the distinction between 103 and 104 b. type facilities.

C. The requirement under old 104 b. that "priority shall be given [in the issuing of licenses] to those activities which will, in the opinion of the Commission, lead to major advances in the application of atomic energy for industrial or commercial purposes", no longer has any significance because of the uranium supply picture. It has been deleted.

D. The concept of a 40-year term (under old 103) is retained.

E. The concept of requiring information for health and safety purposes (under old 103) is retained with a clarifying proviso assuring that if AEC wants to pay extra it can use the information for such other purposes as would be specified by contract.

F. Any existing 104 b. and 103 licenses are statutorily converted to 102 licenses, as are any pending applications for such licenses. One of the purposes of this amendment is to make clear that holders of operating licenses already granted are not subject to the provisions of 105(c). Pending applications for construction permits and holders of construction permits are subject to 105(c).

Sec. 14. Substantive—revokes section 103.

Sec. 15. Substantive—revokes subsection 104 b.

Sec. 16. Technical (cross reference) amendment to 104 c. (which subsection has been redesignated "104 b." in view of revocation of present 104 b.).

Sec. 17. This section makes a substantive change to the antitrust review requirement of 105 c. It requires that all applications for a construction permit under section 102 be sent to the Attorney General for antitrust review. In the proposal, as under present law, an exception would be provided for those types or classes of licenses which would not significantly affect the application's activities under the antitrust laws. The period during which the Attorney General would conduct his antitrust review is also changed. Under present law the AEC is to notify the Attorney General when it proposes to issue any license and the Attorney General has up to 90 days within which to advice AEC whether or not the proposed license is consistent with the antitrust laws. By the time AEC proposes to issue a license, however, the application has been under health and safety review within the AEC for at least six months. In the proposal, the Attorney General is to be notified promptly of the receipt by the Commission of a license application so that his review will be simultaneous with the AEC's health and safety review. The new amendment requires that the Attorney General's advice be transmitted to the AEC not later than fifteen days after the date the Commission issues a notice of hearing (or notice of opportunity for hearing) on the license application. In addition to providing an earlier opportunity to the Attorney General to begin his antitrust review, as well as a longer period in which to do it, the proposed revision makes it possible for the parties to the licensing proceeding to receive early notification as to whether antitrust matters are to become an issue in the proceedings. In effect, the 90-day extension to the regulatory process under the present law is reduced by 75 days.

Sec. 18. Technical (cross reference) amendment to 106 a.

Sec. 19. Technical (cross reference) amendment to 108.

Sec. 20. Technical (cross reference) amendment to 123.

Sec. 21. Technical (cross reference) amendment to 124.

Sec. 22. Technical (cross reference) amendment to 125.

Sec. 23. Technical (cross reference) amendment to 145 a.

Sec. 24. Technical (cross reference) amendment to 153 c.(1).

Sec. 25. Technical (cross reference) amendment to 161 m.

Sec. 26. Technical (cross reference) amendment to 161 n.

Sec. 27. Technical (cross reference) amendment to 161 o.

Sec. 28. Technical (cross reference) amendment to 161 t.

Sec. 29. Technical (cross reference) amendment to 161 v.

Sec. 30. Technical (cross reference) amendment to 169.

Sec. 31. Technical (cross reference) amendment to 170 a.

Sec. 32. Partially-substantive amendment to subsection 170 f. to provide that fee shall be $30 per year per kwth "for facilities licensed under section [103] 102." The amendment is substantive in that by making a straight substitution of "102" for "103", former 104 b.-type licenses are now covered by section 170 f. and no reduction in the amount can be made (as it can be under existing law for 104 b.-types).

Sec. 33. Technical (cross reference) amendment to 170 k.

Sec. 34. Technical (cross reference) amendment to 182 a.

Sec. 35. Technical (cross reference) amendment to 182 b.

Sec. 36. Partially-substantive amendment to subsection 182 c. extending the notification requirements of that subsection to facilities licensed under new section 102 (which covers former 103-type licenses, as well as former 104 b.-type licenses). Formerly, the notification requirements applied only to section 103 facilities.

Sec. 37. Partially-substantive amendment to the preference provisions of subsection 182 d. extending them to facilities licensed under new section 102 (which covers former 103-type licenses, as well as former 104 b.-type licenses). Formerly, the requirements of subsection 182 d. applied only to section 103 facilities.

Sec. 38. Technical (cross reference) amendment to 189 a.

Sec. 39. Partially-substantive amendment to section 272 extending applicability of that section (which pertains to the coverage of the Federal Power Act) to facilities licensed under new section 102 (which covers former

103-type facilities, as well as former 104 b.-type facilities). Formerly, the provisions of section 272 applied only to section 103 facilities. This amendment also clarifies that no additional jurisdiction is intended to be given to the Federal Power Commission as a result of this bill.

SEC. 40. Partially-substantive amendment to section 273 (which pertains to licensing of government agencies) extending the provisions thereof to facilities licensed under new section 102 (which covers former 103-type facilities, as well as former 104 b.-type facilities). Formerly, the provisions of section 273 applied only to section 103 facilities.

AEC ANALYSIS OF PROPOSED LEGISLATION TO AMEND CHAPTER 18 OF THE ATOMIC ENERGY ACT OF 1954

The proposed legislation would amend the Atomic Energy Act by adding thereto a new Section 234 entitled "Civil Monetary Penalties for Violations of Licensing Requirements" and by changing Section 221 to make clear that "actions" to be instituted by the Attorney General do not include administrative actions by the Commission. Section 234 would authorize the Commission to impose fines of not in excess of $5,000 for each single violation and not in excess of $10,000 for continuing violations by any person licensed pursuant to sections 53, 62, 81, or 101 of the Act, of any regulations, orders or licenses issued under such sections. The same remedial authority has been conferred by statute upon other regulatory agencies, such as the Federal Communications Commission and Federal Aviation Agency, to assist them in carrying out their regulatory functions. The proposed legislation is modeled upon similar provisions in the Federal Communications Act (47 U.S.C. 503, 504) and the Federal Aviation Act (49 U.S.C. 1471). Such authority is civil only and would not bar criminal prosecution where appropriate. It would not apply to the Commission contractors or other persons who are exempt from licensing.

In accordance with the requirements of the Administrative Procedure Act and the Commission's regulations, the Commission issues notices of violation to any licensee who appears to have violated any of the Commission's regulations, orders or conditions of licenses, except in cases where the public health interests or safety require the omission of such notice or where the violations are found to be willful. Notice of the proposed imposition of a civil penalty would be made as part of this existing notification procedure or by special notice. In cases where the notice of violation is omitted, a special notice of the imposition of a civil penalty would be provided to assure that the licensee is given an opportunity to explain his conduct prior to a determination by the Commission of whether the penalty should be imposed.

If after the Commission determines that the penalty should be imposed, the licensee fails to pay the amount, the matter will be referred to the Attorney General. The Attorney General will determine whether a civil action in Federal District Court would be instituted to collect the penalty. After the Commission has referred the matter to the Attorney General for collection, he shall have full authority to compromise, mitigate or remit the civil penalty.

In addition the proposed legislation would amend Section 221 c. of the Act to make clear that this section does not require the approval of the Attorney General prior to the initiation of administrative action by the Commission not only with respect to the imposition of civil penalties, but also for any other enforcement action the Commission is now authorized to bring. Section 221 c. now provides that:

"No action shall be brought against any individual or person for any violation under this Act unless and until the Attorney General of the United States has advised the Commission with respect to such action and no such action shall be commenced except by the Attorney General of the United States . . ."

A legislative history of the Act indicates that "action" within the purview of Section 221 c. means "court action" and does not apply to administrative action by the Commission. However, the proposed amendment to Section 221 c. will prevent any possible misinterpretation of the scope of the Commission's authority to take appropriate administrative action.

WAYNE MORSE CALLS FOR A NEW AMERICAN FOREIGN POLICY

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, every year since I have been in Congress, I have sponsored an annual conference on major issues confronting the United States. On March 22, the Ninth Annual West Side Community Conference was held at Riverside Church in New York City.

The topic of this year's conference was "World Problems and American Power." During the course of the panels and the plenary session, public figures of experience and stature in foreign affairs discussed the nature and extent of U.S. present international commitments. The substance of those discussions included an examination of our role in Africa, Latin America, Asia, and Europe as well as the present crisis in the Middle East.

At the plenary session in the afternoon, we were fortunate to have as one of our principal speakers former Oregon Senator Wayne Morse. Senator Morse, who spent 24 years in the Senate and many years on the Senate Foreign Relations Committee, spoke on the dangers that the extent of America's wealth and power pose for the future conduct of our foreign affairs, and on the need—as he put it—"for the American people to demand a foreign policy that commits us to a military withdrawal from Asia and elsewhere in the world where we are maintaining a unilateral military posture of dominance."

Senator Morse's call for a new foreign policy—one which rejects the view that America can or should manipulate events around the world to its own liking—is the kind of foreign policy for which I have long fought as a Member of Congress. If we are to prevent future Vietnams, we must heed the warning of Senator Morse to "bring the American military under the control and checks of our constitutional system based upon government by law rather than by the exercise of arbitrary power" by the multiple facets of the executive branch.

So that my colleagues may also profit from Senator Morse's counsel, I am today placing the text of his speech before the Ninth Annual West Side Community Conference in the RECORD. I commend the views expressed by Senator Morse to my colleagues and urge them to take steps to create the kind of foreign policy for which Senator Morse so persuasively argues in this speech, which follows:

THE U.S. ROLE IN FOREIGN POLICY IN RESPECT TO OUR FOREIGN COMMITMENTS

(Address by Hon. Wayne Morse)

In the closing months of the 90th Congress, there was building up in the United States Senate a clear-cut constitutional issue over the formulation and control of American foreign policy. Entwined with the constitutional part of this issue was the political ramifications of it, which saw a President elected only 3 and ½ years earlier with one of the largest margins in history, compelled to withdraw from further candidacy.

The situation in which the Johnson Administration found itself in March, 1968, was exactly the situation the framers of the Constitution had planned to avoid when they gave the war power to Congress, rather than to the President. Under Constitutional design, war is embarked upon only through joint resolution passed by both houses and signed into law by the President. It is a legislative process, not an administrative one. Its purposes and scope are plainly stated. The war policy thus becomes the law of the land, the national policy—as fully and completely as we can establish a national policy.

War waged by administrative decision leaves every aspect of that war an arguable matter. Its purpose, its scope, as well as its day to day prosecution, are left to individual discretion. All are subject to second-guessing and public dispute.

The bombing of North Vietnam has been a good example of the inadequacy of administrative war. When we began bombing North Vietnam in February of 1965, we attacked a country that had not attacked United States territory, and which had no apparent intentions of doing so. The first explanation for the bombing was that it was in retaliation for a Vietcong assault upon the barracks of U.S. troops at Pleiku in the central highlands of South Vietnam 12 hours earlier. Its purpose was explained at that time as one of "showing" the Vietcong and their friends in North Vietnam that we could levy far greater destruction upon them than they could upon us.

Within a few months, however, the Secretary of Defense began to justify the continuation of the bombing as necessary for cutting supply lines from the North into the South. Lengthy descriptions were made available to the press of infiltration routes, of bridges destroyed, of key passes closed by massive explosions delivered by our B–52's.

But the trickle of infiltration that was going on when the bombing started grew to large proportions. There were explanations that without the bombing, infiltration would have been even heavier, and not as costly to Hanoi. Yet the level of manpower and equipment that went South seems to have been determined essentially by North Vietnam and not by American airpower.

It was not until the bombing policy had been in operation for a matter of years that it was then said to have been undertaken to bolster the morale of the South Vietnamese government, which was at a low ebb in the early months of 1965.

What the real reason for the bombing may have been cannot be known yet by the American people. It is not really known by Congress. But the carrying of armed attack into the territory and population of another country, and at levels of intensity unsurpassed even in World War II, was not undertaken as a matter of a unified national policy to conduct war against North Vietnam. It was undertaken, stopped and started up again for reasons that only a few administrators knew then and even now.

These reasons for bombing, and for the various bombing pauses, were typical of our entire adventure in southeast Asia They are not a war policy. They are a use of military force to buttress and enforce a diplomatic policy that cannot succeed on its own. With a wealth of money, manpower, and weapons

that no doubt seems limitless to policy-makers, we have seen the United States come readily and easily to practice the old dictum that war is but the pursuit of diplomacy by different means.

The system is often advertised and described now as something new—a necessity in a different kind of world than Americans knew in the good old days when military force was used only to defend American territory and then upon declaration of war.

But there really is nothing new about it all. For nearly three centuries Great Britain practiced the same tactic, using military power from one end of the world to another to gain this political end and to enforce that aspect of diplomacy that could not succeed on its own.

Thus was an empire created. And then it was said that being the world's leading power, the burdens of leadership and responsibility called for even more massive involvements, in the Crimea, in South Africa, in France

Britain saw great value in sending her military forces abroad, using them to enforce her foreign policies. Part of the theory held that it was better to fight abroad on someone else's territory than to let warfare come to the British Isles. But the policy brought the expenditure of such blood and wealth in World War I that the collapse of the Empire was but a matter of years. And the technology of war brought destruction to British territory in World War II even without the landing of hostile forces.

Far from being a new concept, the amalgamation of armed forces with diplomacy is as old as the nation-state. Its merger under the executive is as old as kings. Indeed, in explaining the assignment of the war power to Congress rather than to the President, the Federalist Papers mention that in this respect our Constitution is quite different from the British Constitution, denying to the American president a power held and exercised by British kings.

Most countries are saved from the easy use of military force abroad by a scarcity of means The country that cannot afford to enforce its foreign political objectives by use of military power, does not find it necessary to do so. The country that can afford to send and maintain armies and navies around the world, seems to find reason why it must do so.

Fear of change is usually the reason that is found. Fear of a vacuum of power, fear that where America does not dominate, someone else will, fear that if we do not enforce our stated will in one part of the world it will be ignored everywhere.

The cost of our policy is considerable. National defense costs run over $80 billion a year. Weaponry is the largest single activity of our national government. In the case of Vietnam, since 1954 when we first began aiding South Vietnam in an effort to create a country where none existed, we have spent a grand total of $90 billion, first on economic aid, then on military aid as well and finally to sustain the fourth biggest war in American history

The availability of so much power has, in my opinion, sadly corrupted the administrative judgment of what is sound policy for the United States to pursue. Perhaps Vietnam is a good example of the difficulty the military establishment has in trying to make an unsound policy work through the application of force. Half a million men and the dropping of more explosives than were used in western Europe throughout World War II have not compelled North Vietnam, in the words of the Secretary of State, Rusk, to "stop doing what she is doing," which has been to aid guerrillas in the South.

But at the outset, it undoubtedly looks easier to call in the troops and send over the planes than too assess whether a pro-American government can be created to govern an area that never was a nation before.

But in addition to the warping of judgment is the loss of support at home that such use of military power entails. I think Vietnam is rightly called the most unpopular war in American history, ranking alongside of Korea in that unpopularity. Both were undeclared, foreign wars. Both were fought for what their administrators called "limited purposes." Both are described as not lending themselves to declarations of war, because our purposes in fighting did not include the destruction or occupation of either North Korea or North Vietnam. Rather, they are described as designed to force another country to stop doing something we want stopped.

It is not usually mentioned, but both of these most unpopular wars not only were undeclared by the United States but they were waged against countries that had not attacked the United States and showed no sign of doing so. They were interventions on behalf of another country.

It is, I think, the fact that the war is fought to defend someone else that American public opinion has such a hard time following. When the object of our protection changes as often as the governments in Saigon have changed, when corruption and profiteering are among their foremost qualities, it is not easy for the American people to believe for long that they deserve the American blood and money that goes into their support.

It was the expectation of the framers of the Constitution that by placing the war power in Congress, these disadvantages would not occur. For the Congress to commit the military forces would, so the Constitution assumes, require a widespread, general realization that the basic safety and interests of the nation were at stake. The object and purpose of the war would be exposed to Congressional debate and therefore to public discussion. Enactment of a resolution of war would give expression to a national unity of purpose. Despite the objections raised to a declaration of war in the current Vietnam conflict, it could set forth a limited purpose and objection that still would establish a unified national policy.

Remember that even the Administration that embarks upon the use of armed force abroad without a declaration of war is still involving the Congress. What an administration cannot do without money it cannot do without Congress. For a president to give the commands that set the fighting in motion, and then come to Congress and ask it to appropriate the money needed to pay for the fighting is simply an effort to exclude Congress from the formulation of the policy.

It has often succeeded. Congress has indeed been excluded from the formulation of the policy, and has only paid the cost of putting it into effect. But the price has been high. The price has been a Congress that quickly comes to reflect public dissatisfactions and disenchantment. It is a Congress that feels no need or obligation to explain and defend a policy it had no hand in making. But if the war contnues for long without an end in sight, the angry public dissatisfaction will become evident quickly.

On the face of it, at least, the Administration now coming into office has nothing to gain and much to lose by letting this undeclared war continue indefinitely. If it continues, the Nixon Administration stands to inherit the renewed dissension and the political turmoil that forced the Johnson Administration to forego another term. Any plans it may have for domestic programs will be lost in the competition for funds and the welter of political conflict.

A return to Constitutionalism in foreign policy and the use of military power is in the interest of both people and government. It should be sought at once.

The major role of our international relations in recent years has been in Asia. The stabilization of affairs in Europe, in spite of the invasion of Czechoslovakia, has induced the State Department—Defense Department complex that runs our international relations to turn its attention to Asia.

It has done so with no clear rationale, and with no showing of where American security interests in Asia actually lie. In fact, events, particularly military events, have dictated policy at critical turning points and have been responsible for our having backed into a full scale war in Vietnam that no policy-maker would have advised or recommended in advance.

The formal rationale of our policy in Asia was formulated at the close of World War II, when we regarded as vital to our interests certain islands in the Pacific which had served as stepping stones for Japan in launching her war against us. We sought and obtained trusteeship over them. But mainland Asia was put beyond our immediate security needs. The attitude of the United States toward Indo-China, for example, was in keeping with our attitude toward the rest of colonial Asia: Burma, the Dutch Indies, Malaya, had been easy pickings for Japan largely because they were colonies of western powers. Elliott Roosevelt quotes his father as saying of the future of Indo-China, en route to the Casablanca conference:

"The native Indochinese have been so flagrantly downtrodden that they thought to themselves: Anything must be better than to live under French colonial rule!"

Cordell Hull quotes FDR as favoring a trusteeship for Indo-China.

During World War II our ally in Indo-China was none other than Ho Chi Minh, who was supported and supplied by American intelligence units.

Roosevelt's death and the surge of the Communist Chinese across the Chinese mainland brought about a radical change in American policy, not only toward Indo-China but toward Asia generally. It is hard to say how much of the change was due to the elements of world politics and how much due to the facts of American domestic politics. Certainly the American people were shocked by the Communist takeover in China. Chiang Kai-shek had been a wartime ally. He and his family had been highly romanticized by the American press. Billions worth of American weapons and war material had been given to China to keep her in the war against Japan, and thousands of Americans had served in the Chinese theater.

Having just finished a war, the United States had no taste for going back to Asia for another. There was no American military intervention on behalf of Chiang.

The shock of China's fall to Communism was taken out instead in the domestic political arena. Probably few in this audience recall the violence of the charges that flew, blaming the Communist takeover not on the Communists, nor on the failures of the Nationalists, but upon American diplomats. It was the height of the postwar era, when we believed our military and financial power was so supreme in the world that nothing could happen anywhere without having been willed to happen, and probably planned and executed, by American authorities.

By 1950 the Democratic Administration that had been in office during the fall of China, was in headlong retreat. The Secretary of State was daily accused of sympathy and even compliance with Communist objectives. He finally found it desirable to become as royal as the king. In February of 1950 the United States recognized the French arrangement of the Bao Dai government in Indo-China, whereby France gave Indo-China the form of sovereignty without any of its substance. In May of 1950 the Secretary of State announced that we would furnish arms and money to the French to put down the independence movement led by Ho Chi Minh.

THE WAR IN KOREA

Even so, Secretary of State Acheson drew for the press a line enclosing the string of

islands lying off the Asian mainland and described it as the new perimeter of the American security interest. It embraced Japan, Okinawa, Formosa, the Philippines, Australia, and New Zealand. That chain, he said, was part of our security, the clear inference being that what lay beyond was not. It was widely assumed at the time that this press conference description served as an invitation to North Korea to invade the South, on the assumption that because Korea lay outside the Acheson line, the United States would not act.

The United States did act, of course. But we did so under our obligations as a signatory of the United Nations Charter. Like all signatories, we have obligations under it that exceed our own national security interests.

But here again, events began to dictate a change in policy. Once the United States became heavily involved in a war undertaken under the aegis of the United Nations, we began to justify it in terms of our own national interest. In a speech a few weeks ago to the National Press Club, Averill Harriman chided Americans for their bad habit of escalating their objectives in midwar. He was talking about Vietnam. But he could well have been talking about Korea.

American apprehensions about Communist China were in control. U.S. military and financial aid to France to pursue the Indo-China war was stepped up. It would add up to $2.6 billion before France finally gave up. The announcement of increased aid to France in 1950 was combined with an announcement that the Seventh Fleet would be stationed in the Formosa Strait to protect Chiang Kai-shek.

As happened with China, no amount of U.S. aid could salvage the French cause in Indo-China. Even so, there still was no American intervention. President Eisenhower vetoed all such suggestions on the ground that they would be more costly than anticipated, and secondly, because he was not willing to act without the support and participation of other allies.

What we did instead in 1954 was to set out upon a new salvage effort in South Vietnam. We installed as President a man who had sat out the war in the United States; we financed his government, equipped his army, and encouraged him to ignore the requirements of the Geneva Agreement that North and South Vietnam be united under a single government.

THE FORMOSA RESOLUTION

At almost the same time China's bombardment of islands within artillery range of the mainland induced the Administration to seek advance approval from Congress for military action against China.

The Formosa Resolution is a direct forebear of the Tonkin Gulf Resolution. It authorized the President, and I quote:

"To employ the Armed Forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack.

"This authority to include the securing and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he (the President) judges to be required or appropriate in assuring the defense of Formosa and the Pescadores."

At issue were not Formosa and the Pescadores. They were not under assault, and China had no means of bringing them under assault. At issue were two tiny islands of Quemoy and Matsu within 3 miles of the mainland.

Senator George of Georgia presented the Resolution to the Senate. "We must commit American military power to the defense of these islands", he said, "because their abandonment would dishearten the Nationalists on Formosa." Then he said:

"If Formosa falls into unfriendly hands, it would be with the greatest difficulty that we could defend not merely Japan, nor merely the Philippines, which lie a relatively short distance from Formosa and Okinawa, but the whole of Southeast Asia clear down to the end of the great countries that lie under the Equator would be endangered. That is clear."

What is clear now from the Formosa Resolution is that American security interests were seen all across the mainland of Asia where they never had been, and an obligation to defend countries was seen where it never had been seen before. Senator Smith of New Jersey, a ranking Republican on the Senate Foreign Relations Committee, was also explicit in moving the American defense line onto the Asian mainland:

"Let us first consider a line drawn from Korea, down through China, and down through Indo-China. We see three danger spots which might well result in the entire Asiatic world being engulfed in Communism, and if that should happen, the security of the United States and the western free world would be seriously threatened . . . Unless we maintain and strengthen the defenses and solidarity of our allies, unless the program of the Administration under President Eisenhower and Secretary of State Dulles is carried out, *so that the defense of those areas is maintained,* we shall face one of the most critical periods in our history."

What was not foreseen was that the price and futility of defending those areas would itself cause one of the most critical periods in our history. In Asia, we have worked a "domino theory" in reverse. To defend the United States, we needed Pacific Islands like the Marianas put under our trusteeship; then to protect those islands, we needed Japan, Okinawa, Formosa, and the Philippines; then to defend Japan, Okinawa, Formosa, and the Philippines we needed the islands immediately off the mainland, plus Korea and South Vietnam.

It seems likely that in Asia, there is still not an end to what more we must contest in order to keep what we have. Whether or not the Vietnam war ends, this trend in our Asian policy will draw us deeper into war in Asia. Unless we repudiate the Eisenhower, Nixon, Dulles military containment policy vis a vis China initiated in 1953 we may very well become the greatest threat to peace in the world. We cannot militarily contain China without eventual war with China in 10, 25, 35, 50 years. Such a war will produce an empty victory at best and a sure loss of our constitutional system of self-government.

Now is the time to bring the American military under the control and checks of our constitutional system based upon government by law rather than by the exercise of arbitrary power by Presidents, Secretaries of State and Defense, Joint Chiefs of Staffs, CIAs, Formosa and Tonkin Bay Resolution and our blood money military industrial complex.

Now is the time for the American people to demand a foreign policy that commits us to a military withdrawal from Asia and elsewhere in the world where we are maintaining a unilateral military posture of dominance.

Now is the time for us to return to the foreign policy role of offering to abide by the binding jurisdiction of adjudication through multilateral negotiations of threats to the peace of the world conducted under the aegis of international tribunals and treaties such as the United Nations.

Yes, now is the time for us to practice our professed ideals of believing in the reinstitution of the Rules of Law, the United Nations Treaty for the Jungle Law of the Military Claw as we have come to practice it in Vietnam and threaten to practice it elsewhere in Asia.

Unless the killing of American troops in Southeast Asia is stopped quickly, domestic disunity is certain to increase because a foreign policy that conscripts our youth into military fodder to be consumed in an immoral and unjustifiable war will be repudiated by our people. It is being repudiated by increasing tens of thousands of our citizens, as it should be.

President Nixon's announcement to leave our troops in Vietnam for an indefinite time resulting in thousands more being slaughtered and wounded in further escalation of the war, his attempt to justify a scientifically unsound ABM monstrosity by playing upon the fears of our people, his military approach to foreign policy in general, bodes ill for his Administration and catastrophic for the Nation.

It would appear that on the basis of what we have seen this far from the new Administration in respect it its role in foreign policy and the military commitments we can expect from it, the only thing that will stop the military from marching our youth into a greater war is for our citizens to start marching across the country for peace.

THE NEW YORKER AND THE ELECTORAL COLLEGE

(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, the current discussion about the proposed change in the existing electoral college method of selecting our President and Vice President includes suggestions that the electoral college be abolished entirely.

A thoughtful defense of the retention of the electoral college appeared in the February 8 issue of the New Yorker.

We are accustomed to thinking of the New Yorker as a humorous magazine, but this carefully considered article presented substantial arguments for the retention of the electoral college.

Although I have not come to a final conclusion about this question and my inclination is to favor direct popular election, nevertheless I feel that the New Yorker's suggestions are worthy of careful consideration and for that reason I place them in the RECORD today:

THE TALK OF THE TOWN: NOTES AND COMMENT

Last December, as they have done every fourth year since the beginning of the Republic, the newly elected members of the electoral college assembled in every state to choose the President of the United States. This forty-sixth meeting will have been the last if those who advocate the abolition of one of our most venerable institutions win the current battle for electoral change.

The Founding Fathers provided in the Constitution that each state should elect a small group of men who, in turn, would exercise their independent judgment in selecting a President. Each of these men, called an elector, was given one vote, and each state was entitled to a number of electors equal to the combined number of its senators and representatives. As a result, representation in the electoral college, as in the Congress, was roughly proportional to population. And if no candidate received an absolute majority of electoral votes, the President was to be chosen by the House of Representatives. This system has survived to the present day, with one all-important difference. It rapidly became an established custom that all the electors of a state would automatically vote for the candidate receiving most of the state's popular vote. Today, a separate slate of candidates for the post of elector is pledged to each Presidential candidate in every state. When you vote for

President, you are in fact voting for the slate committed to your favorite. For example, any New Yorker who voted for Vice-President Humphrey was really voting for the forty-three electors of the Democratic Party. And even though Humphrey received a bare majority of New York's popular vote, he won all forty-three of its electoral votes. (Legally, of course, any of these electors could have voted for someone else, and on a few rare occasions an individual elector has dishonored his commitment.)

Under this system, it is theoretically possible for a Presidential candidate to receive a majority of the electoral votes even though his opponent is the popular victor. To see how this might happen, assume, for a perhaps uncomfortable moment, that the President was chosen by New York and California alone. If Humphrey won New York by fifty thousand votes, and Nixon won California by one hundred thousand votes, then New York's forty-three electors would go to him, and Nixon would receive California's forty. Thus, even though Nixon was fifty thousand popular votes ahead, Humphrey would be elected President, by forty-three electors to forty. The fear that this might happen on a national scale is behind the present demand to eliminate the electoral college and select a President by direct nationwide popular vote. Such a change, which is superficially appealing as a call to democratic principle, might have consequences for the practical operation of our democracy far beyond the intentions of its sponsors. There are some aspects of our present system, of course, that clearly threaten the legitimacy of the democratic process. Certainly electors should not be free to defy the electorate, nor should the House of Representatives under any circumstances be allowed to select a President, being a small group of men susceptible to deals and private pressures. Electors have sometimes acted independently, and the House has on occasion ignored both the popular and the electoral vote in selecting a President. Yet it would be relatively simple to eliminate these possibilities—by, for example, not having individuals as candidates for electors but automatically counting all of a state's electoral votes for the winner of its popular vote, and by providing that the candidate with the most electoral votes would win even if he did not have a majority. Or a runoff popular election would be held if the winning candidate received less than a certain fixed percentage of the electoral votes—say, thirty-five per cent or forty per cent.

However, eliminating the electoral college altogether is another matter. In so doing, we would exchange a clumsy mechanism, but one that has worked, for an ideal construction whose effects are conjectural. Only once in our history has the man who received the most popular votes failed to receive the highest number of electoral votes. That was in 1888, when Grover Cleveland lost the election although he ran a hundred thousand votes ahead of Benjamin Harrison. Andrew Jackson in 1824 and Samuel Tilden in 1876 were deprived of the Presidency despite a popular plurality, but Jackson's defeat came about by the decision of the House (Jackson had a plurality of electoral votes as well), and Tilden lost because disputed electoral votes were taken from him by a hostile Congress. Thus, the electoral college has failed to conform to the popular will only once in almost two centuries, and that in a contest so close that it's almost a technical quibble to say that the people's choice was defeated.

Nor do considerations of abstract democratic theory dictate a change to direct popular vote. If democracy requires that those who govern the country be chosen by a national constituency in which all citizens have equal weight, then both the Supreme Court and the Senate fail the test. Yet, on the whole, they help maintain a necessary balance between minority or regional interests and the majority will; the Senate is often more conscious of national needs than the more representative House. Therefore, before changing a system that has worked remarkably well, the American people should be fairly certain that the results will be beneficial. As we see it, the consequences of eliminating the electoral college not only are highly speculative but might be unfortunate.

First, such a reform, as Professor Ernest Brown, of Harvard, has pointed out, could well transform the frequent charges of election irregularity and fraud into demands for a nationwide recount. Since voting is now by states, such charges are usually allowed to lapse, for even if the result in a particular state should be changed, the winner would rarely lose his electoral majority. But if the popular vote alone were decisive, and the election close, there would be every incentive to demand investigations and recounts, and these would inevitably precipitate counter-demands, while the country waited to see who its leaders would be. In addition, a direct popular vote would powerfuly tempt the states to compete in lowering voting ages, liberalizing registration requirements, and so in, in order to increase their relative influence on the election.

Another, and perhaps more serious, objection to abolishing the electoral college is the threat to the stability of the two-party system, which has been a key element in the endurance of American democracy. Most third-party efforts either have never got off the ground or have proved transient, because, as Professor Alexander Bickel, of Yale, has noted, they have been unable to win electoral votes unless they operated from a regional base. In 1948, for example, Strom Thurmond and Henry Wallace received approximately the same popular vote, but Thurmond got thirty-nine electoral votes and Wallace none. Individuals with a common interest or conviction are restrained from forming an independent party by the knowledge that they cannot carry any states and therefore will not receive any electoral votes, while their activities will tend to subtract votes from the major-party candidate who is ideologically closest to them. With only the popular vote at issue, however, regional roots are irrelevant, and groups united by belief or need—from blacks and those opposed to the war in Vietnam to the John Birch Society—might fragment the electorate into new parties in search of maximum political power. They could, as the Liberal Party has done in New York, bargain with one of the major parties for concessions in return for its endorsement, or offer to withdraw in the midst of a campaign in return for concessions. Such a party might also run candidates in the hope of forcing a runoff election in which its support would be eagerly sought. Most of the election-reform proposals require at least forty per cent of the popular vote for election, with a runoff between the two top candidates if no one gets that much. And although only Harrison received a popular minority and an electoral majority, fifteen Presidents have been elected with less than a majority of the total popular vote. Therefore, almost half of our elections have been contests in which, theoretically, a third party could have held the balance of power. In two of our three last Presidential elections, the popular margin was less than a half-million votes, and in America it is possible—with money and energy—to organize a half-million people for almost anything.

Still another objection centers on the impact that eliminating the electoral college would have on the relative importance of large and small states. Both the advocates and the opponents of reform have assumed that direct popular vote would reduce the emphasis on the large states with the most electoral votes. Yet reform might well have the opposite effect. Usually, campaigns are directed at a swing vote of from ten to twenty per cent of the population, on the assumption that the rest of the voters are pretty firmly committed. Under the reform system, any candidate in search of those votes would have to concentrate his energies and his strategy on the large states, for that is where the people are, and also where the most volatile vote can be found. For example, Richard Nixon, Southern strategy and all, received about the same number of popular votes in California alone that he received in all nine states of the once solid South (roughly three and a half million). Even though Nixon ran well ahead of Vice-President Humphrey in the South, a change of little more than two per cent of his vote in favor of Humphrey in the four largest states, or a change of less than one and a half per cent in the seven largest, would have cancelled out his entire Southern margin. In fact, about half the popular vote for the two major candidates came from only seven states. No political strategist, therefore, could wisely counsel a candidate to take the slightest risk in the big states in the hope of picking up a few more Southern or border states. (In fact, exactly this kind of risk-taking helped defeat Nixon in 1960.) It is just as likely, and far more economical in terms of energy and expense, that under the new system a candidate would assume a basic minimum of Southern and border votes and shape his campaign to the demands of large-state politics. Why should a Presidential hopeful take positions calculated to win Southern states if those same positions might lose him the two or three per cent of the vote in California, New York, Illinois, and Pennsylvania that would be enough to cancel out all his gains? All this, of course, reflects only the psychology of campaigns, since in fact the electoral vote has followed the popular vote. Yet once political strategists stopped thinking in terms of states and the intricate arithmetic for the electoral college; they would tend to focus on areas where the population is concentrated and on the large television "market areas." (After all, in the nine Southern states Nixon received forty-seven electoral votes and helped keep twenty-eight more from Humphrey, while California gave him only forty electoral votes. Thus, the Southerner who voted for Nixon actually had more influence on the electoral majority than did the Californian who went Republican.)

None of these are certain consequences of change. Yet they are all possibilities, as are other results, which we cannot now foresee. (Our history is strewn with discarded democratic reforms, such as the initiative and the referendum, that frequently defeated expectations and sometimes became the instruments of those special interests they were designed to protect the country from.) In return, we will be guarded against the possibility that the popular loser will be the electoral winner. Not only is this highly unlikely (in most close elections the electoral-vote majority has far exceeded the popular margin, thus strengthening the position of a President-elect) but even if it should happen it would be in a contest so close that one would be hard put to it to claim that a firm or decisively expressed popular desire had been thwarted. One of the sources of our national stability has been our unwillingness to change the Constitution except when abuses or malfunctions have already manifested themselves. It has never been amended simply because we feared that something might go wrong at some future date. Yet that is what is now being proposed. We will find, however, no system of choosing leaders that is guaranteed to work perfectly. Certainly a great deal of skepticism and prudent hesitation should attend any effort to "perfect" a system that has worked as well as ours.

REVIEW OF ECONOMIC OPPORTUNITY PROGRAMS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, the General Accounting Office has kindly furnished me with copies of communications from the U.S. Department of Agriculture, Forest Service, and Department of Interior, Office of the Secretary, commenting upon the preliminary draft of the review of economic opportunity programs made by the General Accounting Office and submitted in report form to Congress on March 18, 1969. I would like to submit, for the information of the Members, these communications which are addressed to Mr. Henry Eschwege, Associate Director, Civil Division, U.S. General Accounting Office, Washington, D.C.:

FOREST SERVICE,
Washington, D.C. March 14, 1969.

Mr. HENRY ESCHWEGE,
Associate Director, Civil Division, U.S. General Accounting Office, Washington, D.C.

DEAR MR. ESCHWEGE: On March 6, the General Accounting Office audit of the programs under the Economic Opportunity Act was reviewed with the concerned agencies. We participated in that review. I understand that comments on the audit should be sent to you for consideration. We would like to offer some suggestions to you regarding the overall evaluation of the Job Corps Civilian Conservation Center program.

First, I want to express our sincere appreciation for the constructive evaluation which was made of our Cispus Job Corps Civilian Conservation Center. We regret that it was not possible to inspect some of our other Centers. As expressed in our April 5, 1968 letter to Civil Division Assistant Director Richard W. Kelley, we were apprehensive that only one Forest Service Center out of the 45 we operate would not give a representative picture of our Civilian Conservation Center program. This apprehension appears to have been justified on the basis of your overall findings related to Civilian Conservation Centers.

The purpose of your evaluation of the Job Corps program was to determine its effectiveness in carrying out the intent of Congress. The Job Corps section of the Economic Opportunity Act states, "It's purpose is to assist young persons who need and can benefit from an unusually intensive program, operated in a group setting to become more responsible, employable and productive citizens; and to do so in a way that contributes, where feasible, to the development of National, State and community resources. . . ." The Act states, "enrollees will participate in intensive programs of education, vocational training, work experience, counseling, and other activities. . . ."

We have reviewed your findings, conclusions, and recommendations in relation to the defined purposes of the Economic Opportunity Act. We would like to discuss the findings in each of these areas and offer suggestions toward strengthening the report.

A highly important factor in helping disadvantaged young men become more responsible, employable, and productive citizens is to bring about social and emotional adjustment. As you know, the population we serve are from poverty backgrounds, 90 percent school dropouts, 60 percent from broken families, 61 percent functionally illiterate on enrollment and 33 percent with records of juvenile delinquency. About one-third of the staff at Civilian Conservation Centers is engaged in group living and professional counselling activities. Attitudinal and behavioral adjustment in Civilian Conservation Centers is relatively rapid, partly because the Centers are small in size, the staff has personal knowledge of each Corpsman and he receives individualized attention. Your report states that "such benefits are generally intangible, however, and not subject to precise measurements".

We believe your evaluation of the Job Corps program could be considerably strengthened by searching out indices of such intangible benefits. For instance, it is noteworthy that Conservation Centers have had little problem in maintaining Corpsman discipline and Center control during a period when youth are rioting at other institutions throughout the country. Another index of social adjustment might be found in data which indicates that Job Corpsmen have a substantially lower arrest rate than the average youth of the same age. Improvement in self-confidence which is essential to motivation is readily accomplished at Civilian Conservation Centers and has been measured through study.

Basic education is a highly important facet of the youth renewal program at Civilian Conservation Centers. As you know, the assignment policy until November, 1968 provided that enrollees with less than fifth grade reading ability be sent to Civilian Conservation Centers and the upper half be sent to Men's Urban Centers. During 1967 and 1968, about two-thirds of the new enrollees at Civilian Conservation Centers were reading at or below the third grade level upon admission. Your finding was that few Corpsmen achieved the program goals established for Conservation Centers which were equivalent to about seventh grade public school level. The short average length-of-stay was cited as one factor which precluded them from advancing to the desired level.

You may wish to update your data on education gains. Latest data shows average reading gains per terminee to be 2.8 levels as compared with 1.9 in Fiscal Year 1968. Such gains are verified by the Stanford Achievement Test. Corresponding improvements in mathematics gains have been experienced. During this time, the average length-of-stay increased from 5.3 months to 6.1 months. While we are still working to increase the average length-of-stay and educational gains, the current gains can be considered remarkable when viewed in the perspective of the group of low educational achievers assigned to Civilian Conservation Centers.

The inference that emphasis placed on accomplishing work projects adversely affected training programs and the instance cited that Corpsmen were often excused from academic courses to work on the projects is definitely not representative of the program. Training is given priority over work project accomplishment. Beginning readers are given daily reading instruction both during the education and work weeks.

The audit report puts primary emphasis on the vocational training and work experience aspect of the Job Corps Conservation Center program. In this activity it has findings and opinions and states conclusions which are grossly erroneous. In its present form the report presents a completely inaccurate picture of vocational training and work experience in Forest Service Conservation Centers. It portrays work skills training at Conservation Centers as generally projects which require the use of the most basic hand tools such as axes and shovels, providing only limited marketable skill development training. This is not factual.

We have made an analysis of work program accomplishment reported by Forest Service Centers in FY 1968 which includes the period of the audit. From this reported $12,085,000 of project value, $9,339,000 of which was conservation work, we have arrived at the following breakdown of training value:

Training value of project	Dollar value of project	Percentage
High	$9,482,000	79
Some	660,000	5
Little	1,943,000	16
Total	12,085,000	100

Examples of high training value projects include:

Type of project	Training offered	Dollar value
Road construction and reconstruction	Heavy equipment operation	$2,214,000
Bridge construction and reconstruction	Heavy equipment operation, masonry, carpentry, welding.	236,000
Building construction and reconstruction	Carpentry, masonry, painting	3,109,000
Recreation facility construction and reconstruction	Carpentry, masonry, welding, painting	2,922,000

Examples of projects with only some or little training value are:

Type of project	Training offered	Dollar value
Soil erosion control	Some heavy equipment but largely hand labor	$161,000
Reforestation and timber stand improvement	Handtools, power saws	220,000
Fence construction	Power saws, handtools, and limited heavy equipment	209,000
Landscaping and site development	Limited heavy equipment, handtools, and masonry	977,000

Enrollees are initially assigned to general work projects to learn work habits, to provide time for them to make a selection for vocational training, and to provide time to raise their reading and math ability so they can participate in higher level training.

The report recognizes that the May 2, 1968 Job Corps Civilian Conservation Centers Program Task Force Report revised some program concepts and policies for operation of academic and vocational training programs at Centers. It also states the opinion that implementation of the requirements as they relate to vocational training would have a beneficial effect on the training program. I am pleased to report that during the ten months which have elapsed since the issuance of that Task Force Report the program revisions have been implemented. Staff vocational training capabilities have been adjusted, the work program revised to offer maximum training opportunities, precise and detailed curriculums provided and a system for documenting performance achievements of Corpsmen implemented. We have not found these program improvements to increase Center operating costs.

Forest Service Job Corps Conservation Centers have a well defined work skills training program operating succesfully. This program provides skills training to the apprentice level in the occupations of carpentry, heavy equipment operation, welding, automotive service mechanic, bricklayer apprentice-cement mason, cook, and painter. Training has been further strengthened by arrangements with national labor unions for training instruction and placement assistance for heavy equipment training programs at two Centers, carpentry training programs at six Centers, and painter training programs at 20 Centers. The Civilian Conservation Center training program has the additional advantage of teaching work skills in an on-the-job

situation which makes the learned skills easily transferable to later employment.

Two other points may be worth considering which relate to the emphasis the report places on the vocational training component of the Job Corps program. The first is the finding cited in the report that only 25 percent of working terminees were working in areas in which they had received training and 75 percent were working in other areas. If this is so, then experience would indicate that social adjustment and work habits may be at least as important as vocational training. The second is that according to your sample and other more extensive studies, Civilian Conservation Center terminees are working at an average of about 10 cents per hour less than Urban Men's Center terminees. When one considers that the top half of the enrollees, educationally speaking, have been assigned to Urban Centers and the lower half to Conservation Centers, it is difficult to establish that one program is more successful than the other in the area of making Corpsmen employable.

We hope that these comments will be helpful to you in preparing your report to Congress. If possible, we would like them included in your report.

Sincerely,

EDWARD P. CLIFF,
Chief.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C.

MR. HENRY ESCHWEGE,
Associate Director, Civil Division, U.S. General Accounting Office, Washington, D.C.

DEAR MR. ESCHWEGE: This Department, as a participant in the Job Corps Civilian Conservation Center Program, has been informally advised of the conclusions and recommendations concerning the Civilian Conservation Center Program contained in the draft report of the audit of the programs under the Economic Opportunity Act. On the basis of the information available to us, we are prompted to offer the following comments in the belief that they are necessary to a full and fair understanding of degree to which the Program has achieved success in filling its primary purpose; that of assisting young men to become more responsible, employable and productive citizens in a way that contributes to the development of National, State and community resources.

We believe that it is important at the outset to understand that this program in its conception, and as it has existed since its inception, has been essentially a research and development effort, one which is directed toward discovering the ways and means by which a society could redeem not only its failure to a segment of its population—the uneducated, unskilled, underemployed young men—but also to redeem the individual failures of the members of that population. It has, and will continue to have, an orientation and an urgency not found in the more traditional Federal, State and local programs. This program directs its orientation toward a human resource that is multiplying itself in our ghettos, our urban and rural areas at a rate that far exceeds the availability of the dollars or the knowledge necessary to deal with it. As such, it has incurred the relatively higher costs that are attendant with research and development programs. We believe that any judgments with respect to program costs must be viewed in this light.

Further, we believe that it is essential in viewing the work experience aspects of the program to understand that we are dealing with an element of our population that has neither the aptitudes nor the attitudes that are necessary to make them employable. We know from the statistics provided to us by the Office of Economic Opportunity that upwards of 60% of our Corpsmen come from homes where the head of the household is unemployed; nearly 40% come from families on relief. Within the Conservation Center Program, we are concerned with *work skills* and *attitudes*. The report states that the work experience aspects of our program call largely for the use of common labor and basic hand tools and questions whether intensive vocational training can be provided. This statement ignores the fact that highly complex work projects offering a variety of marketable skills are being conducted in our centers. We want to say more about this, but feel it is essential at this point to draw your attention first to the values derived in terms of Corpsmen attitudes from the work experience aspects of our program. We believe that "employability" for our type of enrollee is comprised of equal parts of work skills and attitudes that are most readily acquired through the actual on-the-job training at Civilian Conservation Centers. Countless potential employees have told us "give us a boy who knows what it is to work and who is willing to work and we will provide the additional specialized training necessary so that he can hold down a job with us." For young men who come to us from backgrounds of the unemployed and the relief rolls, a realization and an acceptance of what it means to do an honest day's work for an honest wage is essential. Even if our program was largely one of basic hand tools and common labor—which it is not—the realization and acceptance of these values which take place in our Corpsmen is of immeasurable value to the Nation.

More specifically, we want to point out that our program does offer meaningful vocational training in skilled areas recognized in, and in fact based on, the Department of Labor's *Dictionary of Occupational Titles* for: Automobile-service mechanic, carpenter (construction); cook; bricklayer-cement mason; production line welder; operating engineer (heavy equipment operator). These training standards were developed with the assistance, cooperation and advice of the recognized governing bodies of the trades and crafts involved, and were issued with their endorsement. At the present time, training in automotive skills is offered in 23 of our 30 centers with a program to be implemented in 3 additional centers by July 1. Carpentry skills are offered in 27 centers with 3 additions planned. Bricklayer-cement mason skills are offered in 20 centers with 4 additions planned. Heavy equipment operator skills are offered in every center. Welding skills are offered in 19 centers with 5 additions planned. Cooking skills are offered in 24 centers with 4 additions planned.

In addition, we are conducting programs at one of our centers in cooperation with the Kentucky State Building and Construction Trades Council, AFL–CIO, and we have recently joined with the Brotherhood of Painters, Decorators, and Paperhangers of America in offering meaningful vocational training in painting skills at 18 of our centers. This training is accomplished through our work programs which provide for the teaching of work skills in an on-the-job situation. The work projects through which the skills are acquired are directed toward the conservation mission of each of the Conservation Agencies and are reviewed at the Departmental level to insure that they provide maximum skill exposure.

Thus, while acquiring skills in an occupational area, the Corpsmen contribute to the conservation of the Nation's resources and recreational areas. Our analysis of the work program accomplishment within this Department's centers from the inception of the program through FY 1969 indicates that millions of dollars worth of improvements to our natural resources and recreational areas have been returned to the public through this program. While the report questions the validity of the appraised values within the program, we believe that these values are objective. These values are determined by highly-qualified agency personnel who are not directly associated with the Conservation Center Program.

In order to provide the Corpsmen with the complete requirements for employability, the academic portion of the program is equally as important as skills and attitude training. From its inception the Civilian Conservation Center educational program was tailored to remediate the needs and/or deficiencies of the target population. The latest data indicates that the average reading gains per terminee is 2.8 levels of academic achievement. These gains are verified by the Stanford Achievement tests. Corresponding improvements in mathematics and other educational areas have been experienced. These improvements are considered remarkable in view of the low educational achievers assigned to the Conservation Center Program.

We understand that the Chief of the U.S. Forest Service has also written to you with regard to the report. We have endeavored to present additional thoughts for your consideration; however, we fully subscribe to the comments made by the Forest Service.

We feel proud of the achievements of the Civilian Conservation Center Program of the Department of the Interior and believe that it is accomplishing the purpose and intent of the Congress. We hope that these comments prove to be of benefit to you in preparing your report to Congress.

Sincerely yours,

HARRY SHOOSHAN,
Deputy Under Secretary for Programs.

THE 5-YEAR EXTENSION OF ESEA

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, I feel this is an appropriate time to call some pertinent facts to the attention of the House with regard to the legislation which has been reported out of the Committee on Education and Labor. This legislation, H.R. 514, would extend the Elementary and Secondary Education Act for a 5-year period.

The House will shortly have to act on this legislation, and these facts relate directly to the impact which this legislation has had, is having, and will continue to have—on the vast complex of educational systems throughout the Nation—an educational system which is as efficient, effective, and capable as any in the world.

It is this same education system which we hope to make even more meaningful to every individual who becomes part of it—at the State level, local level, in the school, and in the home—and the Federal role to be played in this drama is a very vital and significant one. The Federal Government has, as a result of the enactment of the Elementary and Secondary Education Act and related legislation, made great progress in its effort to come to grips with a problem ignored for too long—that is, becoming a very active partner in the job of providing adequate educational assistance to our State and local school systems throughout the country.

If there is any doubt in the minds of some of my colleagues as to why the Committee on Education and Labor has reported out a bill which extends elementary and secondary education legislation for 5 additional years, I would like to refer them to the list of witnesses who have testified before the committee this year endorsing the provisions of H.R. 514, which, among other things,

does just that. This list is a representative cross-section of the Nation's school officials from State and local systems, the professional educational associations, and many others.

As I am sure you are aware, the Elementary and Secondary Education Act and related legislation has proven to be one of the most valuable and influential pieces of educational legislation which any Congress has enacted. As I have stated in other RECORD inserts, many school superintendents attested to this fact in their comments regarding the effectiveness of this legislation. The original act, Public Law 89–10, and the amendments that have been enacted in subsequent Congresses, has had the total effect of reaching into every school in the country—making possible new and needed programs, additional facilities, more qualified personnel, new and more sophisticated equipment and materials, and professional guidance, if desired, to assist in developing new programs and curriculum.

These people traveled to Washington because they had things to say regarding the programs and activities under the ESEA which were of importance and value with their States.

The meaning and impact which this legislation has had can best be understood with the statement that the witnesses who testified on this legislation all endorsed a 5-year extension of the bill.

Mr. Speaker, for the benefit of my colleagues, so that they may see the extent to which the Committee on Education and Labor wanted views from every geographic sector of the country—as well as all the various interests in the educational community—I would like to insert in the RECORD a partial listing of the people who appeared before the committee—all of whom, I repeat, asked that the legislation which so vitally affects our elementary and secondary schools, be extended for 5 years. The list follows:

Dr. Graham Sullivan, Deputy Superintendent of Instruction, Los Angeles City Schools.

Don Richardson, District Coordinator of Compensatory Education Programs.

Dr. Tom Lawson, Office of Superintendent of Schools, Los Angeles.

Henry Boas, Administrative Analyst, Los Angeles School District.

Dr. William Kottmeyer, Superintendent of Schools, St. Louis, Missouri.

Dr. E. C. Stimbert, Superintendent of Schools, Memphis, Tenn. Accompanied by: Dr. O. Z. Stephens, Director of Research and Publications; Maurice E. Roach, Director of Federal and State Projects.

Dr. Mark R. Shedd, Superintendent of Schools, Philadelphia, Pa.

Dr. William H. Ohrenberger, Supt., Boston Public Schools, accompanied by: Mr. Paul Kennedy, Administrative Asst. to the Superintendent; Mr. Joseph F. Carey, Director, Educational Planning Center; Mr. Victor A. McInnis, Director, Title I Programs.

Dr. Joseph Manch, Superintendent, Buffalo Public Schools, accompanied by: Mr. Claude D. Clapp, Asst. Supt. for Finance & Research.

Dr. Norman Drachler, Superintendent of Schools, Detroit, Michigan accompanied by: Dr. Louis Monacel, Asst. Superintendent, Federal & State Relations; Dr. William Simmons, Deputy Supt., Federal & State Relations for Fiscal Planning.

Miss Cora Bomar, Director, Division of Educational Media, State Dept. of Public Instruction, Raleigh, N.C.

Miss Frances Hatfield, Supervisor of Instructional Materials, Board of Public Instruction, Broward County, Fla. Broward Co. Public Schools, Ft. Lauderdale, Fla.

Miss Ingrid O. Miller, School Library Consultant, Independent Schools District No. 273, Edina, Minn.

Miss Germaine Krettek, Associate Executive Director, American Library Assn.

Dr. Paul Briggs, Superintendent of Schools, Cleveland, Ohio.

Dr. Bernard Donovan, Superintendent of Schools, New York City.

William N. Ryan, Coordinator, ES–70, Breathitt County, Bd. of Educ., Jackson, Ky.

Austin H. Armitstead, Chairman, National Committee on the Education of Migrant Children, accompanied by: Miss Cassandra Stockburger, Director, Natl Committee on the Educ. of Migrant Children.

James R. Dorland, Associate Executive Secretary, National Association for Public School Adult Education.

Francis D. Murnaghan, Jr., President, Baltimore City Board of School Commissioners, also representing National School Boards Association.

Mrs. G. Theodore Mitau, Vice Chairman of the Board of Education for Independent School District No. 625, St. Paul, Minnesota.

Dr. Edward Palmason, Seattle, Washington.

Dr. Richard Ando, Honolulu, Hawaii.

Dr. Gary N. Pottorff, Vice President, Board of Education, Wichita, Kansas.

John Wagner, South Bend Community School Corporation, South Bend, Indiana.

Hazen Schumacher, Board Member and Past President, Board of Education, Ann Arbor Public Schools, Michigan.

Mrs. Michael Spicer, Member School Board, Lawrence Township, Mercer Co., N.J.

Mr. R. Winfield Smith, President, National School Boards Association and Director Upper Perikomen Board of School Directors, Pennsburg, Pa.

Mrs. Margaret Nielsen, President, Board of Education, West Bend, Wisconsin.

Mrs. Frances M. Carnochan, Chairman, NEA Legislative Commission, Trenton, N.J., accompanied by: Dr. John M. Lumley, Executive Secretary, NEA Legislative Commission and NEA Assistant Executive Secretary for Legislation and Federal Relations, Washington, D.C.

Mr. David Tankel, Director, ESEA Title I, Trenton Public Schools.

Mrs. Carol Belt, Art Coordinator, Trenton Public Schools.

Mr. William Raymond, Director ESEA Title III, Tempe Elementary School District, Tempe, Arizona.

Mr. G. Warren Phillips, Superintendent of Schools, Valparaiso, Indiana and Chairman, American Association of School Administrators, Federal Policy and Legislation Committee accompanied by: Mr. James Kirpatrick, Secretary, American Association of School Administrators; Dr. Harold H. Eibling, Superintendent, Columbus Public Schools, Columbus, Ohio.

Mrs. Bruce B. Benson, President, League of Women Voters of the United States.

Mr. William C. Geer, Executive Secretary, The Council for Exceptional Children, National Education Association.

Dr. John Melcher, Assistant State Superintendent and Director of the Bureau for Handicapped Children, State Department of Public Instruction, Madison, Wisconsin.

Mr. Fred Weintraub, on behalf of Dr. Leo Connor, Superintendent, Lexington School for the Deaf, New York, N.Y.

Dr. Maynard Reynolds, Chairman of the Department of Special Education of the University of Minnesota.

Dr. Elizabeth M. Boggs, Chairman, Committee on Government Affairs, The National Association for Retarded Children.

Mr. Irvin P. Schloss, Legislative Analyst, American Foundation for the Blind.

Dr. W. H. Moore, Associate Commissioner of Federal Programs, ESEA, State Department of Education, Little Rock, Arkansas, accompanied by: Mr. Jeff D. McGehee, Chairman, Arkansas Advisory Council on Policy.

Dr. James F. Redmond, General Superintendent, Chicago Board of Education, Chicago, Illinois, accompanied by: Dr. George Balling, Assistant Superintendent for Federal Relations and Dr. Arthur Lehne, Assistant Superintendent for Federal-State Funded Programs.

Dr. John O'Neill, President, American Speech and Hearing Association, Department of Speech Pathology and Audiology, University of Illinois, accompanied by: Dr. Kenneth O. Johnson, Executive Secretary, American Speech and Hearing Association.

Dr. William Simmons, Deputy Superintendent, Detroit Public Schools.

Dr. Ralph Hood, Superintendent of Schools, Brunswick, Georgia.

Dr. Bluford Minor, Assistant Superintendent of Schools and Business Manager, City of San Diego, California.

Dr. J. M. Hanks, Superintendent, Ysleta Public Schools, El Paso, Texas.

Dr. Reid Ross, Superintendent of Schools, Fayetteville, North Carolina.

Dr. George Membrino, Superintendent of Schools, Chicopee, Mass.

Dr. Edgar Fuller, Executive Secretary, Council of Chief State School Officers.

Dr. Jack P. Nix, Superintendent of Schools, Department of Education, Atlanta, Georgia.

Dr. James A. Sensenbaugh, State Superintendent of Schools, Baltimore, Maryland.

Dr. George Thomas, Director, Extended School Year Program, New York State Dept. of Education, New York.

Mr. John Doyle, Area Director, New Haven Public Schools, Hamden, Conn.

Mr. Donald Merryman, Project Director, Title III ESEA, Board of Education, Baltimore County, Upperco, Maryland.

Mr. Harvey Granite, Administrator, Title I, Rochester Public Schools, N.Y.

Mr. Donald E. Snodderly, Project Director, Title I ESEA, Board of Education, Baltimore County, Baltimore, Maryland.

Dr. Richard Vanhoose, Superintendent, Jefferson Co. Public Schools, Louisville, Ky.

Dr. J. O. Johnson, Assistant Superintendent for Research, Jefferson County Public Schools, Louisville, Kentucky.

Mr. Fred S. Rosengarden, Director of Visual Education, Chicago Public Schools.

Mr. Jack L. Perlin, Principal, Wadsworth Elementary School, Chicago, Ill.

Mr. Leo Lopez, Chief of Bureau Community Services & Migrant Education, California State Department of Education, Sacramento, Calif.

Mr. Westry Horne, Director, Education Program for Seasonal and Migrant Families, New Jersey State Dept. of Education, Trenton, N.J.

Professor Adalberto Guerrero, Tucson, Arizona.

Mr. Nathaniel Dixon, Director, Division of Elementary and Secondary Education, Museum of Natural History, Washington, D.C.

Dr. Reed P. Wahlquist, Principal, Kearns High School, Salt Lake City, Utah, accompanied by: Dr. Norman D. Riggs, Assistant Principal, Kearns High School; Mr. C. Michael Newman, Director, Project I.D.E.A., Kearns High School.

Dr. Charles C. Holt, Superintendent, South Bend Community Schools Corporation, South Bend, Indiana.

Mr. Morton L. Linder, President, Board of School Trustees, South Bend Community School Board, South Bend, Indiana.

Mr. Julius Truelson, Superintendent of Schools, Fort Worth Independent School District, Fort Worth, Texas.

Dr. Fred W. Kirby, Assistant Superintendent of Schools, Columbus, Ga.

Mr. Archie F. Simmons, Administrative Assistant and Coordinator of Federal Pro-

grams, Leflore County School District, Greenwood, Mississippi.

Mr. Julian D. Prince, Sr., Superintendent of Schools, McComb Municipal Separate School District, McComb, Mississippi.

Mr. Ray Brackett, Director, Title I, ESEA, Floyd County Schools, Prestonsburg, Kentucky.

Mr. Foster Meade, Superintendent, Lewis County Schools, Vanceburg, Kentucky.

Mr. Bueford Risner, Superintendent of Schools, Bath County, Owingsville, Kentucky.

Mr. Charles Straub, Jr., Superintendent of Schools, Mason County Schools, Maysville, Kentucky.

Very Rev. Msgr. James C. Donohue, Ph.D., Director, Division of Elementary and Secondary Education, United States Catholic Conference, Washington, D.C.

Reverend Louis F. Generes, Superintendent, Archdiocese of New Orleans, Louisiana.

Reverend Franklin E. Fitzpatrick, Superintendent of Schools, Roman Catholic Diocese of Brooklyn.

Reverend Harold J. Ide, Assistant Superintendent of Schools, Archdiocese of Milwaukee, Wisconsin.

Reverend Emmet Harrington, Superintendent of Schools, Archdiocese of Portland, Oregon.

Rt. Rev. Msgr. Edward T. Hughes, Superintendent for Archdiocese of Philadelphia, Pennsylvania.

Mr. C. P. Callahan, Assistant Superintendent of Schools, Department of Education, Diocese of San Diego, California.

Very Rev. Msgr. Henry Gardner, Superintendent for Archdiocese of Kansas City, Kansas.

Professor James V. Powell, Elkhorn City, Kentucky.

Dr. Ira Polley, Superintendent of Public Instruction, State Department of Education, Lansing, Michigan.

Dr. Wilson C. Riles, Director of Compensatory Education, State Department of Education, Sacramento, California.

Raymond A. Horn, Director, Division of Federal Assistance, State Department of Education, Columbus, Ohio.

Dr. Austin Haddock, Director, Title I, ESEA, State Department of Education, Salem, Oregon.

Mr. Fred Williams, Coordinator of Title I, ESEA, State Department of Education, Frankfort, Kentucky.

Dr. Alexander J. Plante, Coordinator of Title I, ESEA, State Department of Education, Hartford, Connecticut.

Dr. Joseph Johnston, Coordinator, Title I, ESEA, State Department of Public Instruction, Raleigh, North Carolina.

Mr. Jack Hanson, Title I Administrator, Minnesota Department of Education, St. Paul, Minnesota.

Louis A. Dughi, Assistant Coordinator, Federal Assistance Programs, State Department of Education, Trenton, New Jersey.

V. P. Horne, Director, Public Relations, Kentucky Education Association, Louisville, Kentucky.

Dr. Irving Ratchick, Coordinator of Title I, ESEA, New York State Education Department, Albany, New York.

Mr. Frank N. Brown, Coordinator of Title I, ESEA, State Department of Public Instruction, Madison, Wisconsin.

Dr. Noah S. Neace, Coordinator of Title I, ESEA, Office of Superintendent of Public Instruction, Springfield, Illinois.

Mr. Frank H. Vittetow, Assistant Superintendent of Public Instruction of State and Federal Relations, Department of Education, The Commonwealth of Kentucky, Frankfort, Kentucky.

CRISIS IN THE LUMBER ECONOMY

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

Mr. DON H. CLAUSEN. Mr. Speaker, last year, California was proud to provide the Nation with another gem for its string of superlative national parks. Now we want to do more about meeting the Nation's need for wood for new homes at a reasonable cost. Also, what I am suggesting today, I hope will shed some light on the current lumber price situation and offer some constructive suggestions that will lead to a stabilization of lumber prices throughout the Nation.

At the outset let me say, that I believe we must now demonstrate that we can house our growing population while we preserve and enjoy our new Redwood National Park. Information that has recently come to my attention shows that this can be done if the Congress meets its responsibilities to assure sound management of our national forests. The information to which I refer is a statement presented in December of last year by Mr. Paul E. Neff at the Western Forestry and Conservation Association meeting in San Francisco; a copy of which is offered herewith for the RECORD.

Mr. Neff's statement, in my judgment, suggests specific opportunities for increasing the harvest of commercial timber from that area located in the counties of Humboldt, Del Norte, and Mendocino which are contiguous to the site of the Redwood National Park in California. It provides some of the details not available in the Forest Service's statement made earlier this week to the House Banking and Currency Committee.

Very briefly, Mr. Neff points out that, with the addition of just 12 employees, the Forest Service could increase the annual cut in three national forests by more than 73 million board feet. This timber would come from the salvage of dead trees that are normally lost to use and can be reached now without major road construction.

With the completion of needed access roads, these three forests could provide each year more than 400 million board feet of mortality salvage. This timber, alone, would accommodate the building of more than 40,000 new homes each year!

Such timber losses as we are now experiencing are intolerable and our performance as the custodians of this great renewable natural resource leaves much to be desired. For this reason, I believe the Congress should promptly give the Forest Service the tools it needs to expedite the movement of this lumber into the construction of homes.

Over the years, we who represent major timber regions have been urging Congress and the executive branch to accelerate the Forest Service access road development program to permit intensified timber harvest and forest management programs to go forward. As a member of the House Roads Subcommittee, I can report that my colleagues have supported our request to the $170 million level, as recommended by the Forest Service as the required amount.

Regrettably, the previous administration and the Appropriations Committee funded only $100 million toward this goal. I was also the principal author of the log export restriction bill that ultimately cleared the 90th Congress as an amendment to the foreign aid bill. I say this only to remind my colleagues that those of us familiar with forestry and lumber products, have done everything possible to alleviate the log supply problem which is partially respon sible for the excessively high lumber prices. Had our recommendations been followed fully, I do not believe we would have this problem today.

For several years, however, the forest products industry and the economy of most lumber regions have been in a very depressed condition—it's either "feast or famine." Many are just now recovering from some very lean years, and this is particularly true of the small mill owners and lumber operations. Now for the first time in years, we have the opportunity to recover following a long period of adjustment.

We can now look forward, I believe, to a leveling off of lumber prices and this, of course, will greatly benefit everyone concerned.

Therefore, I urge this Congress and the administration to do everything possible to avoid a decline in our lumber economy at this crucial time.

In summary, our goal must be:

First, to construct more forest access roads;

Second, to institute better forest management practices on public lands; and

Third, to create and maintain firm and stable timber prices.

In conclusion, Mr. Speaker, I submit that the tight lumber prices of the past have contributed to the tight money policies of the present.

If this Nation is to adequately house its people, supply the jobs needed in forested areas, and properly manage our national forests—we, in the Congress, must first make additional funds available for forest roads and other forest management practices and, secondly, develop a long-range method of finance and funding for the managers of our national forests that is sound, feasible, and certain to yield the revenues needed to constitute an "investment" in this great natural resource.

The statement mentioned follows:

TIMBER MORTALITY: FEDERAL PROGRAMS AND EXPECTED RESULTS, LIMITATIONS AND OPPORTUNITIES

A high proportion of the commercial forest land in Federal Ownership in the West supports mature or overmature timber. Such stands characteristically have higher mortality rates in merchantable stems than young growth. Unless preventive measures are carried out on a current basis, high mortality rates will continue until such time as the old growth stands are liquidated, in some cases over 60 years hence.

One of the first steps in reducing pest impacts is detection. Finding where the insects and diseases are before they become epidemic. By recognizing potential outbreaks early they often can be suppressed through timber sales or by cultural manipulation. Detection is a continuing job by State, private and Federal forest entomologists and pathologists covering all forested lands of all ownerships.

Evaluation surveys are made to appraise the significance of outbreaks and to determine whether they will be allowed to run their normal course unchecked or whether

direct suppression measures should be employed to reduce the outbreak to an endemic level.

Detection and evaluation surveys are varied; most are a combination of aerial surveys followed by ground checks. Detection and evaluation surveys are continually being refined. There have been a considerable number of changes in recent years through the development of aerial photo techniques, bark X-ray and electronic data processing. There are other improvements on the drawing board. In a few years through sensor techniques, it may become possible to detect sick trees before there are any outward symptoms.

The prevention of insect and disease outbreaks through silvicultural and biological practices will become more important in reducing pest impacts as we develop fully managed forests. Miller and Keen, years ago, pointed out in USDA Pub. #800 that "All results from applied control indicate that the killing of beetles, no matter by what method, has only a limited effect in reducing tree mortality. The trend of epidemics is only temporarily altered by direct control measures."

Present inventory statistics are inadequate to accurately pinpoint the total annual losses to mortality. Neither are accurate data available as to the exact amount of current mortality salvaged each year. Forest Service records combine the timber cut as salvage with other unregulated material cut, including thinnings and species such as lodgepole pine that have not had a dependable market in the past.

Up to now the available supply of National Forest timber sold in California has exceeded utilization. Not until fiscal year 1966 was the utilization of National Forest timber equal to the allowable cut. Between 1962 and 1968, the back log of uncut timber climbed rapidly. The present back log is two and one-half times the allowable cut. Forest Service emphasis has been aimed at marketing large quantities of timber to provide the timber industry the opportunity to cut at allowable cut levels.

It now appears that this aim has been achieved and interest in additional supplies of timber including mortality salvage will be stronger. In Region 6, the volume of timber under contract is much less in proportion to the annual allowable cut. Consequently a more vigorous salvage program has been under way in recent years.

The Forest Service, and the Bureau of Land Management are committed to sell available unregulated material, including salvage, to the extent funds will permit and market demands can utilize it.

Funds and man-power for sale preparation have not been sufficiently high to market all of the material available from federal timber lands. Perhaps they never will be. This has necessitated the establishment of priorities in programming of the various categories of timber products. These priorities for federal ownerships in the west are:

1. Market insect epidemic losses and fire salvageable material.

2. Market the regulated cut. This would include intermediate cutting where such cutting is included in the allowable cut. (Siuslaw in R–6)

3. Market thinnings in locations where small-log harvesting has become an established practice.

4. Market dead and down salvage material.

5. Market thinnings in new areas.

Large catastrophic losses from insects, wind, floods and fires have generally been successfully salvaged as a part of the regulated sale program by regular operators. For example, the Douglas-fir bark beetle attack following the Christmas floods of 1964 in California was estimated to have killed about a billion board feet during 1966 and 1967. By the end of 1968 close to 500MM board feet will have been sold. Most of the remainder is inaccessible and may not be salvaged.

The Columbus Day windstorm in 1962 damaged 2.1 billion feet of timber on the National Forests of Oregon and Washington. A good part of this was salvaged, over 1.8 billion feet.

The normal annual mortality, scattered throughout the forest areas, is another matter. Such mortality results in light volumes per acre and may or may not be attractive from a logging standpoint. This depends upon its accessibility, the economics of removal, the availability of timber from regular sales, and the availability of operators with small, highly mobile equipment needed to operate scattered salvage shows.

The three Douglas-fir Forests in northwestern California, Six Rivers, Shasta-Trinity and Klamath have studied their mortality salvage situation. The situation on these Forests is illustrative of what might be expected on other Region Five Forests.

Current inventories show the unregulated cutting objectives for these three Forests to be 28 million board feet. The average unregulated volume cut for the last three fiscal years is 9 million board feet.

New inventories and allowable cuts are in process on all three of these Forests. These will produce drastically better figures than we now have to work with.

As an interim step, pending completion of additional new inventory data, salvage opportunities have been classified into three accessibility categories and tabulated below:

Forest	Annual volume, mm. board feet, by accessibility category		
	1	2	3
Six Rivers	9.0	2.0	160.0
Klamath	7.5	25.0	32.5
Shasta-Trinity	20.0	10.0	140.0
Total	36.5	37.0	332.5

Category 1 is that dead and down sawtimber which is currently accessible without construction of specified or permanent roads.

Category 2 is reasonably accessible with the construction of additional specified roads by timber purchasers, including normal amounts of supplemental funding.

Category 3 is inaccessible and would require major government construction.

Categories 1 and 2 can be looked upon as an opportunity for increasing salvage sales during the next 10 years. Category 3 is considered completely impractical during the next 10 years.

Manning and financing for an accelerated salvage program, including categories 1 and 2 would require these increases:

Forest	Funds M dollars	Ceilings man-years
Six Rivers	58	2
Klamath	172	4
Shasta-Trinity	158	6
Total	388	12

In addition, it is impractical to believe that the above increases would result in selling the full additional volume unless the regular sale program is fully financed. For example, during the past three fiscal years all Region 5 Forests have been financed to sell, on the average 68MM board feet of unregulated material. However, they were only given 82 percent of the finances needed to sell the regular program. It would be unrealistic to reduce the regular program since more volume in more desirable sales can be prepared per dollar than is the case with unregulated sales. Also, the allowable regulated cut is considered the first priority commitment to sell, therefore, underfinancing the regular program has tended to reduce accomplishment in the unregulated program.

Long run plans for the future place major emphasis on establishing intermediate cutting in all merchantable sized stands that are accessible each decade. This will include category 1 and 2 and gradually extend to category 3. The principal difference between this approach and a salvage sale approach is that it is designed to remove in addition to accumulated dead and down trees those live trees that are expected to die withing 10 years. The major improvement expected is three fold. First, very much more attractive sales will result, including heavier cut volumes per acre and better average quality timber. Second, by removing anticipated mortality actual future mortality will be greatly reduced. Third, some relief from competition will occur in the remaining trees improving their general thrift and resistance to insects and diseases.

Implementation of this program is underway on the Six Rivers and Klamath Forests in the recalculation of allowable cut. This is a necessary first step since such a program will influence the yield from regeneration cutting.

Provisions for increased funding and manpower is a key second step and remains yet to be answered.

Let me conclude by outlining what we need to do in California:

A. Continue and improve insect detection and evaluation surveys.

B. Develop a large operational intermediate cutting program, tending each accessible commercial forest area on the National Forests including landscape management units at least once each 10 years. By this, I mean (1) thinning in young stands to improve thrift and resistance to insects and diseases. (2) In old growth Douglas-fir stands, we need to take live high risk trees in addition to dead and down to reduce or prevent mortality while the stand's turn for harvest approaches. (3) In intervening areas between release groups in the Sierras, we need to take out high risk as well as dead and down trees so that mortality is reduced during the necessary intervals between major silvicultural treatments.

C. We need a financing and man power program that will consistently make it possible to plan for and put crews in the field to prepare and administer such an intermediate program. Preparatory work must often begin three years ahead of sale date. We can't start and stop intermittently if the intermediate program is to become a part of our standard timber program.

D. To make intermediate cutting a standard operational part of our timber program, we need to include this kind of cutting in our allowable cut statements and five-year action plans. We are working on such calculations on the Six Rivers and Klamath Forests now.

E. We also need to develop logging methods for this practice with industry. Additional highly mobile tractor and cable skidding will be needed. We need to perfect equipment capable of harvesting intermediate cuts on very steep slopes.

Both the timber industry and the Federal timber selling agencies stand to benefit greatly from such a program. To be most successful a good bit of cooperation will be needed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PRICE of Texas (at the request of Mr. GERALD R. FORD), for today, on account of death in family.

Mr. WAGGONNER (at the request of Mr.

ALBERT), for today, on account of official business.

Mr. FISH (at the request of Mr. GERALD R. FORD), indefinitely, on account of death in family.

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. PUCINSKI, today, for 30 minutes; to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. HANSEN of Idaho) to revise and extend their remarks and include extraneous matter:)

Mr. HALPERN, for 5 minutes, today.
Mr. MICHEL, for 30 minutes, today.
Mr. CONTE, for 30 minutes, today.
Mr. QUIE, for 5 minutes, today.

(The following Members (at the request of Mr. DANIEL of Virginia) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. REUSS, for 10 minutes, today.
Mr. SHIPLEY, for 10 minutes, today.

EXTENSIONS OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. MCCORMACK (at the request of Mr. BURKE of Massachusetts) to extend his remarks following the statement by Mr. BURKE of Massachusetts.

Mr. KEITH to extend his remarks following those of Mr. MCCORMACK.

Mr. MADDEN and to include extraneous matter.

Mr. SAYLOR in two instances and to include extraneous matter.

Mr. DON H. CLAUSEN.

Mr. YATES to revise and extend his remarks in connection with special order of Mr. PELLY.

(The following Members (at the request of Mr. HANSEN of Idaho) and to include extraneous matter:

Mr. HALPERN.
Mr. MAILLIARD in two instances.
Mr. DAVIS of Wisconsin in two instances.
Mr. HARSHA.
Mr. HANSEN of Idaho.
Mr. MORTON.
Mr. QUIE.
Mr. GROVER.
Mr. ASHBROOK.
Mr. DELLENBACK.
Mr. MILLER of Ohio in two instances.
Mr. MCCLURE.
Mr. ESHLEMAN.
Mr. STEIGER of Wisconsin.
Mr. POLLOCK.
Mr. CÓRDOVA.

(The following Members (at the request of Mr. DANIEL of Virginia) and to include extraneous matter:)

Mr. FRASER in three instances.
Mr. FULTON of Tennessee in two instances.
Mr. DINGELL.
Mr. GONZALEZ in three instances.
Mr. HAYS in two instances.
Mr. JONES of Alabama.
Mr. JARMAN in two instances.
Mr. PICKLE in two instances.
Mr. RARICK in four instances.
Mr. GARMATZ.
Mr. DORN in two instances.
Mr. JOHNSON of California.
Mr. GALLAGHER.
Mr. OLSEN in two instances.
Mr. HAWKINS in two instances.
Mr. KEE.
Mr. PEPPER in two instances.
Mr. TAYLOR.
Mr. BARING.
Mr. RYAN in four instances.
Mr. HAGAN in two instances.
Mr. FEIGHAN in three instances.
Mr. HÉBERT.
Mr. PHILBIN in four instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 714. An act to designate the Ventana Wilderness, Los Padres National Forest, in the State of California; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8508. An act to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act.

ADJOURNMENT

Mr. DANIEL of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until Monday, March 31, 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:

629. A communication from the President of the United States, transmitting amendments to the budgets and proposed supplemental appropriations for fiscal years 1969 and 1970 (H. Doc. No. 91–94); to the Committee on Appropriations and ordered to be printed.

630. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Veterans' Administration for "Medical care," for the fiscal year 1969, has been reapportioned on a basis which indicates the necessity for a further supplemental estimate 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.

631. A letter from the Administrator, General Services Administration, withdrawing a previous recommendation for prompt and favorable consideration of a draft of proposed legislation to authorize the disposal of platinum from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

632. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend title 5, United States Code, to authorize the payment of expenses of preparing and transporting to his home or place of interment the remains of a Federal employee who dies while performing official duties in Alaska or Hawaii, and for other purposes; to the Committee on Government Operations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRASCO:

H.R. 9599. A bill to provide for the redistribution of unused quota numbers; to the Committee on the Judiciary.

H.R. 9600. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 9601. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia:

H.R. 9602. A bill to authorize the filling of vacant positions in the National Park Service; to the Committee on Ways and Means.

By Mr. BYRNE of Pennsylvania:

H.R. 9603. A bill to amend title XVIII of the Social Security Act to remove the present limit on the number of days for which benefits may be paid thereunder to an individual on account of posthospital extended-care services; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 9604. A bill to amend the Public Health Service Act to extend the program of grants for construction and modernization of hospitals and other medical facilities, to provide loans and loan guarantees for construction and modernization of such facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CUNNINGHAM:

H.R. 9605. A bill to provide a uniform allowance for certain motor vehicle maintenance employees in the postal field service; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI:

H.R. 9606. A bill to provide for the redistribution of unused quota numbers; to the Committee on the Judiciary.

By Mr. DEVINE:

H.R. 9607. A bill to amend title 18, United States Code, to prohibit the mailing of obscene matter to minors, and for other purposes; to the Committee on the Judiciary.

By Mr. EILBERG:

H.R. 9608. 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.

H.R. 9609. 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.

By Mr. EILBERG (for himself, Mr. BARRETT, Mr. NIX, and Mr. BYRNE of Pennsylvania):

H.R. 9610. A bill for the elimination of health dangers to coal miners resulting from the inhalation of coal dust; to the Committee on Education and Labor.

H.R. 9611. A bill to improve the safety conditions of persons working in the coal mining industry of the United States; to the Committee on Education and Labor.

By Mr. FRASER:

H.R. 9612. A bill to amend the Internal Revenue Code of 1954 to extend the head-of-household benefits to unremarried widows and widowers and single persons who have attained age 30 and maintain their own households; to the Committee on Ways and Means.

By Mr. FULTON of Tennessee:

H.R. 9613. A bill to amend the Railroad Retirement Act of 1937 so as to increase the amount of the annuities payable thereunder to widows and widowers; to the Committee on Interstate and Foreign Commerce.

H.R. 9614. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

By Mr. HALEY (by request):

H.R. 9615. A bill to provide compensation to the Crow Tribe of Indians, Montana, for certain lands embraced within the present boundaries of the Crow Indian Reservation, for the validation of titles, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HANLEY:

H.R. 9616. A bill to extend to volunteer fire companies and their auxiliaries the rates of postage on second- and third-class bulk mailings applicable to certain nonprofit organizations; to the Committee on Post Office and Civil Service.

By Mr. HARSHA:

H.R. 9617. A bill to give farmers an additional month in which to meet the requirement of filing a declaration of estimated tax by filing an income tax return for the taxable year for which the declaration is required; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 9618. A bill to provide for the redistribution of unused quota numbers; to the Committee on the Judiciary.

H.R. 9619. A bill to provide for the redistribution of unused quota numbers; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 9620. A bill to amend the Internal Revenue Code of 1954 to provide that any unmarried person who maintains his or her own home shall be entitled to be taxed at the rate provided for the head of a household; to the Committee on Ways and Means.

By Mr. LONG of Louisiana:

H.R. 9621. 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. MEEDS:

H.R. 9622. A bill to amend the act entitled "An act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon," approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD:

H.R. 9623. 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. NICHOLS:

H.R. 9624. A bill to amend chapter 44 of title 18, United States Code, to exempt ammunition from Federal regulation under the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 9625. A bill to permit the President to authorize the sale of savings bonds yielding not more than 5 percent per annum; to the Committee on Ways and Means.

By Mr. PODELL:

H.R. 9626. A bill to amend the Higher Education Act of 1965 to base the amount of an educational opportunity grant on the student's expenses for tuition and books, to increase the maximum annual grant to $2,000, and for other purposes; to the Committee on Education and Labor.

By Mr. PRICE of Illinois:

H.R. 9627. A bill to amend the act entitled "An Act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon", approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 9628. A bill to amend the act entitled "An Act to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon", approved March 4, 1907; to the Committee on Interstate and Foreign Commerce.

H.R. 9629. A bill to establish fishing zones of the United States beyond its territorial seas, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SHIPLEY:

H.R. 9630. 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. 9631. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. TAYLOR:

H.R. 9632. A bill to amend the Gun Control Act of 1968 to provide for an additional period of amnesty during which certain firearms may be registered with the Secretary of the Treasury; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 9633. A bill to adjust agricultural production, to provide a transitional program for farmers, and for other purposes; to the Committee on Agriculture.

By Mr. TEAGUE of Texas (by request):

H.R. 9634. A bill to amend title 38 of the United States Code in order to improve and make more effective the Veterans' Administration program of sharing specialized medical resources; to the Committee on Veterans' Affairs.

H.R. 9635. A bill to equalize the presumptions applicable to, and the rates of, disability compensation in the case of peacetime and wartime service; to the Committee on Veterans' Affairs.

By Mr. WOLFF:

H.R. 9636. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemption for servicemen in and around Korea as is presently provided for those in Vietnam; to the Committee on Ways and Means.

By Mr. BOGGS:

H.R. 9637. A bill to authorize the U.S. Commissioner of Education to make grants to elementary and secondary schools and other educational institutions for the conduct of special educational programs and activities concerning the use of drugs, and for other related educational purposes; to the Committee on Education and Labor.

By Mr. BOLLING:

H.R. 9638. A bill to provide for the appointment of an additional district judge for the western district of Missouri; to the Committee on the Judiciary.

By Mr. DENNIS:

H.R. 9639. A bill to provide that the U.S. District Court for the Indianapolis Division of the Southern District of Indiana also shall be held at Richmond, Ind., to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 9640. A bill to prohibit political influence with respect to appointments, promotions, assignments, transfers, and designations in the postal field service, to revise the laws governing the appointment of postmasters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DULSKI:

H.R. 9641. A bill to increase the maximum rate of travel allowance for postal employees assigned to road duty, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ECKHARDT:

H.R. 9642. 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. FARBSTEIN:

H.R. 9643. A bill to amend the Economic Opportunity Act of 1964 to establish an emergency family loan program as a national emphasis program; to the Committee on Education and Labor.

By Mr. HOLIFIELD (by request):

H.R. 9644. A bill to amend the Atomic Energy Act of 1954, as amended, to provide that life imprisonment shall be the maximum criminal penalty for certain offenses, to increase the criminal penalties for unauthorized diversion of special nuclear material and related offenses, and for other purposes; to the Joint Committee on Atomic Energy.

H.R. 9645. A bill to amend section 170 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

H.R. 9646. A bill to amend section 182 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

H.R. 9647. A bill to amend the Atomic Energy Act of 1954, as amended, to eliminate the requirement for a finding of practical value and abolish the distinction between commercial licenses for facilities and certain research and development licenses for facilities, and for other purposes; to the Joint Committee on Atomic Energy.

H.R. 9648. A bill to amend chapter 18 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. KARTH:

H.R. 9649. A bill to amend the Merchant Marine Act, 1936, to encourage shipbuilding, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KEE:

H.R. 9650. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least six quarters of coverage, and for other purposes; to the Committee on Ways and Means.

By Mr. McCLURE:

H.R. 9651. A bill to provide a mechanism for equitable adjustments in the price of gold, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURPHY of New York:

H.R. 9652. A bill to increase the penalties for the illegal use or possession of explosives; to the Committee on the Judiciary.

By Mr. MYERS:

H.R. 9653. A bill to amend title II of the Social Security Act to provide for cost-of-living increases in benefits, to increase the minimum survivor's benefit, and to liberalize the retirement test; to the Committee on Ways and Means.

By Mr. PRICE of Illinois:

H.R. 9654. A bill to authorize subsistence, without charge, to certain air evacuation patients; to the Committee on Armed Services.

By Mr. QUIE (for himself, Mr. ASPINALL, Mr. DE LA GARZA, Mr. HANSEN of Idaho, Mr. KLEPPE, Mr. NELSEN, Mr. SISK, Mr. STUCKEY, Mr. TEAGUE of Texas, and Mr. ZWACH):

H.R. 9655. A bill to enable honey producers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for honey; to the Committee on Agriculture.

By Mr. ROGERS of Florida (for himself and Mr. GIBBONS) (by request):

H.R. 9656. A bill to provide for orderly

trade in fresh fruits and vegetables, and for other purposes; to the Committee on Ways and Means.

By Mr. TIERNAN:

H.R. 9657. 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. WALDIE:

H.R. 9658. A bill to direct the Secretary of the Interior to take certain actions, and make an investigation and study, with respect to drilling and oil production under leases issued pursuant to the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

By Mr. WHITE:

H.R. 9659. A bill to amend title I of the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 9660. A bill to amend the Railroad Unemployment Insurance Act to eliminate the 4-day waiting period applicable to sickness benefits during an individual's second or subsequent registration period within any benefit year, and to waive the 7-day waiting period applicable to sickness benefits during an individual's first such period where sickness (and any required waiting period) began in the preceding benefit year; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. ADAMS, Mr. BRASCO, Mr. BURTON of California, Mr. DINGELL, Mr. FRASER, Mr. HALPERN, Mr. HATHAWAY, Mr. HELSTOSKI, Mr. KYROS, Mr. MIKVA, Mr. OTTINGER, Mr. REES, Mr. REUSS, Mr. SCHEUER, Mr. SYMINGTON, Mr. TIERNAN, and Mr. WALDIE):

H.R. 9661. A bill to establish an urban mass transportation trust fund, and for other purposes; to the Committee on Banking and Currency.

By Mr. CUNNINGHAM:

H.J. Res. 607. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H.J. Res. 608. Join resolution to authorize and direct the Federal Trade Commission to conduct a comprehensive investigation of unfair methods of competition and unfair or deceptive acts or practices in the home improvement industry, to expand its enforcement activities in this area, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HORTON:

H.J. Res. 609. Joint resolution consenting to the Susquehanna River Basin compact, enacting the same into law thereby making the United States a signatory party, making certain reservations on behalf of the United States, and for related purposes; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 610. Joint resolution proposing an amendment to the Constitution of the United States to provide for a national preferential primary election to select candidates for the office of the President and Vice President and to provide for the election of the President and Vice President by the popular vote of the people of the United States; to the Committee on the Judiciary.

By Mr. EILBERG:

H. Con. Res. 188. Concurrent resolution expressing the sense of the Congress that the United States should begin to reduce its military involvement in Vietnam; to the Committee on Foreign Affairs.

By Mr. OTTINGER:

H. Con. Res. 189. Concurrent resolution that it is the sense of Congress that the United States should begin to reduce its military involvement in Vietnam; to the Committee on Foreign Affairs.

By Mr. ROGERS of Florida:

H. Con. Res. 190. Concurrent resolution recognizing the courage of Apollo 8 astronauts and the appropriateness of their expressions of faith in Almighty God on their moon-circling mission, and encouraging the President of the United States and the National Aeronautics and Space Administration to allow similar freedoms on future space flights; to the Committee on Science and Astronautics.

By Mr. CLEVELAND:

H. Res. 349. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

By Mr. MOSS (for himself, Mr. ALBERT, Mr. MILLS, Mr. RIVERS, Mr. HOLIFIELD, Mr. MADDEN, Mr. MORGAN, Mr. PRICE of Illinois, Mr. DELANEY, Mr. ASPINALL, Mr. HAYS, Mr. FLOOD, Mr. FRIEDEL, Mr. EDMONDSON, Mr. DINGELL, Mr. SISK, Mr. DENT, Mr. MCFALL, Mr. ULLMAN, Mrs. HANSEN of Washington, Mr. O'HARA, Mr. SMITH of Iowa, Mr. MATSUNAGA, and Mr. PEPPER):

H. Res. 350. Resolution to create a Select Committee on the Bureau of the Budget; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

94. By Mr. ALBERT: Memorial of the House of Representatives of the State of Oklahoma, memorializing the Congress to repeal all recently passed legislation which restricts the constitutional right of a citizen to keep and bear arms; to the Committee on the Judiciary.

95. By the SPEAKER: Memorial of the Legislature of the State of Oklahoma, relative to the interest rate of Federal moneys utilized for water-related projects; to the Committee on Interior and Insular Affairs.

96. Also, memorial of the Senate of the State of Massachusetts, relative to oil imports; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 9662. A bill for the relief of Josephat Ahing; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

H.R. 9663. A bill for the relief of the city of Port Allen, La.; to the Committee on the Judiciary.

By Mr. McDONALD of Michigan:

H.R. 9664. A bill to provide for the advancement in grade of a certain officer in the U.S. Air Force Reserve; to the Committee on the Armed Services.

By Mr. O'NEILL of Massachusetts:

H.R. 9665. A bill for the relief of Angero and Theophilos Kamperides; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 9666. A bill for the relief of Dr. Toshiyuki Ando; to the Committee on the Judiciary.

H.R. 9667. A bill for the relief of Enrique G. Balart; to the Committee on the Judiciary.

H.R. 9668. A bill for the relief of Fernando Domenicale; to the Committee on the Judiciary.

H.R. 9669. A bill for the relief of Enzio Enrico Bertoldi, his wife, Teresa Bertoldi, and their daughter, Maria Bertoldi; to the Committee on the Judiciary.

H.R. 9670. A bill for the relief of Giuseppe La Placa; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 9671. A bill for the relief of Daniel Brower; to the Committee on the Judiciary.

By Mr. ROONEY of Pennsylvania:

H.R. 9672. A bill for the relief of Georgina Infantino and son, Giovanni Infantino; to the Committee on the Judiciary.

By Mr. TIERNAN:

H.R. 9673. A bill for the relief of Dr. Tai Chung; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

83. The SPEAKER presented a petition of the City Council, Los Angeles, Calif., relative to the narcotics and drugs traffic at the Mexican border, which was referred to the Committee on Foreign Affairs.

SENATE—*Thursday, March 27, 1969*

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we thank Thee for the world about us, and for that deeper world within us which Thou hast made for Thy habitation. Remove from our lives all that corrupts or tarnishes the divine image or that is alien to Thee, may Thy spirit indwell and reign over us.

We thank Thee that once in the man of Nazareth Thou didst enter our fleeting life and make the pilgrimage in human flesh from the manger to the cross and beyond. And by Him and through Him we know the way we ought to journey. Grant us then a measure of His spirit that we may think as He thought, work as He worked, live as He lived, serve as He served, for the welfare of this Nation and the betterment of all mankind.

In His name we pray. Amen.

THE JOURNAL

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, March 26, 1969, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Geisler, one of his secretaries, and he announced that on today, March 27, 1969, the President had approved and signed the act