

## EXTENSIONS OF REMARKS

## ISRAEL TODAY

## HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1969

Mr. BROWN of California. Mr. Speaker, I have been calling the attention of my colleagues to a series of articles written by Miss Carol Stevens Kovner, written in Israel and giving a vivid firsthand account of the feelings in that nation. Miss Kovner is managing editor and foreign correspondent of Kovner Publications, a newspaper chain in the East Los Angeles area. Following are four more in this series of articles.

[From the Eastside Sun, Feb. 27, 1969]

## THE VIEW FROM GAZA: MOST DENSELY POPULATED AREA ON EARTH

(By Carol Kovner)

The road into Gaza town from Beersheba is through a large Moslem cemetery, where little girls play in the dust between the monuments and young men loll against them watching traffic pass.

The unrest rippling through the Gaza Strip these past weeks was not evident among the townspeople who were conducting business, what there was, as usual. The bus depot is also a market place, the most uninviting imaginable. Israeli passengers on the bus, which runs every half hour from Beersheba, were for the most part Jews originally from Arab countries who had come for produce bargains to be wrangled over in their native Arabic. Getting into a rickety cab we careened through the town to the UNRWA compound.

Gaza town is very ugly. Aside from its two refugee camps, it is poor and rundown, bullet holes unrepaired in its buildings and the majority of the population in worn clothing. The reason is because the Gaza Strip is the most densely populated area on earth, with three times more population than the Netherlands, most populated of the European countries. What money there is goes for food and medicine and education.

The Strip has 70 per cent refugees on the UNRWA registration and the rest local population. The huge labor pool has forced the wages of nearly all down to a subsistence level. The only sources of work available, as there is no industry to speak of, are in other Arab countries for the graduates of UNRWA schools and for local labor in the citrus fields, fishing, or handicrafts for the women, mainly embroidery sold through an UNRWA shop in town. Practically the sole employer of Gaza refugees on a meaningful scale remains UNRWA.

UNEF also provided some jobs, the secretary of the UNRWA Director told us at the compound, openly resentful of the moveout. Her attitude reminded us of the Poverty War organizations, many of which were also temporary in nature. When they are discontinued there is great resentment because employees have lost good jobs they may not be able to replace. The UNEF troops departure ordered by Nasser left many refugees dependent again only on the UNRWA dole, a 1600 daily calorie diet—a reducing diet in the U.S.

Israeli authorities understand this employment situation. After Dyan toured the Strip recently he told the Israeli public that the unrest is due to the difficult economic conditions there, urging that 35,000 work hours be allotted to the West Bank and Gaza to maintain a decent economic level. The Military Governor of the Strip, Tat-Aluf Mor-

dechal Gur, has also said there would be fewer acts of terrorism if the standard of living was raised. Israel should invest more in industry and vocational training, he said.

At the Gaza UNRWA Headquarters, Mr. Geaney the Director had gone to troubleshoot at the vocational training center where the students were out of classes and "demonstrating in sympathy to the political situation," a phrase used by most Palestinians we talked to about the strikes. Mr. Filfil, a translator at UNRWA, drove us over to see the center, which was what we had come for. Mr. Geaney was trying to persuade the students to return to class. He said later they would probably return by the end of the week.

The students, who live on the premises in new dormitories were well dressed and well behaved. Most were young men in their twenties. They were sitting in groups on the lawn. The large airy well lighted rooms stood empty, the new equipment imported from Europe lying idle. The teachers waited to see what the students would do.

They were meeting in delegations with the principal, Mr. H. Hammad, a harried Palestinian who had studied in Haifa, then gone on scholarship to England. The students were striking in sympathy to the political situation, he told us. There were 513 at present, but only 1 in 6 were accepted who applied. Since 1954 when it began there have been 1496 graduates all taught by refugees who were given scholarships abroad in England, Switzerland, Sweden, and returned to teach.

What was the employment situation for graduates? There were 380 graduates not able to work in Gaza and not being accepted by the Arab countries, as before the war. Only local residents, not refugees, are taken for labor by the Israelis, untrained labor mostly.

Mr. Hammad said there was enough money and equipment for vocational training; in fact, too much attention was being paid to the vocational training school. It is understandable that he felt this way with his graduates not working and the school being expanded to 556 in September.

Back at UNRWA Headquarters, which was as poor and rundown as the rest of Gaza town, we talked with Mr. Geaney. He has been in Gaza since July, 1967 and with UNRWA since 1952 when he had also served in Gaza. The students can't do less than their colleagues he said, because there is great cohesion among them. If they act any differently, they are looked down upon.

This checked with what an Israeli official had told us in Beersheba, that the people in Gaza are afraid to cooperate remembering 1956 when Gaza was returned to Egypt and "collaborators" were killed. Now they create disturbances so that they can have a piece of paper to show they have been in prison for making trouble for the Israelis. It is not like a school demonstration in Los Angeles where the students are demanding improvements long overdue.

The Jerusalem Post said, "It is widely believed that the demonstrations are instigated by local political activists with the aim of emphasizing the Palestinian element, especially in view of the Four-Power negotiations on the Middle East. They have concentrated on school children to evade counter-measures."

Besides the economic situation and the school strikes in Gaza, the shortage of doctors caused by the Egyptians leaving worried Mr. Geaney. Most doctors come on a voluntary basis or for a very low salary. There are no mental hospitals in Gaza. Mental patients are sent to Israeli hospitals.

There is a \$9 million budget for 313,152 registered refugees. (Non-refugees number 141,000.) Those not in the eight camps num-

ber 113,378. There are 39,305 registered children not on the UNRWA ration list because of lack of funds. Somehow, they get fed, though, Mr. Geaney told us. When a refugee becomes a wage earner of 1120 liras per month, his ration is cut. Were the rolls inflated, we asked. That has been greatly exaggerated, he said.

There is no vocational training for girls, but there are two six-month sewing courses a year that women can take, and embroidery is encouraged. UNRWA provides for up to the 9th grade in separate girls and boys schools.

What about the anti-semitic textbooks that were used by UNRWA schools and found by the Israelis when they took over the Gaza Strip, we asked. Many were objectionable, he said, and are not being used now. UNESCO has taken over that responsibility. In order for a student to graduate in a host country, it was necessary for UNRWA to follow that country's curriculum, it was felt. A strong position was not taken because the students would not be accepted in the Arab universities unless they studied these textbooks. Only a few students leave for Amman or Beirut at present. Higher education is at a standstill now in Gaza, he summed up.

The stumbling block may be the Arab university examinations, but we still feel that distributing hate textbooks was a peculiar thing for a humanitarian organization like UNRWA to do. An Israeli told us that Jewish children are not taught to hate the Arabs because first it is your enemy you kill with hatred, later it can be your brother. . . .

Why can't Israel annex Gaza and work with American Jews and the international community to settle the refugees, we had asked the Israeli official in Beersheba the day before. No, he said, it is a political problem and we can't. In Gaza it would not be the same as Jerusalem where there is daily contact and the reality of the united city.

In Newsweek Magazine, in answer to Nasser's interview in the same magazine, Prime Minister Eshkol has said, "any refugees returning now to Israel would be a time bomb. We cannot take them back but we are ready to pay compensation."

The only solution the Israelis feel is for the Arab countries to take them in, because for one thing, Israel hasn't the water to support them. Then almost 50 per cent of the Israelis are of Oriental background. This means they came from the Arab countries, so most Israelis feel it was an exchange of populations. An exchange, Arab politicians like Nasser, have turned into a convenient political football which is not a life or death issue to them, says Eshkol.

So the 380 graduates of the Gaza Vocational Training Center run by UNRWA, ready for careers in radio, TV, mechanics, what the Arab world needs most, vegetable. As idle as the ships in the Bitter Lakes and as caught.

[From the Eastside Sun, Mar. 6, 1969]

## TWO STUDENTS KILLED IN TERRORIST BOMBING OF JERUSALEM SUPER MARKET

(By Carol Stevens Kovner)

While the Friday morning dynamite took the lives of two immigrant students and injured nine other shoppers in the terrorist explosion at the Jerusalem SuperSol market, I was interviewing a woman who calls them freedom fighters.

Wife of the former Jordanian Ambassador to England before 1967 and onetime Defense Minister, Mrs. Anwar Nusseiba is a pretty young darkhaired woman, softspoken and the mother of six children, two grown daughters with families. She has a reputation as a militant feminist and a militant nationalist.

Her husband is now legal consultant to UNRWA.

The Nusseiba home is on the former border between East and West Jerusalem, next to what is left of the Jordanian Army Headquarters, mostly rubble. To reach it from Mea Shearam or the Jewish Orthodox Quarter, you can cross the former Mandelbaum Gate area and pick your way across the old no-man's area where there is a new street but few sidewalks. The house looks battered from the outside because it was in the most furious part of the battle for Jerusalem, but it is pleasantly furnished inside.

Both the Nasseiba family and the El Ghoussein, her family from Ramla, are old wealthy landowning families. The Nusseibas have held the key to the Holy Sepulchre since the 12th Century. "We owned property in Ramla, orange groves, in Gaza, all over the area," Mrs. Nusseiba told me. "My mother grew up in wealth and I will never forget when we left, she had to beg for a blanket to cover me. We had to walk 90 kilometers to Jordan."

I responded to her painful memory, but I also remembered a girl I had met on the Greek ship coming to Israel. Her mother's wedding ring, all that was left to her after property, business and belongings had to be left behind, was taken from her before they would let her leave Egypt. It is a familiar refugee story Mrs. Nusseiba told, but I have heard countless Jewish versions the past months recent refugees from the Arab countries, not Europe. From communities that are hundreds of years old, or were. There are two sides to the coin.

"They want to live peacefully they say," she went on. "Look at what they are doing with Jerusalem. Katamon. This is all Arab property. Is this a legal thing?"

Katamon is a very poor district geographically situated on the outskirts of Jerusalem, a slum really. It is where thousands of refugee families from the Arab countries were settled in haste in jerry-built stone and stucco apartments that look as if they will tumble down any minute. Many who live there still wear Arab dress, but they are all Jewish. Old Bucharrians, with rags wrapped Oriental-style around their heads and necks against the Jerusalem cold, ride every day on the bus with their grandchildren who dress well and speak Hebrew. But the old folk still speak Arabic. Katamon could be an Arab village if you did not know the origin.

The Pioneer Women nursery for working mothers I visited in Katamon is filled to overflowing with the children of the immigrants, tiny boys with little black cheek curls, little girls, all very dark skinned. Just over the back fence outside their playground is the Jerusalem-Tel Aviv railway. Before the 1967 War, the Jordanian border was on the other side of the tracks, a few hundred feet away.

Why are they there? Because before the 1967 war, Jerusalem was the dumping ground for thousands of destitute families and they had to be put into homes and quickly. Not clapped into camps for 20 years and left to rot as in Gaza, but absorbed into the only country that would accept them all, the sick and destitute and the old.

"In the long run, we are going to live together" Mrs. Nusseiba said once, "but we don't want all this conflict they are creating. We don't want their rule. In Jerusalem they are bringing their people here . . . there should be a Jewish side and an Arab side, but one city with some legal connection." This was a rare moment of logic in the stream of resentment and hatred she poured out on the Israeli occupation. "The Jews are the last people in the world to do this to another people," she cried.

"After 2000 years of being refugees, 20 years you can't go back? I have to laugh when I talk to them and they say they can't go backward."

The woman who showed me the Katamon nursery had been in tears the whole trip. A boy who had shown great promise had just been killed the morning before. His father had been a brilliant general in the 1956 war and killed in Sinai. In Tel Aviv a friend's sister-in-law is slowly going mad, crying her womb is poisoned. She lost her 6-year-old daughter to the violence of Arab villagers who raped and killed her. She has just lost her son while doing his term in the army. Go backward 20 years to what, they would ask if they were alive, these sabras who were born in Israel.

"Politics is the real barbarian," Mrs. Nusseiba told me. "It is a monster to the Arab people." With their politics the world is killing the Palestine people. The Russians, the British, they are killing us. Where is the human consideration?

"Why do they feel with the Jews? Do they expect us to live under his thumb?" she asked. "It is my land, my water, my history! But it is very difficult to go back. If we could have the 1947 partition, we could have some of the Arab rights."

"The freedom fighters" she exclaimed as her face lit up, "how can they be called terrorists?" At that moment the bodies of the two students were carried away, in the market I would have been in if I hadn't been talking with Mrs. Nusseiba, for the SuperSol is where I shop every Friday morning.

"We want our name, our nationality, same as any nation in the world." What about the idea of a federation of states in the area, I asked her. It might be a good idea, she said, but I don't know politics. She was one of the most politically-minded women I have ever met.

When asked at a public meeting whether he favored an independent Palestine state General Dayan said, "Were elected representatives of the occupied territories population to approach Israeli government and negotiate for peace, I would advocate we sit down together."

He administers the areas with as light a hand as possible. In the recent school strikes, he went to Gaza and the West Bank schools and told the students and their teachers the Israelis would not interfere with their demonstrations if they were contained in the schools. The Israel government has lifted some of the restrictions on employment from Gaza to ease the situation there a little. Although the Vocational School in Gaza that I visited erupted the next week, it is quiet now.

The terrorism and unrest is to be lived with, say the Israeli leaders, if necessary, for a long time. Until there is an agreed peace and secure borders.

[From the Eastside Sun, Mar. 20, 1969]

#### SOME REALITIES IN THE MIDDLE EAST—ROOTS OF MANY PROBLEMS SCRUTINIZED

(By Carol Stevens Kovner)

There is a small suburb outside of Jericho, on the West Bank, near the Jordan River. It was used as a winter home before the 1967 war, initiated on this front by the Jordanians, by many Jordanian and Arab diplomats and businessmen. It is abandoned, the once luxurious homes empty, plumbing torn out, light fixtures gone, windows and doors smashed. Goat droppings litter the floors of the rooms. One home was obviously used as a stable this winter. Mortar shells lie scattered around the gravel streets. Trees and shrubs are dying for lack of water and fences are pushed over at crazy angles. A Jewish star is on the wall of one house.

The Israel Defense Forces were quartered here for one year following the victory, then left, promising compensation to the owners for all damage by them. When we visited it we found a fresh cigarette box from Amman on the ground. The two Jordanian Arabs and the Israeli journalist with me were con-

vinced that the Fatah were using the houses as a day hideout.

One of the Arabs, who was born in Jerusalem, was working as a policeman for the Israelis. We were curious why he was co-operating so openly with them. "The Fatah will get you," the Israeli joked with him, but he was very young and serious about his job. "I must work," he said simply. "I can't work in a factory."

When we entered Jericho, he removed his jacket and in the suburb where we found the Amman cigarette box he was frightened. Later he said he was coming to America to work for his uncle in New York. There are Jews in New York, too, we told him. "Are you planning to do what Sirhan Sirhan did to Kennedy?" the Israeli joked. The boy smiled, "Politics and business are separate."

We lunched at a large restaurant that had been popular with tourists before the war and now was empty, the patio pool full of scum. "Jazz music" or machine gun fire sounded in the streets while we ate. A swimming pool was filled with Israeli soldiers getting relief from the muggy heat.

We visited a former refugee family that had settled in Jericho. The Israeli who was a historian and worked on the Dead Sea Scrolls dig had known them for years. The host, dressed Kuwaiti style in a long white robe, was very hospitable. There were three brothers and four wives with 27 children living in three houses next to each other. It was a happy family, prosperous seeming. The children wandered in to be teased by the Israeli and to shake everyone's hand around the room. They were part Negro, descended from slaves.

On the way back to Jerusalem, we passed huge deserted refugee camps built of mud wattle and slowly melting back into the red earth in the salty ominous air. High above, plastered against a cliff like a bird's nest, was a Christian monastery. Below, in a fruit tree grove was a mosaic synagogue floor with the Hebrew words "Peace upon Israel." As it was getting dark, the Judean hills would soon be dotted with the flashlights of soldiers, looking for Fatah terrorists who traveled at night to get into the city. Very few did.

One hundred terrorists were rounded up in Jerusalem after the SuperSol explosion in which two students were killed. Most were residents of East Jerusalem, Gaza and Ramallah. Evidence was found proving the Fatah cells in Jerusalem were being directed by the Egyptian government.

A chain was reconstructed from professionals in Jerusalem, including a clergyman of the Anglican church in Ramallah, a prominent doctor, a lawyer, and teachers, that extended to an escaped woman terrorist now based in Amman. From evidence, said the police spokesman David Barelli, who announced the cracking of the ring, it was obvious that she received her orders from the Egyptian Embassy in Amman. Enough explosives was discovered, some in private houses, to blow up the heart of Jerusalem. While the terrorists were being rounded up, crowds of children in fanciful Purim costumes paraded the streets of Jerusalem for days and life went on normally.

The group is believed responsible for much of the student demonstrations in Gaza and the West Bank this winter. Israelis are inclined to wink at the demonstrations by school girls because they feel the youngsters are easily led at that age, by radio or by leaders such as those arrested in Jerusalem. They feel the schools are not up to standard anyway, and the additional missing out of classes hurts the students most. Not the Israelis.

Shooting along the Suez Canal, initiated by the Egyptians says General Odd Bull, Chief UN Observer, has cost them heavily. In the exchange which has gone on intermittently for days, and seems a political ma-

neuver to many, for the purpose of attracting big power attention to the area before the talks, Suez oil refineries, and tankers were hit, and Major General Riad, Egyptian Chief of Staff was killed.

The sudden death by heart attack of Israel's Prime Minister Levi Eshkol will put Golden Meir at the Helm until the next elections. The former foreign Minister, she is reputed to be a hardliner, unlike Eshkol who would take second best when he could not get first best. Eshkol kept the quarrelsome political parties in the National Unity Government together and it looks as if the same government will be kept until November.

There are many jokes in Israel about Mrs. Meir not listening to the "people in the street," only her Labor Party or the Old Guard. A cartoon by Dosh, showing a startled young Israeli looking at the reflection of Golda Meir in a mirror (she is 70) sums up the mood of the "street," the young Israelis.

[From the Wyvernwood Chronicle, Mar. 27, 1969]

#### ISRAEL'S IRON JEWISH MAMA—PRESS CONFERENCE WITH PRIME MINISTER MEIR

(By Carol Stevens Kovner)

At her first press conference after being sworn in as Israel's first woman Prime Minister, Golda Meir rejected categorically a Four-Power solution to the problems of the Middle East.

Referring to the idea of a new United Nations peace force composed of the United States and Russia, she was mildly surprised at Russia being one of the two, "since its contribution to peace in the area has been so outstanding." Russia was never the staunchest friend we have ever had, she added at another point in the press conference with a wry smile.

She described the "evaporation" of the UNEF troops just before the 1967 war (the Egyptians asked them to leave), and said, "we are asked to put our faith in the same force for the third time . . . So what? Will it be any different than 1949 and 1967? You all know what happened—they were asked to leave and they left."

On West Bank policy, she said, "As long as there is no peace agreement with us and our Arab neighbors, we stand where we are. We will do our duty to all the inhabitants of the West Bank. We will do everything possible for welfare, education and so on. They will find out it is not so terrible to live with us."

"I don't understand the world sympathy to the lack of will of Arabs to come to a peace settlement. The question is this, are the Arabs ready to live in peace with us? It is too simple. Maybe that is why it is so hard to explain to our friends.

"Until they are, NOTHING will happen. The Arabs have to be faced with the problem. We say yes to peace . . . they have 101 answers, but not one to open the road to a peaceful solution."

She told reporters she was ready to go to Amman to meet with Hussein for negotiation, although Golda Meir in Amman is not exactly what the little King, as he is called in Israel, needs right now. Between Nassar and the terrorists, he doesn't need the Iron Jewish Mama, too. "I don't think he has any doubts. He knows Israel is ready to meet him. If he is prepared, certainly we are," she told reporters.

"Nobody has proved to us why it is so outlandish to expect a signed peace settlement. The only peculiarity is that the party that won the war is asking for the agreement. It is not something new for Arabs and Israel to sign an agreement . . . but it seems we must now convince our friends there is no alternative to a peace settlement."

On negotiating with the Fatah, "not today, not for several years from now can we consider them as partners in negotiations. Their

heroism is expressed in marketplace murders. That does not make them a partner for negotiation to my mind."

"Jordan civilians may have been hurt but no one can say rightly that Israel attacked civilians. If Fatah bases are built near civilian villages, we are sorry about hitting them, but no one can compare THAT with marketplaces. A supermarket is not the military base of the Israeli Army."

Regarding the new settlements in the occupied areas, she said, "How many settlements did we put up in the first months after the war? If Israel is worried about security, it is its duty to do everything possible, if necessary to put up settlements on the other side of the 'Green Line,' so that children don't have to sleep in shelters."

It would be too good, she said with gentle humor, if there was an agreement right away with President Nixon. It is natural to have different views, not necessarily contrary ones. The talks with the President and his cabinet will go on.

But the United States and our other friends must realize we must have borders that will not tempt the Arabs to attack us, as the former borders on the Golan Heights (transformed to one long underground fortress overlooking the farms below), she explained.

Asked what Israel would do if the Four Powers try to force Israel to an imposed solution, she said, "When life depends on decisions, a little country will take them. We will not depend on the good will of Nassar or a UN force—we want secure borders. The Arab countries must have no natural advantage over us. We do not fool ourselves—war breaks out between those countries with peace agreements."

Golda Meir looked in good health, her voice clear and feminine, her manner positive and down-to-earth. Her face normally stern, lit up when someone asked her if she considered herself a "stopgap" until the October elections. "Did I call myself a stop gap," she laughed.

Mrs. Meir has been 48 years in Israel. She was born in Kiev, Russia in 1898. Her family moved to the U.S., to Milwaukee, in 1906. She still has a pronounced midwestern accent. When she married she moved to Israel with her husband. She had a son and a daughter. Some of her long government experience was gained in the Mo'etzet Hapo'lot or pioneer Women in 1928 which launched her on her public career. She came out of retirement to become Secretary-General of the Mapai and later the united Israel Labor Party. In August, 1968, she again resigned.

She was reluctant to accept the premiership because, she said "Obviously I am not an infant. It was the decision of my party to take this post—I took it."

#### HONOR PAID TO REPRESENTATIVE TIM LEE CARTER OF KENTUCKY

### HON. MARLOW W. COOK

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1969

Mr. COOK. Mr. President, the young people of the Fifth Congressional District of Kentucky have shown down through the years that they recognize the outstanding qualities of leadership which have been exhibited by their Representative, Dr. TIM LEE CARTER. To pay tribute to him, they came from all over southeastern Kentucky to a dinner in his honor which was held at Cumberland Falls State Park near London, Ky.

Representative CARTER knows that a

student or a young person who is interested and involved is much less likely to want to take over administrations and tear down college buildings. He has gotten the young people of his district involved and interested in government, both in Washington and at home, and I think it is in part a tribute to Dr. CARTER that the campuses in his area have not experienced such unrest.

I ask unanimous consent that a newspaper account of the dinner in his honor, published in the Columbia Statesman, be printed in the RECORD.

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

#### COUNTIANS AMONG 400 AT FALLS TO PAY TRIBUTE TO DR. CARTER

(By Phil Aaron and Ed Waggener)

On Saturday night, March 15, 1969, over 500 young men and women from the 24 counties of Kentucky's Fifth Congressional District gathered to pay their respects to and show their appreciation for their Congressman, Dr. Tim Lee Carter. It was an event unparalleled, without precedence in the Republican Party of Kentucky.

These young partisans were not protesting; they were not rebelling, striking, or seizing control of a university, nor were they honoring a retiring or past leader. They were, however, pledging an affirmative vote of confidence in a man who has earned their respect and support.

Their plea, in effect, was: Congressman Carter, we want more of the same.

Tim Lee Carter has gained the overwhelming support of those constituents of his under 30 because he understands them and has gone to bat for them. It seemed an appropriate night for this tribute; that same night Kentucky high school basketball teams were making their final eliminations for the "greatest show on earth"—the Kentucky State High School basketball tournament. Carter himself was once a high school roundball coach and he himself directed three teams to the Sweet 16. But when everyone else in Kentucky was thinking basketball, an overflow, turnaway crowd wedged into DuPont Lodge, at Cumberland Falls, Kentucky, to show their appreciation for Dr. Carter.

In Kentucky, citizens gain the right to vote when they reach the age of 18. Dr. Carter has made an effort to solicit the views of this younger, come-alive generation, and in turn he exhibits some of the zeal and exuberance they have for his campaigns. In an age where the typical American has a potbellied midriff bulge, Kentucky youth are proud to read that their 58 year old Congressman has defeated Olympic champion Bob Mathias in a game of handball in Washington.

Many of today's youth regard their parents as old fogies who don't understand them. Carter has attempted to keep in touch with the problems and concerns of the younger set, and has help from his teenage son, Billy Star. When Congress did not renew its summer intern program for college students, he continued to provide the valuable experience of a summer in Washington, out of his own pocket.

But most important of all, Carter has built up a rapport with his younger constituents through his actions in Congress. He has had enough integrity to stand and be counted. He was one of the first Congressmen to attack our Vietnam involvement on the floor of the House. He has pointed out the inequities in the selective service's draft, even though he himself volunteered as a combat medic in World War II. He voted for the unpopular income tax surcharge because he believed failure to do

so would have disastrous effects upon our economy. And he opposed a salary increase without grandstanding. We hill people like for our congressman to perform this way.

On the political side, Dr. Carter has endorsed candidates in controversial campaigns on issues of conscience and principle even though it was evident that his district would vote heavily for another candidate. Perhaps his greatest contribution is his grasp of perspective. Congressman Carter not only says today's youth will be tomorrow's leaders; he believes it enough to put into practice what he preaches.

A side that rarely comes to light is his depth of knowledge as a scholar of Kentucky history and of Abraham Lincoln. Among his favorite Lincoln quotations is, "I shall be governed by the will of my constituents on all subjects upon which I have the means of knowing what their will is." Dr. Carter has led in the causes his people would have him to.

## OPERATION FISHBASKET

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. FREY. Mr. Speaker, I recently read a column by Bob Miller in the Vero Beach Press-Journal and commend it to my colleagues of the House.

I am extremely proud of Bob Miller and constituents of mine who were worried about their fellow human beings, worried enough to bring great quantities of food to those who supposedly needed it. I think we can all agree that the problem of hunger in this country should not be ignored, but must be solved. I think we can further agree that the use of hunger as a political football is to be avoided.

The article follows:

BOB MILLER SEARCHES IN VAIN FOR  
IMMOKALEE'S HUNGRY MASSES

(By Bob Miller)

It all started on these pages, so it is only fitting it should be brought to a conclusion here.

"Operation Fishbasket" was actually a worthwhile project when subjected to deontological thinking. Whether the need was actually as acute as portrayed or not, the participants in its doing should be commended highly for their efforts. And this is the way it was.

Last week, this writer, after perusing several articles in journals conveying the events transpiring in our great state, concluded there was a need in an area that could be filled by an excess in another area. The excess being that of bluefish being caught in the Indian River area, as opposed to the reputed lack of good food in the farming district in Collier County, or, more exactly, Immokalee.

### APPEAL

I appealed to all of the good citizens hereabouts to contribute what might otherwise be a waste to what I considered a worthwhile cause, that of transporting fish which might have been thrown away to indigent farm workers. Because many of our area's citizens have hearts as big as all outdoors, the appeal met with not only an excess of fish but many other staples of food that were purchased and donated to the cause.

So much was donated that I had to make another appeal for transportation to get it to its destination. Hobart Brothers Company met the appeal with the loan of a pick-up truck. Not only that, but Bob Dempsey, who

works for Hobart, offered to drive the truck on his day off. Ed Belanger, brother-in-law to Dempsey, also gave us his day off to assist in the transporting of the fish 'n food to its southern destination.

Saturday morning found the three of us with a load of fish leaving from the Vero Beach Fish Camp. Another stop in Ft. Pierce added another 800 pounds of food which was brought about by the generosity and efforts of Henry Beuttell and his friends. That left us with one big truckload of food and we were on our way.

As the crow flies it is not too great a distance from Vero Beach to Immokalee. However, unless you have an amphibious vehicle, it is best that you skirt the edge of Lake Okeechobee, which we did. If you think there is one highway that can be traversed the whole way, forget it. You have combinations like highways 27, 29, 89 and several other lesser known access roads that lead to the highways.

### NEW COUNTIES

The trip was interesting in that it went through several counties that I had heretofore not traversed. I was most impressed with the name of Hendry County. It was quite obvious that the name was derived from the fact that Joe Hendry lives there. If he doesn't own the whole county it would surprise me. He at least owns a lot of land that has to its credit many head of cattle and at least three or four oil wells.

We stopped at a place called LaBelle and had lunch. Now here's a place that poverty couldn't possibly exist. There's enough beef on the hoof in that area to start a packing house that would be the envy of Chicago. We had three hamburgers and three Cokes to the tune of \$2.50.

### DESTINATION

We finally arrived at our destination—Immokalee. We immediately set about looking for people with their eyes sunken into their heads and their stomachs bloated with hunger. It was apparent that they were not to be found in the downtown area, so we stopped at a gas station. It was obvious this place needed something, although it might not have been food. We prevailed upon the owner to give us some much needed information as to the whereabouts of the starving masses.

He allowed as how he didn't know of such masses so we were a little more explicit. Where is the migrant laborer's camp that houses the migrant farm laborers? Again our informant allowed as how there wasn't exactly any particular place where they all stayed, but if you looked around you could probably find them almost anywhere.

This was made quite obvious by the fact that several persons of unknown heritage gathered around the truck and became very informative. Some were from Texas and others from New Hampshire or other far-away places. When queried on the location of their starving brethren they all looked at me as though I were sort of stupid.

### HUDDLE

Ed called a huddle and it was concluded that they were hiding their indigents from all outsiders and particularly members of the press. With this we called upon the gas station owner to put us in touch with the local welfare office representative. He commented that he didn't rightly know who that was, but he would call someone who would help us find him. A few minutes that seemed like hours (we had now become quite a spectacle), a gentleman arrived on the scene and introduced himself as Stan Wrisley, editor of the Immokalee Bulletin.

After a short conversation it was concluded that we needed the services of Captain Harold M. Reece, who among other things, is the local Episcopal minister, president of the Immokalee Migrant Committee and head of the chamber of commerce.

We picked up Captain Reece at his house and then set off in search of some starving migrant workers. We visited a certain section of the laborers' quarters where it was known that one worker with a total of 16 children did have quite a time making ends meet. An interview with this father of 16 revealed that he was rather disposed to working two jobs to keep his family fed, but he was also steadfast in his feeling toward all those d—— politicians that kept stirring things up.

### QUOTE

He said, "We don't need that kind of folks coming down here. All they do is make it look bad for us and good for them. There ain't none of my kids go hungry no time and ifun they do I'll sure go out and get it (food) for them." He further stated, "If they would quit giving themselves raises every time they turn around, they would be more left for the poor folks."

Our next stop was at a camp where it was reported that Indians were living under the most primitive of conditions in thatched huts with mud floors. That the living conditions were such there is no doubt. However, the report failed to mention that this was a way of life for these people and they prefer it that way. Their total outlay for utilities, rent, etc. is \$5 per family per month. I couldn't help but note how clean the area around the houses was, and the array of flowers that bloomed in front of almost every door. The fact that there was a good looking 1968 Ford station wagon parked in front of the door of one house, owned by the tenant, gave the subject of poor conditions its full perspective.

### POLITICS

So it would seem that Senator McGovern and his erstwhile political efforts have no real foundation. They have debased a small southern community in an effort to gain recognition as a humanitarian by using a smattering of truth out of context. Conditions are poor, there is no doubt about that, but so are they in some areas of Indian River County and for that matter almost every community in the United States.

We did however succeed in putting our wagon load of food in the hands of Miss Blake Palmer, the county nurse, and its distribution will be allotted by one Marion Feather, the local social services worker and truant officer. We were assured that its distribution would meet with our intention and that only those who were in real need would benefit by our efforts.

### NICE PEOPLE

There are a lot of nice people in Immokalee and I am most gratified that I was afforded the opportunity of meeting some of them. They were most cordial and invited me to visit any time and explore the existing conditions to my heart's content if I so desired.

So in the dusk of another Saturday, Bob Dempsey, Ed Belanger and Bob Miller wound their way home satisfied with the fact that our job had been done as most of the people who so generously contributed their time and efforts would want it done.

## TWELFTH ANNIVERSARY OF WASHINGTON METROPOLITAN AREA COUNCIL OF GOVERNMENTS

HON. WILLIAM B. SPONG, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1969

Mr. SPONG. Mr. President, on April 11, the Washington Metropolitan Area Council of Governments marked its 12th

anniversary of service to the people of the Capital region. The organization had its beginning in the informal discussions of a group of local government officials who recognized the regional character of many of their problems and the need for metropolitanwide action to solve them.

Since then, the council of governments has become a focal point for a united attack on the urban problems of the area and has made an outstanding record in dealing with such problems as air and water pollution, crime, housing, and transportation. In the years ahead, we shall be depending more and more on regional cooperation in meeting the urban challenge. The council of governments has shown us the way.

I ask unanimous consent to have printed in the RECORD a speech by Frederick A. Babson, chairman of the board of supervisors of Fairfax County, before the North Central Texas Council of Governments. Mr. Babson was recently elected president of the National Service to Regional Councils.

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

REMARKS OF FREDERICK A. BABSON, CHAIRMAN, BOARD OF SUPERVISORS, FAIRFAX COUNTY, VA., TO THE ANNUAL MEETING OF THE NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS, JANUARY 28, 1969

Your metropolitan area and mine are similar in many important respects. We both have more than two million people, and in Metropolitan Washington this is now approaching the three million mark. We are both expected to continue population growth. The population projected for the Dallas-Fort Worth region in the Year 2000 is six million. Just two weeks ago we were told that our projected population in the Year 2000 is between seven and nine million.

We both have the same problems—crime, transportation, pollution, water supply, land use and a variety of other problems which are complex in nature and regional in scope.

We both have chosen the same political mechanism for working toward the solution of these regional problems, the council of governments. We both have similar programs through our COG, and we both have won awards from the Department of Housing and Urban Development for outstanding achievements in intergovernmental relations, so we both must be doing something right.

Throughout my political career I have been interested in and committed to the regional approach to regional problems. I have always been convinced, and defended this conviction when it became an issue in my most recent campaign, that we need a regional organization of our local governments if we are to do anything at all about our metropolitan problems. And in the campaign where my regionalism became an issue and my opponent showed a provincial attitude, I was the one elected.

Today we need no further evidence of the need for a united approach by our local governments. Now we must demonstrate in the face of these staggering issues whether we want to improve the life we lead and the world in which we live, or whether we want to mortgage our own futures and those of our children, leaving succeeding generations an urban world far worse than the one we inherited from our fathers. In this very real sense we must decide, you and I, whether, in the words of Thomas Wolfe, "the true discovery of America before us"—whether "the true fulfillment of our mighty and immortal land is yet to come."

This is the real meaning of the decisions facing us today, and we are challenged to

meet these issues through a new device. Abraham Lincoln was faced with the same set of circumstances. (We Democrats in Washington are finding it advisable these days to quote a Republican once in a while.) Lincoln said of his time: "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion." Then he said: "As our case is new, so we must think anew. We must disenthrall ourselves."

It is heartening to me that the local elected officials of this country are embracing with enthusiasm and hope the council of governments' strategy against our problems. COGs now function in 115 metropolitan areas of the United States, in a manner and organization similar to the North Central Texas Council of Governments and our own in Washington. This clearly is the most significant development in American local government in the Twentieth Century.

In Metropolitan Washington, our local elected officials established our Council of Governments twelve years ago, and I would like to share our experiences with you and describe our current attitudes. My own County covers an area of over 400 square miles and has a population of more than 435,000, the largest city or county in the Commonwealth of Virginia. Our annual budget is about \$200 million and that, like the population, is going up too.

But we long ago realized the futility of trying to wrestle with regional problems by ourselves, despite our size and our resources. We know that air pollution respects no city limits or county lines, that congested traffic for a man who lives in the suburbs and works in the city must be unclogged in both places if it is to mean anything to him. We know that reducing the crime in the city doesn't achieve much if criminals can use the freeways of our suburbs and increase their crimes there. We have learned what John Donne wrote over three hundred years ago, that, indeed, "No man is an island."

After twelve years of voluntary regional cooperation through our Council of Governments, I can assure you of the willingness of my elected colleagues to meet the spirit and the letter of intergovernmental cooperation. We have found that this demands time of ourselves, and money of our taxpayers. But we have paid these prices willingly and consistently because not to do so would require a far greater price. That would be the continued worsening of our problems. We reject this price.

Thus we in Metropolitan Washington have joined in this united attack on our urban ills, guided voluntarily, not through a metropolitan government because we don't want one, but guided voluntarily from the local level, where it should be, through the only logical means, our own Council of Governments. We have even paid the price in more local dollars and more of our own time—uncompensated time—to expand this attack through our COG. We have done this because we know it constitutes the only real hope for solving our metropolitan problems and achieving the good life which now lies within our political and technological grasps. To do less would be to betray our present and our future.

We have found in Metropolitan Washington that through this regional approach we have been able to produce specific results: such as a guide local air pollution ordinance adopted by all but one major local government in our urban area, and that one is expected to adopt an ordinance in the next few weeks; such as an area-wide police computer containing data from all police departments in the region and placing it at the split-second disposal of any policeman walking a beat or driving a cruiser anywhere in the Washington area; such as the most complete transportation survey ever conducted in the Washington area, involving interviews of more

than 100,000 persons to determine their travel needs so as to aid us in developing a regional transportation plan; such as a radio and teletype network providing a communications link among the local police and fire departments. These are some samples of what we have been able to do, and what any council of governments can achieve.

In one other no less vital area COGs can accomplish what no other kind of organization today can, and that is in achieving regional economies by eliminating duplication. This can be accomplished by employing what we call the COG umbrella, by bringing under the council of governments those agencies and functions which logically belong there. On this I would like to tell you of a personal experience.

I was privileged to lead the fight in the early 1960s in our region for the establishment of a Transportation Planning Board to develop a comprehensive transportation plan for our future needs. The Board was established in 1965, and I was pleased to serve as its Chairman for the first two years of its existence.

My first priority as Chairman was to bring our Transportation Planning Board under our COG umbrella, to combine the organization conducting transportation planning for the area with the organization conducting all other planning for the area, since our COG, like yours, is our regional planning agency. It is not often that a Chairman is anxious to relieve his organization of its independent status, but I was convinced this was necessary in the interest of coordination and economy and, equally importantly, to combine all planning programs and recommendations into the only regional organization of elected local officials, the ones who make regional planning decisions.

This was accomplished, and in the process I was fortunate to be one of those elected officials who recruited the services of our extremely capable and greatly respected Executive Director, who is with me this afternoon, Mr. Walter Scheiber.

Now our region's Transportation Planning Board is a part of our Council of Governments and is our transportation policy arm. Its staff is part of our general COG staff, and Mr. Scheiber is Executive Director of both organizations.

You, I know, are experiencing the same success. You have won respect across the Nation with your Regional Police Academy and Training Institute. You have begun, as we have, a realistic regional planning approach and you are working on some of the same projects we are, such as coordinating the activities of your local governments in the 1970 census, analyzing the vital question of water supply and establishing a new regional law enforcement planning program.

And the Texas General Assembly has shown the rest of our State legislatures how to get things done by approving Governor Connolly's imaginative recommendations for State financial assistance to councils of governments.

We have experienced in Washington, too, the value of educating our fellow officials, the staff members of our local governments and the people in general—that means the voters to you and me—on what we are doing together, and this is essential to the success of any voluntary regional undertaking.

On March 2, 1836, four days before the fall of the Alamo before Santa Anna's hordes, 59 men signed the Texas Declaration of Independence in a blacksmith shop at Washington-on-the-Brazos River. Part of that declaration said: "It is an axiom in political science that unless a people are educated and enlightened, it is idle to expect the continuance of civil liberty, or the capacity for self-government."

It is idle, in our own context, to expect the continuance of this political innovation of mid-Twentieth Century urban America, and the bright promise which this strategy holds,

unless we educate each other and our citizens on what we are doing, what we propose to do, and how we propose to do it. Our experience in Washington, where our local officials have long followed the practice of encouraging public support and understanding for this endeavor, is that it is necessary and it works. No cooperative venture of this kind can be truly productive without the knowledge and support of the citizens involved.

In a simpler time and a simpler place, Henry David Thoreau wrote: "If one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours."

We have an opportunity to achieve the kind of success of which Thoreau wrote. Never before in the recorded history of mankind have a people been given the ability to bend the world to their choosing, to be the beneficiaries of their technology and not its victims, to make their urban living centers come alive, rather than presiding over their ruin.

These are our bright opportunities, yours and mine, and our stark alternatives. What we do, and what we do not do, will determine whether we will live the life of our dreams and reach our own fulfillment.

If we fail, we fail ourselves, and we mortgag the futures of our children. If this be our decision, history may well write that in the last half of the Twentieth Century, in metropolitan America, mere survival constituted man's supreme achievement.

Thank you.

**PAN AM TO FEATURE SOPHISTICATED EQUIPMENT WHEN IT PREMIERS BOEING 747 THIS YEAR**

**HON. THOMAS M. PELLY**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. PELLY. Mr. Speaker, in a unique and unprecedented fashion, the new inertial navigation system which will be used in Pan American World Airways' fleet of 33 giant Boeing 747's was put to the test recently. It passed with flying colors.

Because the North Pole is one of the world's most difficult navigational zones, Pan Am thought it would be an unusual and interesting experience to swing its regular nonstop London-Seattle flight 850 miles north of its usual route to allow the system to prove itself.

As flight No. 123 flew over the white polar plains, Pan Am Capt. Olaf Abrahamsen told the 47 passengers:

You are flying over the North Pole using the very latest navigational equipment which will be used in the aircraft of the future.

He then watched the two Carousel display units register the 90° latitude and 0° longitude which confirmed that the aircraft was cruising directly over the pole.

Later the captain gave each passenger a personalized certificate showing a map of the route and a picture of Adm. Robert E. Peary who discovered the pole 60 years ago next month.

Most present aircraft rely upon celestial, long-range radio or radar systems. Developed by General Motors' A.C. Electronics Division, the Carousel IV, as the system is called, is one of the first navigational aids to tell the pilot precisely where he is at any given moment as well as his relationship in time and distance to any point on the earth's surface. The information is updated every few seconds and flashed onto the display unit in a fraction of a second. Also included are statistics on true course, winds and other factors affecting navigation.

Not only is the mechanism capable of absorbing and producing an unlimited amount of information, it takes up less aircraft space than presently used Pan Am radar systems, weighs some 30 percent less and is completely compatible with automatic approach and landing systems.

It, in effect, drives the airplane. The pilot merely monitors it—

**Explains Captain Abrahamsen.**

The system is governed by three floated gyroscopes used to maintain a stable reference, unaffected by aircraft motion. It is the fourth in a generation of such aircraft systems developed by General Motors which has also produced the navigational equipment used by the Apollo and other space programs.

The Carousel IV is now being tested by Pan Am on three 165-passenger Boeing 707's. It will be widely used for the first time after Pan Am's introduction of the 362-passenger Boeing 747's this winter. The company has purchased three such systems for each Boeing 747 for double back-up purposes at a total cost of \$300,000 per aircraft.

**THE PRESIDENT'S LEGISLATIVE PROGRAM**

**HON. JAMES B. ALLEN**

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1969

Mr. ALLEN. Mr. President, there is much that is commendable in President Nixon's message to Congress in which he outlined his legislative program. This would seem to be evidenced by some bills already under consideration by Congress which are designed to achieve the same objectives. I commend the President also on his awareness of certain problems which he expressed in the following phrases: "the growing impotence of Government"; "the overshift of jurisdiction and responsibility to Federal Government"; and his recognition of the fact that "too often Federal funds have been wasted or used unwisely."

In addition, I concur in the desire expressed by President Nixon that the objectives of his legislative program be approached on a nonpartisan basis. It is in this spirit that I express reservations to certain of President Nixon's legislative proposals.

For one thing, I oppose the President's proposal to continue the surtax. The feeling in Alabama is that greater efforts should be made to effect economies and efficiencies in Federal Government and that Federal spending programs should be cut back as an alternative to the continuation of the surtax.

Mr. President, there is merit in this contention. There can be no justification for duplication, waste, extravagance, and mishandling of public funds by agencies of Federal Government.

Yet there is an appalling amount of evidence that such things are going on in Alabama.

In the April 7, 1968, issue of Barrons Weekly, Shirley Scheibla has documented a shocking exposé of incredible waste, extravagance, and mishandling of public funds on the part of the Office of Economic Opportunity in Alabama. This article is but a small part of a tremendous amount of accumulated evidence which leads one to the inescapable conclusion that Congress should promptly put an end to OEO as a worse than useless Federal agency. Mr. President, if there is a single salvageable project in the entire wasteland of extravagance over which OEO presides surely there must be a competent Federal agency somewhere which could carry on such a project.

Mr. President, the article in Barrons should be of interest to all citizens who believe, as we do in Alabama, that good government begins with honest and efficient administration of government. I ask unanimous consent that the article be printed in the Extensions of Remarks.

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

**POVERTY AND PICKLES: THINGS HAVE GONE SOUR AT THE SOUTHWEST ALABAMA FARMERS CO-OP**

(By Shirley Scheibla)

WASHINGTON.—Nearly two years ago, the Office of Economic Opportunity castigated this magazine for charging that an alleged advocate of overthrowing the U.S. government played an important role in an OEO-funded farm cooperative in Alabama. In a joint resolution, the Alabama legislature had said that the Southwest Alabama Farmers Cooperative (SWAFCA) "was organized at the instigation and under the direction of . . . Shirley Mesher, a prime participant in the Black Panther movement . . . designed to overthrow the government of this country." In a letter widely circulated on Capitol Hill following publication of the Barron's editorial ("Poverty Warriors," July 31, 1967), OEO said that Shirley Mesher was not even a member of SWAFCA.

**SWITCH ON SWAFCA**

Now the General Accounting Office has issued a report which says that Miss Mesher not only was instrumental in organizing SWAFCA but also continues to be actively associated with it and to exert considerable influence over its affairs. According to GAO, she is one of three so-called "unsalaried advisors" who take part in management decisions, even to the extent of vetoing advice from an accountant and a horticulturist hired by OEO.

SWAFCA, reported GAO, lacks an adequate accounting system or proper controls over expenditures, has purchased inadequate equipment and has allowed crops to spoil before marketing; its members have received scant returns—and, assuredly, have not been brought out of poverty. Moreover, GAO could locate only 300 of the 2,000 members OEO claims for SWAFCA. Because of the co-op's practice of making payments in cash, GAO says it can't be sure where much of the money has gone, and interviews with employees have failed to provide satisfactory answers. In addition, OEO did not require the

co-operative to file monthly financial reports as specified by its own regulations.

SWAFCA's dismal record notwithstanding, Washington officialdom has lavished both praise and largess upon it. In 1967, OEO endowed it with a mere \$400,000; U.S. support today runs to some \$2 million, which besides more OEO money includes a grant from the Commerce Department's Economic Development Administration and a loan from the Department of Agriculture's Farmers Home Administration (FHA).

#### FROM THE SOIL

Operating in 10 counties of Alabama's black belt, SWAFCA reportedly seeks Congressional repeal of Section 304(f) of the Economic Opportunity Act, which bans federal financial or other assistance to a co-op for agriculture production. If it succeeds, the way will be clear for Alabama, the birthplace of the Black Panthers also to become the homeland of the nation's latest leftist commune. Despite Section 304(f), when OEO announced its first grant to SWAFCA in May 1967, it said the purpose was "a self-help program of economic development, crop and livestock diversification and experimentation with higher profit and yield training."

Alabama's Congressional delegation, four probate judges, three mayors and two county commissioners visited OEO headquarters en masse, urging the agency to deny support to SWAFCA. After a warning from its regional representative, Joseph Bradford, that it could not "blindly afford to commit money and manpower to an endeavor which is doomed to fail," and a similar one from its community action agency in Selma, OEO went ahead anyway. It gave \$400,000 directly to SWAFCA, instead of following even the usual policy of channeling grants through the local community action agency. (This exempted the co-op from Section 205 of the Economic Opportunity Act, which requires each community action agency, before handing out money, to establish an accounting system and internal controls that will assure proper spending.)

Alabama's late Governor Lurleen Wallace immediately vetoed the grant, but OEO boss Sargent Shriver overruled her decision. After that, the Alabama legislature passed a joint resolution calling on OEO to rescind its action. As the resolution declared, "In reality funds will be spent to finance the lawless Black Panther movement, designed to overthrow the government of their country and particularly the governments of Southern states."

#### HORN OF PLENTY

GAO describes SWAFCA's affairs as so confused that no one can be certain what has been financed. In the summer of 1967, SWAFCA hired a certified public accounting firm to establish a system of accounts and controls to conform with OEO regulations. By late summer, the CPA's dropped out of the picture without finishing their work, and OEO brought in a consultant of its own to work on SWAFCA's books. Among other things, he found that about 75% of the transactions were in the form of cash. No records were kept for payroll, sales or purchases. No pay deductions were made for social security and income taxes. What's more, SWAFCA's president signed blank checks, for use by anyone with access to the checkbook.

The consultant, as it happens, also gave up without finishing the job. He did so, GAO says, "because SWAFCA employees and advisors would take it upon themselves to do things their own way rather than to follow instructions." From September 1967 to August 1968, the co-op did not file monthly financial reports with OEO, as required by the agency's regulations. Furthermore, GAO "found no record indicating that OEO had sought to obtain the reports or had considered suspending the grant."

Even a horticulturist hired by SWAFCA (with OEO funds) had no better luck. The co-op was unwilling to accept his technical advice. According to GAO, that's because such advice was "subject to review and either approval or veto by the unsalaried advisors, directors or administrators, who had neither knowledge nor experience to guide them."

#### DISSENTING ADVISORS

GAO named those advisors as Shirley Mesher, Lewis Black and Albert Turner. Without naming names, however, GAO said one of them wielded considerable influence over SWAFCA's affairs on a full-time basis, "spent a considerable amount of time at the SWAFCA headquarters, used its telephone, had access to its files, participated in the operation of the office and, at one time prior to the receipt of the OEO grant, actually signed SWAFCA checks." This advisor, GAO indicated also participated in board meetings, made trips on behalf of SWAFCA and was particularly active in obtaining government financial assistance.

The unidentified "advisor" seems to have been phenomenally successful as a fund raiser. In May 1968, the Economic Development Administration announced a grant of \$85,000 to SWAFCA for studies on the feasibility of establishing credit unions, insurance companies, small business investment corporations, processing and fertilizer plants, selling farm equipment and producing synthetic protein supplements. Of the total, \$14,738 was to go to the co-op's personnel, \$18,650 to "consultants" and \$16,400 to "travel expenses."

#### ENTER THE G-MEN

Last June, GAO began its investigation, at the request of Rep. George W. Andrews (D., Ala.), chairman of the Legislative subcommittee of the House Appropriations Committee. Several months elapsed. Then, in October, these significant events took place:

In a letter to Rep. Andrews, U.S. Comptroller General Elmer B. Staats reported the "questionable handling of \$85,000 in OEO grant funds by the SWAFCA manager, Mr. Calvin S. Orsborn." Mr. Staats said that SWAFCA's board had discharged Mr. Orsborn, that OEO had recovered all but \$7,331 of the \$85,000, and that it had turned the matter over to the Justice Department. He added that GAO's report would be delayed "because of the generally poor conditions of SWAFCA's accounts, the theft of certain of our working papers . . . and the withholding of certain records by Mr. Orsborn." (Earlier, Mr. Orsborn, a featured speaker at an OEO co-op conference in Washington, had said: "SWAFCA is paying its bill; it is trying to create a better community relationship, realizing that we must make our own records and set our own values.")

After examining the co-op's books, an independent auditor notified OEO that "due to the . . . breakdown in the system of internal controls we are unable to express any opinion whatsoever on the balance sheet of the Southwest Alabama Farmers Cooperative Association at June 30, 1968, or the results of its operations for the six months then ended." He advised the agency to consider suspension of funds until the accounting system was improved and certified adequate by a CPA.

Selma's mayor obtained an order from a state court enjoining the co-op from spending public funds. SWAFCA then sought but failed to obtain a temporary restraining order from a federal court against the injunction. (In November the Justice Department began a separate action at the request of OEO, obtaining an injunction against the injunction. In its petition, Justice argued that the state injunction harms "a vitally important federal program.")

OEO Acting Director Bertram Harding overruled the veto of Alabama Governor Albert

Brewer, successor to Mrs. Wallace, and approved another grant for SWAFCA, retroactive to June 30, 1968, for \$596,000; it included \$357,575 for personnel, \$8,640 for consultants and contract services and \$75,956 for travel.

Having been selected by OEO as an outstanding co-op, SWAFCA was host at an OEO regional conference in Selma, celebrating "Co-op Month." OEO's speaker at the event was its own James D. Templeton, Assistant Director for Rural Affairs. He declared that co-ops offer the poor a power base as well as an organizational springboard to other ventures.

#### PROTECTING INTERESTS

GAO was able to put together quite a record. Back in October 1967, SWAFCA had applied to the Farmers Home Administration for a loan of \$850,000 (30 years at 4 1/8%) for capital improvements and operating expenses. According to GAO, the FHA at first did not feel SWAFCA had enough members to justify the amount. (As noted, GAO could find only 300 of the 2,000 members claimed by SWAFCA.) "However," added GAO, "in March 1968 the Administrator of FHA apparently reconsidered and tentatively approved a loan of \$852,000 (\$2,000 more than requested) subject to SWAFCA's meeting certain loan conditions customarily prescribed by FHA to protect the government's interests."

When the co-op refused to accept such conditions, FHA revised them. The lending agency also agreed to administer the loan from Washington, rather than through its field organization, and permitted SWAFCA to distribute in cash up to 20% of its net earnings to members in any year—even though it might be delinquent in payment of the loan. Despite a plea from Rep. Bill Nichols (D., Ala.) to wait until GAO could complete its report—delayed by the theft of its papers—FHA gave final approval early last January. The GAO report finally was issued on January 27.

According to GAO: "An Assistant Administrator, FHA, informed us on January 24, 1969, that a U.S. Treasury check in the amount of \$270,000 was drawn on January 9, 1969, and deposited in a local bank account on January 16, 1969. On the same date \$200,000 was made payable to SWAFCA from this account." Asked the other day if this meant that \$70,000 got lost between the Treasury and SWAFCA, a GAO official replied, "No comment."

FHA also lent another \$273,000 to individual members of SWAFCA. Since SWAFCA would be buying produce from its members, and marketing it, FHA agreed to the withholding of half the amount due members for remittance to FHA as payments on the members' loans. GAO discovered that the co-op failed to pay in full members who did not have FHA loans and also cut its payment by more than it remitted to FHA.

#### MAKING PROGRESS?

Nevertheless, the Agriculture Department describes SWAFCA's gains as encouraging. "Members have found how to upgrade the quality of their produce so as to command higher prices on the market," a report contends. As Vice President, Hubert Humphrey once declared: "All of us who have watched the growth of the Southwest Alabama Farmers Cooperative Association are thankful indeed for its success and progress." And OEO, for its part, says SWAFCA has demonstrated what co-ops can do to help people gain motivation, confidence and a sense of achievement which they can relate to other areas of their lives.

GAO drily supplies the contradictory record. SWAFCA could not explain the basis of prices it charged members for fertilizer and seed, the U.S. accounting agency points out. Moreover, SWAFCA failed to supply these inputs in time, with the result that crops fell far short of estimates. Even though the lat-

ter were late and incomplete, they served as the basis for marketing plans.

Indeed, OEO approved a budget of \$20,000 for the purchase of 10 pickup trucks to haul members' supplies to, and produce from, the receiving stations. The manager, however, bought three large trucks for \$29,000 "apparently to carry large loads of fertilizer." Lack of continuous truck service resulted in the spoilage of produce. Second-hand grading machines, delivered after harvesting had begun (and mostly inoperable), "reduced SWAFCA's ability to effectively process and market produce purchased from its members and from others. . . ."

"In addition, at one field station it was discovered, after the grading machine was supposedly made operable, that no provision had been made to have electric power lines run to the station."

One New York wholesaler rejected a consignment of 750 bushels of cucumbers, because of poor quality. SWAFCA's then shipped them to a Maryland processor, who regraded them and salvaged 100 bushels. The net proceeds to the co-op amounted to less than the shipping costs. A consignment of 600 bushels of cucumbers to Chicago brought \$1,200—only \$500 more than the shipping costs. On a shipment of 575 bushels to a Louisiana processor, SWAFCA grossed less than it paid its farmer-members for the produce.

Toward the end of June, SWAFCA sought assistance from an Assistant Secretary of Agriculture in locating cucumber markets—because it had lost all its customers. Soon thereafter, SWAFCA obtained orders from processors on condition that the cukes would be properly graded. "By the time the new markets were located," however, SWAFCA was receiving "quality cucumbers at Selma in lots too small for dispatch to processors on a truckload basis; thus cucumbers continued to pile up at Selma and spoil."

That pile of pickles—as GAO's evidence makes clear to many observers—is not all that has gone sour at SWAFCA.

**INCOME TAX REVISION**

**HON. EDWARD P. BOLAND**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. BOLAND. Mr. Speaker, the \$600 personal exemption now granted to taxpayers is far too small—so small, in fact, that it makes a mockery out of the congressional intent behind the laws establishing income tax exemptions. I have introduced legislation that would double the exemption, raising it from \$600 to \$1,200.

The history of tax exemptions makes clear the need for this legislation. The present \$600 exemption was established in 1948—more than two decades ago. Yet, in the 21 years since the 1948 Internal Revenue Act, the cost of living has shot up 48.7 percent. The \$600 exemption would have to be increased to \$892 merely to equal the purchasing power of \$600 in 1948.

The retention of this low level of exemption in our tax structure is not only a startling inequity but an abrogation of congressional intent. The personal exemption was first provided in the Revenue Act of 1913—the first income tax law enacted after the adoption of the 16th amendment. Under the Revenue Act of 1913, a taxpayer was allowed an exemption of \$3,000 plus an additional \$1,000

for all of his dependents regardless of number. When this Revenue Act was being debated in the House, Representative Palmer stated:

We ought to leave free and untaxed as a part of the income of every American citizen a sufficient amount to rear and support his family according to the American standard and to educate his children in the best manner which the educational system of the country affords.

During the debate in the Senate, Senator Williams stated:

The House framed its bill upon the theory that \$4,000 was a reasonable amount, in its opinion, for an American family to live upon, with a proper standard of living, and that a sum below that ought not to be taxed.

From 1913 to 1948, Congress changed the exemption levels frequently, both increasing and decreasing them as the needs for revenue changed. During World War II, when the need for revenue was urgent, the personal exemption was reduced to the lowest level in its history, \$500.

In 1948 when the present level of \$600 was under discussion, the Secretary of the Treasury, John W. Snyder, stated:

Under this bill, personal exemptions are increased by \$100 to compensate for a calculated \$100 decline in the purchasing power of the average income after taxes during the past 2 years.

These calculations do not provide an adequate measure of the need for tax relief in the lower income groups. Under the stress of war needs, personal exemptions were reduced to emergency levels. It was then recognized that the \$500 per capita exemption system would endanger the health and living standards of large segments of the population if retained for many years.

This last statement is as true of the \$600 today, 21 years later, as it was of the \$500 at that time. In fact, a study by the Social Security Administration in 1966 showed the "poverty line" for a non-farm family of four was \$3,335. Anyone who falls below the poverty line will have less than a minimum diet for health or will have to choose between necessities. Under present tax law a family of four with an adjusted gross income of \$3,335 has to pay \$46 in Federal income taxes—a significant sum for a poor family. A recently published study by the Treasury Department under the previous administration pointed out that 2.2 million families with incomes below the poverty level must now pay Federal income taxes. In addition to the Federal taxes many of the poverty stricken must pay, they also face the taxes imposed at the State and local levels. Sales taxes on necessities and property taxes which are included in rent charges are regressive, placing the heaviest burden on those least able to pay.

My proposal would greatly relieve these low-income families. But we must also help the middle-income families who pay the vast bulk of income taxes. Not only have living costs increased since 1948; so have our living standards—the goals we set for ourselves as consumers of goods and services and users of leisure time. The Bureau of Labor Statistics has just published a study which has translated three standards of living for an urban family of four in the spring of 1967 into representative goods and

services which could be priced. The resulting three budgets share the basic assumption that maintenance of health and social well-being, the nurture of children, and participation in community activities are desirable and necessary social goals.

For the moderate budget, the U.S. urban average cost was \$9,076 in the spring of 1967. The cost for the lower budget was \$5,915, and the higher budget amounted to \$13,050. The personal exemptions for a family of four today total \$2,400—a figure that doesn't even approach the total of the lower budget. Certainly exemptions totaling \$4,800, which my bill will provide would be far more equitable.

We cannot continue to ignore the plight of the low- and middle-income taxpayer. In addition to the burden of Federal income taxes and increasing cost of living that I have outlined above, he is also being subjected to rapidly increasing State and local taxes and the recently effected increase in social security taxes.

We must recognize that there is a limit to what the taxpayer can bear. We must increase the size of the personal exemption.

**INADEQUACY OF JOB TRAINING AND JOB OPPORTUNITIES**

**HON. CHARLES E. GOODELL**

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1969

Mr. GOODELL. Mr. President, one of the most critical areas of national concern at this time is the failure to use the talents of many of our citizens due to inadequate job training and job opportunities. Our young people must be made to feel that they can be productive members of our society and that they can break the cycle of poverty which they would surely face without adequate job preparation.

The Department of Health, Education, and Welfare will provide such training and job opportunities this summer, when it once again participates in the summer employment programs.

Because of the vitally important nature of such programs, I ask unanimous consent that an article explaining the HEW summer employment program in New York City be printed in the RECORD.

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

**DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE SUMMER EMPLOYMENT PROGRAM AND NEW YORK CITY**

The Department of Health, Education, and Welfare is, for the fourth straight year, participating in the government's Summer Employment Programs. Of these programs, the two largest are the Youth Opportunity Campaign and the program for hiring summer employes through the Civil Service Commission's Summer Employment Examination.

While a common purpose they share is that of providing meaningful jobs for our young people, their underlying philosophies are different.

The Youth Opportunity Campaign is a national program aimed primarily at youths age 16-21, who have inadequate education,

low income, and generally are out of the mainstream of American life. Its goal is to provide meaningful jobs. However, built into the program are supportive activities to help the youth understand and cope with the experiences and demands of new jobs.

On the other hand, the Summer Employment Examination program helps students continue their education by providing jobs, while also assuring to the public service a source of future talent.

Much of the planning for the summer's Youth Opportunity Campaign will be based on what was learned from last year's experiences.

For example, last year in the New York Regional Office of the Department, a pilot program developed new ways to help young people work better and understand their environment at work. With the full support and cooperation of the New York regional top management, the program benefited from the "know-how" of specialists from various fields, e.g., education, economics, equal employment opportunity, community involvement and others. Together these specialists designed a program which was beneficial for the HEW Regional Office, the Youth Opportunity Campaigner, and the community. From their efforts came improved teaching techniques in mock job-interviews, seminars on job opportunities, and a presentation by a fashion consultant for teenagers on good grooming and the purchase of an inexpensive, though stylish, wardrobe. The young people learned more about their community through visits to important social and political organizations such as the Ford Foundation and the United Nations. The New York program was a success. It will be improved this year, along with the programs of all the regional offices and HEW in Washington.

Last year the Department's nationwide summer employment effort employed more than 6,600 students and youths. This year's effort will be geared to involving more students, and additional efforts in a number of areas including:

(1) Improving the job content of work assignments in terms of meaningfulness, challenge and relevance to the job market in which the youth will soon compete. Toward this end, in the headquarters operations of HEW agencies, Job Development Task Forces are being formed. Each Task Force will be composed of one full-time professional employee, and a cadre of 4-5 Youth Opportunity Campaigners. Together they will develop and redesign the jobs available.

(2) Involving of youth in the planning, operation, and evaluation of their own programs, so as to understand their needs and concerns as they see them.

(3) Encouraging of more creative supporting activities such as meetings with Legislators and other Government officials to discuss with them such topics as, for example, the "mechanics" of the democratic system and how it relates to them both as individuals and members of their community.

All of us who are concerned with the employment of youth should support these programs. In New York City as well as across the Nation, the degree of effort that we put forth to get our young people involved in jobs and their community will repay us a hundredfold in the future.

#### A VETERAN'S TRIBUTE

### HON. EDWARD HUTCHINSON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. HUTCHINSON. Mr. Speaker, the death of General Eisenhower, though

not unexpected, was a shock to a great many people, among them the millions of veterans of the Second World War who served under his command. One in my congressional district, sharing his grief with me, wrote that he sort of identified Ike as another dad. In every veterans post throughout the land there are numbers of men, now in middle age, who in their youth fought in North Africa and in Europe, always proud of their service to our country and of the general who led them to victory. And after the war was over these millions of American veterans enthusiastically voted him twice President of the United States, finding him first in peace as he had been first in war.

Indicative of the genuine sense of personal loss felt by so many veterans is the following tribute from James Drumm, a member of Hice-Shutes Post No. 170, the American Legion, at Three Rivers, Mich. The tribute was published as a letter to the editor of the Three Rivers Commercial on March 29, 1969, the day following Ike's passing, as follows:

#### TRIBUTE

To the Editor:

Yesterday at work a friend who is also a veteran said to me, "Do you know that Ike is dead?" Twice more I heard practically the same words expressed and I thought, "What a ridiculous idea, Ike losing a battle."

My thoughts drifted back to the dark days at the start of World War II when each succeeding day brought only defeat and despair.

The leaders of the Allied Nations finally decided that we needed a Supreme Allied Commander to unite all of the troops of all of the nations. They picked the right man, Dwight D. Eisenhower. Very soon things started looking a little brighter. The tide of battle turned our way. It was a long, hard road back, paved with broken bodies and shattered equipment, ending eventually in final victory. To me Ike's leadership was decisive.

His quiet confidence, grim determination and superior judgment was an inspiration to all of the Allied Nations and the more you think of it, the more ridiculous it sounds. Ike lost a battle.

Not to me he didn't, rather he gained a final promotion. Now he is as high as he can go.

JIM DRUMM,

Hice-Shutes Post No. 170, American Legion, Three Rivers, Mich.

#### RESOLUTION IN RECOGNITION OF SUFFERING OF THE LITHUANIAN PEOPLE

### HON. EDWARD W. BROOKE

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1969

Mr. BROOKE. Mr. President, on February 23, 1969, the Lithuanian Council of Brockton, Mass., passed a resolution in recognition of the suffering of the Lithuanian people, and in commendation of their continuing spirit of independence, I ask unanimous consent that the resolution be printed in the RECORD.

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

BROCKTON LITHUANIAN COUNCIL RESOLUTION

A resolution adopted by Americans of Lithuanian descent, at a meeting held on

February 23, 1969, at Brockton, Mass., to observe the 51st Anniversary of the Declaration of Independence of the Republic of Lithuania, reads as follows:

"Whereas the ancient Lithuanian nation proclaimed the restoration of the independence of its State after World War I, and thereafter led an orderly and exemplary independent State existence, having de jure recognition of all the Great Powers and diplomatic relations with all its neighbors; and

"Whereas the Soviet Union, in violation of all its solemn treaties and agreements with the Republic of Lithuania, in 1940 invaded and occupied Lithuania by military force, through its occupation agents forced a mock parliamentary election, then claimed that Lithuania had of her own free will requested admission into the Union of Soviet Socialist Republics; and

"Whereas the Soviet Union continue this military occupation of Lithuania to this day, and is systematically carrying out a planned program of annihilation of the Lithuanian nation by various means, including deportation of Lithuanians to Siberia and elsewhere in Russia, appropriating the real and personal property of the Lithuanians, and bringing in Russians and other citizens as colonial settlers in Lithuania; Now, therefore, be it

Resolved, that the American Lithuanians attending this meeting unanimously decided to request the President and the Secretary of State of the United States to do everything in their power to investigate the situation in Russian-occupied Lithuania; to stop the genocide being perpetrated in Lithuania by Soviets to bring to a halt the present-day russification being carried out in Lithuania; to restore freedom and the rights to self-determination to the Lithuanian people and their territory; be it further

Resolved, that we request the President and Secretary of State of the United States of America to use all the diplomatic and other peaceful means at their command to demand an immediate end of Soviet colonialism in Lithuania and territorial integrity of the Soviet Russian occupation and administrative agencies; be it also

Resolved, That this Resolution be sent to the President of the United States, and copies thereof to the Secretary of State, Senators and Congressmen from our State, and to the Press."

Adopted at Brockton, on the 23rd day of February.

BRONIUS BURBA,  
Meeting Chairman.  
VLADAS JAKIMAVICIUS,  
Secretary.

#### CONGRESSIONAL QUESTIONNAIRE

### HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I am again sending the residents of Pennsylvania's 23d Congressional District a questionnaire, seeking their views on the pressing problems facing Congress and the Nation.

The questionnaire, as sent to the people of the 23d Congressional District, contains the following explanatory statement on the front as follows:

Again your Congressman, ALBERT W. JOHNSON, 23rd District of Pennsylvania: Cameron, Centre, Clearfield, Clinton, Elk, Forest, McKean, Potter, Venango and Warren Counties, is calling to ask you a few questions.

Also, on the front of the questionnaire is a picture of myself holding a telephone as an aid to insuring a substantial re-

turn of the questionnaire by the citizens. The message on the inside is as follows:

DEAR FRIENDS IN THE 23D CONGRESSIONAL DISTRICT: The 91st Congress has assembled and we are about to commence voting on many controversial issues. A great variety of complex problems, both at home and abroad, face the new Administration and the new Congress. The continuing war in Vietnam, the debate over the anti-ballistic missile system, and proposals to change our method of electing the President, are but a few of the matters now demanding immediate attention and action.

As I have in past years, I would like to ask you to take a moment or two of your time to share with me your views on some of these issues. Never have your opinions been of greater importance.

You do not need an envelope to return this questionnaire. Just refold it and attach a 6¢ stamp.

I will be very grateful if you will take the time to let me have your views.

Thanking you in advance, I remain,  
Sincerely yours,

ALBERT W. JOHNSON.

CONGRESSIONAL QUESTIONNAIRE

In answering the multiple questions, indicate your opinion by inserting a, b, c, or d in the space provided. Other questions answer "yes" or "no." Your answers will be held to be confidential.

1. If the Paris talks drag on with no apparent indications of any chance of progress toward a peaceful settlement, would you favor:

- (a) withdrawal of U.S. forces, even if this means Communist take-over; or
- (b) continue the present holding operation by joint U.S.-South Vietnam forces; or
- (c) a gradual withdrawal forcing South Vietnam to assume a bigger role in the war; or
- (d) mounting a strategically sound effort for a military victory?

2. Should the United States extend diplomatic recognition to Red China?

3. With respect to raising an army to defend the Nation, do you favor:

- (a) continuing the draft in its present form; or
- (b) replacing the draft system with an all-volunteer army; or
- (c) restoring the national draft lottery system established in World War II; or
- (d) retaining the draft, but allowing draftees to choose their call up date, any time during the four-year period following registration?

4. Should Presidential candidates be selected by National Primaries, instead of party conventions?

5. What method of electing the President after nomination would you favor:

- (a) retain the present Electoral College system; or
- (b) direct popular vote; or
- (c) allocate the electoral votes within each state in proportion to the popular votes cast, making a 40% electoral vote plurality sufficient to choose a President; or
- (d) count one electoral vote for the winner in each Congressional District, with two additional votes for whomever carries the State?

6. Do you favor lowering the voting age to 18?

7. Do you favor President Nixon's recommendation for a limited antiballistic missile system?

8. Would you terminate all public financial help to students found guilty of participating in disruptive demonstrations?

9. Do you favor the plan to terminate political patronage in the Post Office Department?

10. Do you support the proposal to convert

the Post Office Department into a government-owned corporation?

11. Should public employees, other than firemen and police, have the right to strike?

12. Would you vote to repeal Sec. 14b of the Taft-Hartley Act? (Right to work section)

13. Should Congress propose a constitutional amendment to permit voluntary non-denominational prayer in public schools?

14. Would you vote to increase the first-class mail rate from 6 cents to 7 cents with a guarantee of air mail delivery?

15. Do you favor statehood for Puerto Rico?

16. Do you feel that the President should be allowed to commit U.S. troops to conflicts on foreign soil without the consent of Congress?

17. Should Congress place a ceiling on the total amount of Federal farm subsidy payments which one person may receive in any one year?

18. Would you favor returning to the States for use as they see fit, a percentage of the money now collected in Federal Income Tax?

19. Do you favor transferring the more successful anti-poverty programs to other departments?

Comments:

Name \_\_\_\_\_

Address \_\_\_\_\_

REGULATING THE CONSUMER IN FLORIDA

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1969

Mr. METCALF. Mr. President, the St. Petersburg Times has just published an excellent series of articles, written by Roland Page, on the subject of utility regulations in Florida. Following the publication of this series, the Times concluded editorially that the Florida Public Service Commission is not doing its job, that it lacks information on utility expenses charged to consumers, that the utilities have many experts—paid for by the customers—while the public is usually not even represented before the commission, and that the members of the commission are highly susceptible to political influence from the utility interests which contribute heavily to their campaigns.

The Florida situation is similar to that reported recently by enterprising and courageous newspapers in other States, including the Providence Journal, the Boston Globe, the Norfolk Virginian-Pilot, the Philadelphia Inquirer, the Des Moines Register, the New York Times, Cervi's Journal in Denver, and the Alton, Ill., Evening Telegraph.

This series is further documentation of the need for action on S. 607, the Utility Consumers' Counsel Act, on which hearings will resume on Monday before the Senate Subcommittee on Intergovernmental Relations.

Mr. President, I ask unanimous consent that the St. Petersburg Times articles and editorials be printed in the RECORD.

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

[From the St. Petersburg (Fla.) Times, Mar. 25, 1969]

CUSTOMERS PAY FOR UTILITIES' CHARITY  
(By Roland Page)

(NOTE.—Roland Page, born in Melrose Park, Ill., is a graduate of Georgia Southern College and holds a master's degree in history and government from Florida State University. Before coming to The Times nearly two years ago, he was a reporter on the Rock Hill (S.C.) Evening Herald, Savannah Evening Press and Fitzgerald (Ga.) Herald.)

"Dues, donations and contributions, if included as an expense for rate-making purposes, become an involuntary expense on ratepayers, who because of the monopolistic nature of utility service, are unable to obtain service from another source and thereby avoid such a levy. Ratepayers should be encouraged to contribute directly to worthy causes and not involuntarily through an allowance in utility rates. (The utility) should not be permitted to be generous with ratepayers' money but may use its own funds in any lawful manner."

CALIFORNIA PUBLIC UTILITIES COMMISSION.

Florida's three largest electric companies gave nearly \$500,000 to their favorite charities, schools, churches and civic organizations and projects in 1967-68. And their customers are paying for it today.

General Telephone Co. of Florida gave more than \$100,000 in charitable and civic contributions and dues in 1967—at no cost to the company or its stockholders.

In this State, the utilities take the bows for civic mindedness, but their customers put up the cash.

That's because the Florida Public Service Commission (PSC), unlike California, insists on allowing such donations as "legitimate operating expenses" that "should be passed on to the ratepayer."

When the PSC raises your electric and telephone bills, it's taking care of the Auburndale Booster Club, the Florida Fat Stock Show and Sale, the "Gator Football Boosters," the Wakulla Board of Public Instruction, the "St. Pete Armed Forces Luncheon," "Truth For Youth," and Gov. Claude Kirk's debt to a private police force waging his "War On Crime."

It is also taking care of membership dues of company employes in a host of civic clubs and, in some cases, social clubs.

A check of latest company reports filed with the PSC shows that Florida Power Corp. was allowed to charge its customers \$154,450 in contributions for the year ending May 31, 1968.

Tampa Electric Co. charged \$116,085, and Florida Power & Light (FP&L) has been collecting \$151,416 in contributions and dues each year since 1964. FP&L now is seeking commission approval to more than double its allowance (to \$367,090).

General Telephone Co. of Florida, for the year ending Dec. 31, 1967, chipped in \$111,152.85 to almost 150 organizations and projects courtesy of its ratepayers.

Since these contributions are divided among thousands of utility subscribers—their impact on the average utility bill is barely discernible.

One PSC staffer estimated for instance that it amounts to only about a penny a month to the average residential electric bill. However, it illustrates a lack of tight supervisory regulation by the PSC.

Much of the money goes to agencies which the ratepayers already support as individuals—such as the various United Funds.

The St. Petersburg resident, however, who volunteers his "fair share" to the United Fund, unknowingly gives to that agency a second time in his electric bill and a third time in his telephone bill.

For his first donation, the citizen is thanked and claims a tax deduction. For his other two contributions, however, it's Flor-

ida Power Corp. and General Telephone Co. who are thanked and claim tax deductions.

If he buys natural gas and water and sewer service from PSC-regulated companies, and if he uses PSC-regulated transportation (buses), chances are the citizen is donating to the United Fund four, five or even six times.

To find out which other agencies he's helping to support, the citizen must depend on his news services or the commission records.

Sometimes, even the records won't tell him. The commission has no list for the \$151,416 in contributions it allowed Florida Power & Light to put in its rates every year since 1964.

If that company's current application is any indication of past practices, however, customers of FP&L are helping to support the Daughters of the American Revolution, the Campus Crusade For Christ, the Martin County Country Club, the Tax Assessor's Association and the Syrian Lebanese Star.

Florida Power Corp.'s latest approved list included \$23,379 for what it called "various contributions of less than \$1,000 each."

The PSC chose not to ask the company for details, but ordered customers to pay for support of agencies known only to the utility executives and those who received the money.

Florida Power did itemize contributions of \$1,115 to the Wakulla Board of Public Instruction and \$1,249 to the Hamilton County School Board—but none to the school boards of 30 other counties in its service area.

A check with the two favored school districts revealed that neither of the donations were in cash. Mrs. Helen Dall, finance director of the Hamilton County School Board, said she wasn't aware Florida Power has made any contribution at all.

"They put some lights up on our new baseball field and I paid them \$1,271.29 on Sept. 18, 1967," said Mrs. Dall. "We thought it was all paid for then . . . but I got another bill last September for \$1,550.20 and there was a letter with it saying they donated labor costs of \$1,249."

"I really didn't know they donated anything," she said, adding that "it's kind of a jumbled up affair." She said nothing had been paid on the second bill—pending clarification.

School Supt. William Payne of Wakulla County said that Florida Power contributions to his board also were in man-hours—to light the high school football field.

The biggest Florida Power contribution went to Florida Presbyterian College—\$60,000.

General Telephone itemized donations to seven out-of-state colleges and universities, including \$100 to Yale University. Fewer Florida institutions benefitted from the General Telephone subscriber—although those listed received larger contributions.

The companies apparently draw no distinction between private and tax-supported institutions as worthy customer support. General Telephone is collecting rates to raise \$250 it gave the Pinellas County Park Department. FP&L, in its pending application, claims \$12,032.83 in contributions to "City and County Governments."

Some other dues or donations now covered in the operating revenues of utilities whose reports were examined by The Times:

Florida Power Corp.: \$2,500 to Florida State University, \$1,900 to the University of Florida and \$1,000 to the Florida Citrus Open Golf Tournament.

Tampa Electric—\$1,673 to "churches," \$5,256 to "schools," \$838 to the "Illuminating Engineering Research Institute," \$1,815 to "State Welfare Activities," and \$1,000 to the University of Florida Foundation.

General Telephone—\$5,000 each to Florida Presbyterian College in St. Petersburg and New College Inc. in Sarasota, \$1,000 to Gov. Kirk's War on Crime, \$250 to the Florida

Clergy Economic Education Conference, \$50 to "Truth for Youth," \$125 to the Tampa Police Pistol and Rifle Club, \$3,665 for Kiwanis Clubs, \$454.75 for Exchange Clubs \$2,010.46 for Rotary Clubs and \$478 for Jaycees.

Florida Power & Light—unknown because the commission didn't ask for a list in 1964. A pending application, however, includes \$400 to the Thomas Alva Edison Foundation, \$425 to the Edison Pageant of Light, \$1,000 to Freedoms Foundation, \$300 to the "Tax Assessors Association," \$1,000 to Radio Free Europe, \$50 to "Project Alert" and \$40 to the "Syrian Lebanese Star."

Here are the dues and contributions of four of Florida's largest utility companies as listed in their latest reports to the Public Service Commission:

General Telephone Company of Florida:

Charitable Contributions:

American Cancer Society, \$240; American National Red Cross, \$115; Boy Scouts of America: Haines City, \$25 (and) Zephyrhills, \$25; Children's Home, \$3,000; Children's Home Memorial Fund, \$25; Children's Home Society, \$25; Citrus Center Boys' Club—Building Fund, \$400; Disabled American Veterans (Circus Tickets), \$100; Easter Seal Guild of Hillsborough County, \$100.

Florida Federation of the Blind, \$25; Frost-proof Salvation Army, \$25; Girl Scouts, \$1,025; Goodwill Industries (Enlarge Building), \$100; Gulf Coast TB & Respiratory Disease Assn., \$25; Harry-Anna Crippled Children's Home \$25; Heart Assn.—Manatee County, \$25; Heart Fund, \$25; Heart of Florida Girl Scout Council, \$25; Heart of Florida Hospital Assn., \$1,000; Heart of Florida Scout Council, \$25.

Hiker Monument Fund (Tks—Children's Home), \$100; Hillsborough County Soc. for Crippled Children & Adults, \$25; Hillsborough County TB & Health Assn., \$300; Lakeland Cancer Fund Drive, \$25; Lakeland YMCA, \$35; Lake Wales Hospital Assn., \$1,000; Lake Wales Salvation Army, \$25; March of Dimes, \$150; Mease Hospital & Clinic, \$1,000; Meninak Charity Bowl, \$30; Morton Plant Hospital Building Fund, \$1,000; Polk County Future Farmers of America, \$25; Polk County Heart Fund, \$100; Rotary Boys Camp, \$22; Salvation Army, \$75; Sarasota County Medical Society, \$35; Sarasota County Soc. for Crippled Children, \$25.

Sarasota County TB and Health Assn., \$25; Sarasota Hearing Society, \$25; Sertoma Speech Clinic, \$25; Sun City Center Shrine Club (Crippled Children's Home), \$25; Suncoast Heart Assn., \$25; Tampa Oral School For The Deaf, \$500; Tarpon Springs Hospital Foundation, \$1,000; United Appeal of Sarasota, \$1,800; United Cerebral Palsy, \$119.05; United Fund of: East Hillsborough, \$250; Greater Bartow, \$200; Greater Lakeland, \$1,300; Greater Tampa, \$20,000; Manatee County, \$1,400; Pinellas County, \$12,000; and South Sarasota County, \$380; United Givers Fund, \$1,450; Upper Pinellas Assn. For Retarded Children, \$100; Winter Haven Hospital Building Fund, \$2,500.

Education Contributions (General Telephone):

American International College, \$25; Bowdoin College, \$25; Citadel Development Foundation, \$25; Florida College, \$1,052; Florida Presbyterian College, \$5,000; Florida West Coast Educational TV, \$1,000; Gator Football Boosters (Scholarships to H. Off.), \$100; Hillsborough County Quality Education Council, \$1,000; Jesuit High School Foundation, \$200; Muskingum College, \$25; New College, Inc., \$5,000; Science Center, Pinellas County, \$200; Stetson University Law School, \$1,000; Syracuse University, \$25 University of Michigan, \$25; University of South Florida Foundation, \$360; University of Tampa, \$11,081; Yale University, \$100.

Civic promotion (General Telephone):

Alcalde of Ybor City, \$25; Allied Arts Council of Sarasota & Manatee County, \$100;

American Legion-Post 252 (Childrens' Christmas Party) \$100; Asolo Theater Festival, \$50; Auburndale Booster Club, \$50; Bartow Pilot Club (Scholarship Fund), \$10; Beta Sigma Phi (Crippled Children), \$13.58; Children's Home, Inc., \$3,000; Childrens' Hospital Guild, Inc. (Charity Ball), \$50; Civitan Clubs, \$1,179.50.

Clearwater Symphony, Inc., \$25; Commerce Club, \$1,316; Committee of 100, \$100; Community Concert Assn. of Tampa, \$100; Cuban Civic Club, \$24; Downtown Assn. of Clearwater (Betterment), \$500; Egypt Temple Shrine Circus Fund, \$48; Exchange Clubs, \$454.75; Flash Athletic Boys Club, \$25; Florida Citrus Showcase, \$50; Florida Clergy Economic Education Conference, \$250; Florida Club, \$150; Florida Fat Stock Show and Sale, \$434.97; Florida Sheriff's Assn., \$40; Florida West Coast Orchid Society, \$50; Hillsborough City Sheriff's Posse (Rodeo Tickets—Big Bros.), \$25.

Imperial University Club Polk County, \$500; Jaycees, \$478; Junior Achievement of St. Pete, \$500; Kiwanis Club, \$3,665.49; Lake Wales Jr. C. of C. (Flag Service), \$25; Latin American Fiesta, \$35; Lions Club, \$1,506.96; Loyal Order of Moose (Childrens' Christmas Party), \$25.50; Manatee Players, Inc., \$540; Manatee River Fair Assn., \$182.85; Meninak Club, \$260; Optimist Club, \$1,133.50; Pilot Clubs, \$106.

Pinellas County Park Dept., \$250; Pinellas County Science Fair, \$50; Police Athletic League, \$100; Rotary Clubs, \$2,010.46; San Carlo Opera of Florida, \$100; Sarasota Concert Band, \$50; Sarasota County Pageant, \$35; Sertoma Club, \$3,108.10; St. Pete Armed Forces Luncheon Comm. (Recognition), \$100; St. Pete Boosters Club (Fla. Little and Major League), \$25; St. Pete Civic Opera Assn., \$250; St. Pete Museum of Fine Arts (Development Fund), \$500; St. Pete Police Dept. (Ball), \$25; St. Pete Progress, Inc. (Industrial Development), \$750; St. Pete Symphony Society, Inc., \$500; Suncoasters Inc., \$215; Tampa Art Institute, \$426.14; Tampa Bay Little League, \$50; Tampa Civic Ballet, \$50; Tampa Community Theatre, \$60.

Tampa Jaycees (Tickets), \$125; Tampa Lyric Theatre, \$500; Tampa Philharmonic Assn., \$471; Tampa Police Ladies Aux., \$15; Tampa Police Pistol & Rifle Club, \$125; Tarpon Springs Power Squadron Aux. (Boating Safety Class), \$10; Teen Canteen, \$100; The Players, Sarasota, \$24; Toastmasters, \$32; Truth for Youth, \$50; University Club of Tampa, \$655; University of Tampa Athletic Dept., \$358; War On Crime, \$1,000; West Tampa Sheriff Assn. (United Cerebral), \$50; Women's Hospital Aux. (Medical Equip.), \$100; YMCA, \$1,989; Zonta Club, \$56.

General Telephone total: \$111,152.85.

Florida Power Corporation:

Florida State University, \$2,500; University of Florida, \$1,900; Florida Presbyterian College, \$60,000; Hamilton County School Board, \$1,249; St. Petersburg Museum of Fine Arts, \$1,000; United Appeal, \$3,650; St. Petersburg Science Center, \$1,296; Florida Suncoast Opera Association, \$1,157; St. Petersburg Symphony, \$1,000; United Fund, \$17,024; Rollins College, \$5,200; Florida Citrus Open Golf Tournament, \$1,000; Junior Achievement, \$1,580.

Stetson University, \$4,500; Wakulla Board of Public Instruction, \$1,115; Trinity Preparatory School, \$1,000; All Children's Hospital, \$5,000; Morton Plant Hospital, \$2,000; Salvation Army, \$1,000; Heart of Florida Hospital, \$3,000; Florida Gulf Coast Symphony, \$1,000; Florida State Museum, \$3,900.

Subtotal, \$131,071.

Various contributions of less than \$1,000 each (417), \$23,379.

Total, \$154,450.

Tampa Electric Company:

United Fund, \$33,265; University of Tampa Library Fund, \$15,000; Children's Home of Tampa, \$5,463; Schools, \$5,256; Little League

& Pony Colt Baseball Leagues, \$5,222; Macdonald Training Center, \$5,000; St. Leo College, \$5,000; Community Welfare Activities, \$4,918; Power System Institute—Gainesville, Florida, \$4,500; Civic, \$3,019; St. Joseph Hospital Building Fund, \$2,500.

Educational and Cultural, \$2,138; Florida College, \$2,000; South Florida Baptist Hospital, \$2,000; WEDU Educational TV, \$1,939; Charitable, \$1,915; Tampa Philharmonic Association, \$1,875; State Welfare Activities, \$1,815; Tampa Federation of Garden Clubs Building Fund, \$1,673; Churches, \$1,662; Tampa Oral School for Deaf, \$1,620; Hillsborough County Quality Education Association, \$1,500; Tampa Bay Art Center, \$1,500; National Welfare Activities, \$1,172; City of Tampa Community Relations Department, \$1,000; University of Florida Foundation, \$1,000; Illuminating Engineering Research Institute, \$838; Girl Scouts of America, \$795; Citrus Center Boys' Club, \$500.

Total, \$116,085.

Florida Power & Light Company is asking for approval of these expenditures in its current late case!

American Cancer Society Units, \$835; American Legion Posts, \$182.50; American Nuclear Society, \$530.31; American Red Cross Units, \$1,849.50; American Rescue Workers Units, \$130; Amvets, \$25; Animal Rescue Leagues, \$30; Apprentice Conferences and Committees, \$125; Art Leagues, Councils and Institutes, \$1,985; Armed Forces of the Palm Beaches, \$75; Associated Charities, \$25; Association of Legal Secretaries, \$50.

Athletic organizations, \$4,225.15; Band Parents and Boosters Associations, \$614.50; Big Brothers, \$500; B'nai B'rith Women Chapters, \$122.50; Booster Clubs, \$1,727.54; Boys Clubs, \$4,530; Boys Ranches, \$32.50; Boy Scout Troops, \$743.34; Builders and Builders & Contractors Associations, \$372.50; Business Associations, \$125; Business Executive Women's Club (Altrusa Club), \$89.67.

Campus Crusade for Christ, \$50; Cerebral Palsy Association Units, \$70; Chambers of Commerce, \$9,067.72; Charities, Inc., \$40.25; Children's Home of South Florida, \$60; Children's Service Bureau, \$250; Christian Record Braille Foundation, \$15; Churches and Temples, \$2,644.26; Citizens Committee for Better Schools, \$100; Citizen Safety Councils, \$3,200; City and County Governments, \$12,032.83; City of Hope, \$25.

Civil Air Patrol, \$12; Civitan Clubs, \$45; Coast Guard, \$20; Combined Jewish Appeal, \$5,000; Committees of 100, \$256; Community & Civic Clubs, Councils and Associations, \$1,318.76; Cultural Foundations, \$760; Co-operate Charities, \$200; Council of North County Drainage District, \$50; Council for International Visitors, \$100; Council for Continuing Education for Women, \$100; Martin County Country Club, \$30; Dade County Community Relations Board, Equal Employment Opportunity Task Force, \$2,840; Dade Foundation Inc., \$200.

Daughters of American Revolution, \$25; Diversified Cooperative Training Club, \$25; Debbie Road Memorial Service League Foundation, \$400; DeMolay, Order of, \$20; DeSoto Celebration Inc. (Pageant), \$150; Disabled American Veterans Posts, \$135; Easter Seals, \$100; Thomas Alva Edison Foundation, \$400; Edison Pageant of Light, \$425; B.P.O.E., \$117.57; Exchange Clubs, \$180; Executives Association, \$9.36; 4-H Clubs, \$1,230; 52 Association, \$50; Fair Associations, \$1,150; Fairchilds Tropical Gardens, \$500; Fellowship of Christian Athletes, \$85; Fire Departments and Fireman's Associations, \$1,765.50; Florida Ballet, \$250; Florida Cattlemen's Association, \$100; Florida Cross & Sword, Inc., \$525; Florida Foundation for Future Scientists, \$200; Florida Engineering Society, \$110.

Florida League of Municipalities, \$500; Florida Letter Carriers, \$25; Florida Prosecutors Association, \$100; Florida Public Charities, \$200; Florida Recreation Association, \$15; Florida Soil Conservation Society, \$300;

Four Freedoms Civic Club, \$50; Freedoms Foundations, \$1,000; Future Farmers of America, \$140; Friends of the Retarded, \$25; Garden Clubs & Flower Shows, \$1,851.74; Girl Scouts, \$1,555; Goodwill Industries Units, \$1,900; Hadassah Chapters, \$45.82; Handicapped of South Broward Inc., \$12; Ella Piper Harvey Memorial Committee, \$30.

Heart Fund Associations, \$350; Helping Hand Inc., \$15; Hialeah-Managua Sister City Committee, \$24; Historical Societies, \$100; Home Builders Association, \$20.07; Hospitals and Nursing Homes, \$22,201.12; Improvement Associations, \$125; Independent Order of Odd Fellows Lodges, \$30; Jewish Welfare Federation, \$25; Junior Achievement Units, \$1,756.25; Junior Chambers of Commerce, \$1,246.58; Junior Conservation Club, \$10; Junior Deputies, \$10; Junior Service League Orthopedic Center, \$112.50; Junior Welfare League, \$15.85; Justice of Peace & Constable Association of Florida, \$10; Kiwanis Clubs, \$1,522.90.

Knights of Columbus, \$30; League of Women Voters Chapters, \$75; Libraries, \$219; Lions Clubs, \$617.98; Little Theatres, \$100; March of Dimes Chapters, \$552.36; Marine Corps Leagues, \$150; Mental Health Associations and Foundations, \$1,037.50; Merchant Association, \$75; Military Order of World Wars, \$20; Loyal Order of Moose, \$102.50; Moral Rearmament Program, \$28; Museum of Arts, Science, Natural History, etc., \$1,990; Music Clubs, \$3,502.07; National Association of Postmasters, \$50.

National Association of Power Engineers, \$100; National Council of Crime & Delinquency, \$270; National Municipal League, \$100; National Social Welfare Assembly Inc., \$100; Navy League, \$20; Occupational Center for Handicapped, \$15; Opera Guild of Florida, \$200; Optimist Clubs, \$121.79; Parent Teachers Associations, \$67; Pageant Association & Contests, \$1,692.50; Palmetto Clubs, \$80.89; Police and Peace Officers Associations, \$2,778.89; Project Alert, \$50; Project Hope, \$250; Propeller Club, \$100.

Property Owners Committees, \$500; Quarterback Clubs, \$70; Quota Club of Florida, \$12.88; Radio Free Europe, \$1,000; Order of Rainbow Girls, \$10; React Club of Putnam County, \$10; Restaurant Association, \$125; Rotary Clubs, \$471.55; SS Providencia Inc., \$50; Safety Organization Inc., \$35; Salvation Army Chapters, \$632; Scholarship Funds, \$410; Schools, \$140,299.79; School Safety Patrols, \$320; Manatee County Service Club, \$150; Sertoma Clubs, \$105; Servicemen's Centers, \$50; Shrine Temples, \$343; Singing Clubs, \$251.47.

Soap Box Derbys, \$63.75; Soil & Water Conservation Districts, \$10; Sororities, \$65; St. Augustine Restoration Inc., \$2,500; Sweetin Foundation, \$25; Syrian Lebanese Star, \$40; TB & Respiratory Disease Association Chapters, \$320; Tax Assessors Association, \$300; Theatres, \$2,595; Toastmasters, \$25; TV No. 2 Community Foundation, \$1,156; U.S.O., \$50; Labor Union Lodges, \$300; United Cerebral Palsy, \$50; United Funds—Various, \$100,929.97; Veterans of Foreign Wars Chapters, \$92.50; Volunteers of America, \$15; WEDU-TV, \$500; Women's Clubs, \$490.25; Women's American Organization for Rehabilitation through Training, \$30; Young Men's Christian Associations, \$1,940; Young Activities Associations, \$110.50; Youth Groups, \$57.60.

Total, \$371,698.33, less "adjustments made during test year (\$4,608.31)." Equals \$367,090.02.

[From the St. Petersburg (Fla.) Times, Mar. 26, 1969]

PSC OKAYS GIFT IF IT'S "REASONABLE"  
(By Roland Page)

"Florida Power Corporation should not be permitted to deduct contributions made to charitable, religious and civic organizations from test year earnings which amounted during the test year to \$182,247, since the

rate payer has no choice in the decision as to who receives the contributions and cannot deduct such contributions in computing his individual tax return."—Testimony of Robert E. Bathen before the Florida Public Service Commission, November 1964.

Florida citizens pay thousands of dollars annually in charitable, civic and other contributions and dues hidden in their utility bills because the Public Service Commission (PSC) thinks it's "reasonable."

Records and interviews also indicate that: "Reasonable" usually is whatever the utility company says it is.

The commission frequently ignores its own policies concerning contributions and dues.

It makes little effort—and has less manpower—to determine whether contributions meet PSC policies or whether the agencies who received them even exist.

Under the PSC's procedure, companies could collect rates set high enough to finance approved contributions—and then pocket the money.

PSC Chairman William T. Mayo, in defending commission policy, said that charitable and civic expenditures are "just a part of the cost of doing business in a community. Any reputable business will be approached (for them) . . . it can't avoid it."

He said the regulated utility, which in most respects is a monopoly, needs public "good will" as much as any other business.

Mayo feels the consumers should pay for that good will to a "certain reasonable extent." If the commission decides an expenditure is not reasonable, he said, it disallows it for rate purposes and the company and stockholders shoulder the cost.

Asked to define "reasonable," Mayo said that "they (the companies) don't come in with ridiculous claims . . . they know what we'll approve."

He said the PSC once decided a particular college contribution was unreasonable, but he couldn't remember which college or how much money was involved.

PSC Accounting Director John D. McClellan could remember only one contribution which was not approved for rate purposes in his ten years with the agency.

"It involved something about a monument to Sam Houston in Texas," said McClellan.

Last year, the commission approved a \$60,000 contribution from Florida Power Corp. to Florida Presbyterian College. That was nearly half of Florida Power's total contributions for the test year.

The PSC also approved \$250 in contributions to seven out-of-state colleges by General Telephone Co. of Florida.

Commission policy, as outlined by McClellan, allows for charitable and civic contributions and dues to be put in the rates only if they are itemized in a report during the rate case investigation.

Political expenses or dues or donations to social clubs are not considered legitimate costs for rate purposes by the commission, McClellan said.

He added that such expenses are charged to the stockholders "as a matter of policy and probably as a matter of fact."

He couldn't be sure.

He couldn't be sure because expenditures described as vaguely as "various contributions" totalling \$23,379 received commission approval in one case last year—and neither McClellan nor the commission asked for details.

He couldn't be sure because Florida Power & Light Co. (FP&L) has been collecting \$151,416 in unspecified contributions and dues every year since its last completed rate case in 1964.

In its current rate case, FP&L is asking the commission to raise that figure to \$367,090 and include such items as a \$300 gift to the "tax assessors association" and a \$30 payment to the Martin County Country Club.

Records indicate the PSC staff questioned General Telephone's \$1,000 donation to Gov. Claude Kirk's War on Crime debt, but the commission approved it.

It also approved a payment of \$655 to the University Club in Tampa and numerous Commerce Clubs and other agencies which appear to be almost entirely social in nature.

"We don't know what they are," McClellan said of many of the itemized recipients. "And we usually don't check it out because the amount is so small."

His staff, which varies in size between eight and ten accountants because of rapid turnover, has little time to identify agencies itemized—or even to demand more detail.

By the same token, McClellan couldn't be sure whether companies are making money or losing money under a procedure which makes it possible for them to pocket rate revenue supposedly earmarked for charity.

Florida Power, for instance, reported \$182,247 in dues and donations for the test year ending Sept. 30, 1964.

So the commission added that figure to the company's rate structure when it reduced rates in 1965.

In a separate report, filed annually with the commission, Florida Power said its actual 1965 contributions were \$125,641 and its civic club dues and expenses were \$15,613. That totalled \$141,254—or \$40,993 less than the new rates were to provide annually.

Did the company realize a gain?

"Theoretically, yes," said McClellan. He said the PSC doesn't study company dues and contributions between rate cases.

Under the system, figures are frozen into a company's rate structure until the company, PSC, or the public files for a new rate case—during which new reports with new figures are considered.

The company, meanwhile, can contribute more each year than the last case allowed and charge it to the stockholders, or less than the allowed and keep the difference.

In the case of Florida Power & Light, stockholders apparently are absorbing \$211,674 in excess contributions reported for the year ending May 31, 1968.

That is why the company seeks to increase its contribution allowance by that amount in its current rate case.

Chairman Mayo said dues and donations amount to "peanuts" when spread among all of a company's customers. McClellan agreed, estimating the total impact at about one cent on the average monthly bill.

Florida is not alone in allowing dues and donations to be charged to utility customers. U.S. Sen. Lee Metcalf, D-Mont., said in 1963 that about half the states did so.

Even the Federal Power Commission, which banned the practice for many years, reversed itself in 1964, decided that "contributions of a reasonable amount to recognized and appropriate charitable institutions constitute a proper operating expense."

The decision was not unanimous. One federal power commissioner, David S. Black, dissented. "The financial burden of donations to charities," said Black, "should not be shifted to the consumer who has no voice in their selection."

[From the St. Petersburg (Fla.) Times, Mar. 27, 1969]

THAT PUZZLING "OTHER" PADS OUT UTILITY RATES

(By Roland Page)

"Mr. President, the public has the right to know how public service corporations spend the funds collected from rate payers. This country has the technology to see that the information is provided." U.S. Sen. Lee Metcalf, *Congressional Record*, Jan. 24, 1969.

Want to buy a top-notch "miscellaneous?" Or a brand new "other?"

Unless you cook from a wood stove, order groceries by carrier pigeon, or drink from a

backyard well, chances are you have been paying for both such items for years.

Chances are also that you have helped the telephone company win government approval to raise your rates, helped the electric company pay its income taxes, paid on a "Reddy Kilowatt" billboard, contributed to country club dues for total strangers or picked up the bill for liquor consumed at a party to which you weren't invited.

And the State of Florida offers little assurance that lobbying and political expenses don't also creep into some of your monthly utility bills.

The "state" in this case is the Florida Public Service Commission (PSC), which regulates rates of privately owned public utilities in Florida.

As part of the ratemaking process, the PSC must calculate legitimate costs incurred by the company in providing service—and then pass those costs on to the customer.

Such expenses usually cover salaries, vehicles, maintenance, wages, depreciation, supplies, fuel, advertising, research, legal and professional services, promotion, public relations, and all taxes.

All costs of company appearances before the commission, whether for a rate increase or a rate reduction, are also covered.

Since utilities, in most respects, have no competition—there would appear to be no compelling reason for them to be frugal with their money. Government regulation and a captive market guarantee them a profit on service regardless of expenditures.

The PSC theoretically acts as a substitute for competition in this respect. It theoretically serves as watchdog of the people, seeing that companies do not collect excessive profits from their customers—and that all operating costs charged to the customers are legitimate and reasonable.

That is the theory.

Records and interviews indicate that the Florida commission, like those of most states, could not adequately police operating costs even if it wanted to.

Indications are that the three elected Florida commissioners pass on millions of dollars in costs to the consumer every year on little more than the utility's word that all is proper.

The words "miscellaneous" and "other" invariably are key items in a privately owned utility company's exhibit before the commission.

"Miscellaneous" appeared 14 times in the operation costs of one company last year, at a total of \$2.8-million.

One general category, entitled "Miscellaneous General Expenses," was itemized four ways. Of the four entries, the costliest single item was listed as "other"—\$432,740.23.

Other entries which might have been—but were not—elaborated upon were: "Miscellaneous sales expenses \$341,718;" "Recreational and Educational Expenses \$102,016.20;" "Advertising \$359,423.61;" and "institutional advertising \$279,341.79."

The public seldom knows what this money goes for because the commission, upheld by the Florida Supreme Court, consistently denies citizens permission to check company books for themselves.

Even the commissioners seldom know what they're telling the consumers to finance because they don't ask to see the supporting company books.

Nor do they ask the companies to itemize such categories as "miscellaneous general" because, as PSC Accounting Director John D. McClellan put it, "that would be cumbersome."

All of the public's theoretical protestation frequently is vested in the ability of discretion of an \$8,000 PSC auditor who virtually lives with the company for several weeks prior to a hearing.

This auditor checks the actual company books, especially unitemized claims, to see that they support the company's exhibits.

Because the auditor's findings aren't made public, the consumer has little knowledge of what he has accomplished.

And because of a long-standing procedure, the commissioners aren't much better off in that respect.

"By instruction," said McClellan, "we (the auditors) don't detail things that are right—just where we find some question or a matter of exception."

Probably 99 per cent of the policy questions in a given rate case are decided by commissioners, nor even by McClellan.

The burden is on the auditor—and it might be an impossible assignment.

Item: The Times recently was allowed to view the workbook of the auditor who checked Tampa Electric Co.'s books prior to a rate increase.

The only "questionable" entry he had brought to Tallahassee was a \$19,812.23 payment to N. W. Ayer & Son—an advertising firm which handles much of the "Electric Companies Advertising Program (ECAP)."

In the past, the Internal Revenue Service (IRS) refused to allow utilities to deduct all bills paid to that firm because of the political nature of some of its advertising.

This time, however, the PSC auditor noted that "company officials" said N. W. Ayer had depoliticized its advertising and IRS has changed its policy.

Florida's commission accepted the full amount as a legitimate operating cost. McClellan said the policy switch reported by the company was not verified with IRS.

Item: A neighbor of Tampa Electric Co. Board Chairman William C. MacInnes complained to the commission in December 1967 that MacInnes was using company labor and equipment to improve his home.

It was a rare case of the public managing to assist the commission in spite of a system which discourages such help.

PSC Chairman William Mayo said that nothing could be done about it, that the commission has "no authority" to prohibit such use of company labor and equipment, but that the next time the company applied for a rate increase, such items would be disallowed as evidence it needs more money to operate.

More than a year later, and shortly after Tampa Electric was granted a \$2.2-million rate increase, Mayo was reminded of the MacInnes incident.

"We asked Mr. MacInnes if the work was in any way paid for by the customers," said Mayo, "and he said no."

McClellan couldn't remember verifying this in company books—or even being ordered to do so.

Item: McClellan said he doubts companies can slip country club or social club membership dues into their miscellaneous expenditures, because the auditor would identify and question them.

Yet dues to the posh University Club in Tampa and other organizations were openly reported to the commission in charitable contribution reports last year, and they were approved for reimbursement by the consumer.

Item: General Telephone Co. of Florida spends an estimated \$6,000 to \$7,000 per year on a lavish annual "press party" in which hundreds of news, public relations, and advertising professionals are treated to a buffet and unlimited drinks.

The expenditure never appears in the public record because, as McClellan says—it's probably hidden in miscellaneous sales expenses" and "I would consider it part of operating a business."

Item: The PSC's chief accountant candidly admits he could have 20 more auditors and still miss lobbying and political expenditures hidden under "miscellaneous."

Parties for legislators, he said, might appear in company books as "entertaining business associates." Lobbying might be called "legal fees."

"Who am I to question it," says McClellan. "Were accountants . . . not detectives."

[From the St. Petersburg (Fla.) Times, Mar. 28, 1969]

#### UTILITIES PLAY THE RATING GAME (By Roland Page)

U.S. Sen. Lee Metcalf, D-Mont., says four investor-owned electric utilities in Florida "overcharged" their customers \$69.48-million in 1967.

The Florida Public Service Commission (PSC) has ordered only \$6.5-million in rate reductions since then.

Metcalf says Tampa Electric Co. alone collected \$11.77-million too much from its customers in 1967.

BUT THE PSC has raised that company's rates \$2.2-million since then.

Metcalf says Florida Power Corp., Florida Power & Light Co. and Gulf Power Co. overcharged \$17.74-million, \$33.58-million and \$6.40-million respectively in 1967.

But the PSC has reduced rates of only Florida Power Corp. since then—and then only by \$6.5-million.

The Federal Power Commission says Florida Power enjoyed an 8.11-per-cent rate of return in 1967.

But the PSC said it was only 6.62 per cent in a rate case since then.

THE PSC notes that it ordered a net \$43.3-million in electric rate reductions from 1957 to 1967.

But Floridians have continued to pay some of the highest utility bills in the land and companies have collected profits way above the national average since then.

The name of the game is regulatory gymnastics. It can be played with a dozen sets of rules producing opposite results.

Metcalf and the Federal Power Commission usually choose rules that would result in dollars for the consumer—if they could set the rates.

BUT IN Florida, the PSC is the rate-making body.

And it seems to prefer the utility rulebook, especially when the purse is big.

Take, for instance, taxes which utilities collect from their customers and pay to themselves, and use of the year-end rate base.

Taxes are considered part of the utility company's operating expenses when setting rates. Hence customers pay the company's debt to Uncle Sam. That is standard.

BY TAKING advantage of several favorable features in the tax laws, however, companies always pay the government less than they've collected.

The companies, and the Florida commission, say this money should not be refunded yearly via lower rates for the customers.

In hearings last year, one expert hired by the PSC said the rates of six major electric and telephone companies could have been reduced a total of \$32.2-million if the tax policy were changed.

It was not.

Probably the most controversial and lucrative of the tax breaks is "liberalized depreciation." Roughly, it allows utilities and other industry to depreciate new property for tax purposes at a faster than normal rate.

THE PSC accepts company interpretation of these benefits as tax "deferrals" rather than tax "savings."

It reasons that the taxes on any single item will come due at the end of the rapid depreciation process.

Present ratepayers, says the PSC, should not get those first-year benefits through lower rates "at the expense of future customers or subscribers."

Opponents, including rate consultant Robert E. Bathen, argue that companies add new properties every year, claim new depreciations, and accumulate more and more money.

The PSC answers that if the companies stop growing taxes "deferred" are likely to come due.

So when liberalized depreciation was made available to utilities in 1955, the PSC ordered companies to place their tax "deferrals" into reserve accounts for the "future."

That was 19 years ago. The old debt has not come due. The companies keep growing at faster and faster rates. The "reserve" overflows.

Florida Power Corp. customers of 1955 started that company's "reserve" for the "future." They've been adding to it ever since so that it now totals \$26.6-million. Last year's contribution was \$3.2-million.

Since companies keep this "tax" money, the Federal Power Commission enters it as part of their "net operating income." The PSC does not.

Hence one of the major differences which contribute to Metcalf's "overcharge."

The companies and the Florida PSC contend that this state is growing faster than the rest of the nation and that utilities in the past have financed "tremendous expansion programs" to provide service to a booming area.

The great need, said the PSC in an order affirming its tax treatment last year, is for capital to enable companies to provide facilities to meet the demand.

It quoted Dr. Josephus Parr, an economist, who said total reserves from liberalized depreciation for Florida utilities totalled \$46-million.

"He was particularly interested in these reserves," said the commission, "because they indicate the additional financing necessary for their replacement."

The reserves are used to purchase new plants.

Commissioners cite the plight of General Telephone Co. of Florida in illustrating what can happen if a utility falls behind the growth rate of its service area.

General Telephone, they note, inherited an antique telephone system during a boom period and still is suffering from a severe service problem.

The company recently was granted a \$4.2-million rate increase to help to meet financial demands put on it by growth. The PSC at the same time ordered it to put up \$1-million bond and promised a refund of the higher income if the company fails to improve its service by June 30.

General Telephone doesn't use liberalized depreciation, but it does take advantage of similar tax breaks.

It also enjoys the benefits of the "year-end rate base," another PSC policy neither recognized by the Federal Power Commission—nor by the Federal Communications Commission.

It works this way:

"Company A" might have \$100-million invested in plant and equipment (rate base) to provide service to its customers as of Jan. 1, 1967. During the year, however, it adds new plant, so that by Dec. 31, it has \$200-million invested.

Problem: If a commission decides Company A should make a 6 per cent rate of return on its investment, should it take 6 percent of \$100-million and set rates to produce \$6-million in profits; or should it take 6 per cent of \$200-million to produce \$12-million in profits?

The Federal Power Commission, the Federal Communications Commission and 26 state commissions (as of 1967) say neither extreme would be fair.

They use an "average" investment rate base (6 per cent of \$150-million for a \$9-million profit) on the theory that it best represents the company's total operation for the test year.

The PSC's use of the year-end method amounts to another big part of Metcalf's overcharge.

Suppose, for example, the PSC adopted Metcalf's 6 per cent rate of return for "Company A"—giving the company a \$12-million profit on a \$200-million year end rate base.

The Federal Power Commission would divide the average \$150-million rate base into \$12-million profits and come up with an 8 per cent rate of return—which Metcalf would call "overcharge."

When it first adopted the year-end method in 1953, the PSC said it was helping utilities meet a "mounting economic boom" created by growth problems and demands for more service.

"Those problems have not abated," it said in 1966, "but on the contrary, have increased."

In an appeal contesting the use of the year-end rate base last year, the Florida Supreme Court "expressly commended" the average rate base as the "sounder and better practice" and said it should be used in future rate cases.

"In the absence of the most extraordinary or emergency conditions or situations," said the court, "average investment during the year should be the method employed by the commission."

The court declined to make that an order, and it upheld the PSC method in that particular case because "we cannot substitute our judgment for that of the commission."

Within less than a month, however, on April 9, 1968, the PSC ordered a \$4-million rate reduction for Florida Power Corp., and switched to the average rate base.

The rate base policy switch alone was responsible for \$734,023 of the rate reduction.

The commission said the timing of its action was "purely by coincidence."

The policy change was short-lived. In a \$1.5-million rate reduction last December, Florida Power was placed back on the year-end system.

"There still is little difference in the year-end and average investment rate base," the PSC acknowledged.

But it said Florida Power's capital needs for the five-year period 1968 to 1972 will be about \$400-million.

"The financing of this program, made necessary by the unparalleled growth of the company's service area . . . will require realistic earnings," the commission said. It added: "We are convinced that the use of the year-end rate base . . . will materially assist in the successful financing of this program."

Opponents of this philosophy contend: Stockholders rather than consumers should provide capital for the company.

Growth also means more business and more income for the utilities and the year-end rate base fails to consider those benefits.

Use of the year-end rate base, deferred tax treatment, and other PSC policies hide the actual profit companies are receiving.

C. W. McKee Jr., comptroller of Florida Power Corp., concedes raising of capital is the stockholder's job—not the consumer's.

Asked why the PSC doesn't raise the rate of return whenever a company needs expansion money, McKee replied: "I guess it wouldn't be politically expedient—Metcalf would take the higher rate of return and issue a news release."

Despite \$5-million in rate reductions last year, Florida Power's profits jumped \$2.3-million over those of 1967.

Since 1962, the company has enjoyed a 64 per cent increase in its profits. Last year, they totalled \$25.6-million.

Meanwhile, the company isn't confining its expansion to the service demands forced upon it.

Three weeks ago, the Williston City Council learned Florida Power wants to buy that city's municipal electric system.

NO "OVERCHARGE," THANKS TO THE PSC

(By Roland Page)

Did Florida Power Corp. collect \$17.7-million too much from its customers in 1967—as charged by Sen. Lee Metcalf?

Yes—under the Federal Power Commission's method of computing company earnings, rates of return and investment in plant.

Yes—under the Montana Democrat's recommendation of 6 per cent as a "fair" rate of return—which also was the latest rate of return prescribed by the federal commission in an electric company case.

No—under the Florida Public Service Commission's (PSC) methods of communication.

No—under the Florida PSC's current "allowed" 7.12 per cent rate of return for that company.

The chart below shows how Metcalf, using Federal Power Commission figures, arrived at the "overcharge" he assigned to Florida Power Corp.

It also shows how the PSC, using its figures, would come up with different conclusions. Both the state and federal commissions based their computations on reports filed by the company for the calendar year 1967.

The Federal Power Commission calculated Florida Power had an "average" investment in plant and facilities (rate base) of \$435.5-million in 1967.

The Federal agency also calculated by its standards that the company cleared \$35.5-million in net operating revenue.

Florida Power realized, therefore, an 8.11 per cent rate of return on its investment (\$35.3-million is 8.11 per cent of \$435.5-million). Metcalf thinks 6 per cent is a fair rate of return.

Six per cent would have produced \$26.17-million in net operating revenues by federal standards—or \$9.2-million less than the company actually earned. The difference, to Metcalf, is "overcharge."

In addition, Florida Power was figured by the federal commission to have collected from its customers \$8.5-million in corporate federal income taxes to cover the "overcharge" (about 92 cents for each dollar of income). Total—\$17.7-million.

The Florida Public Service Commission (top line), by using the so-called "year end rate base," always gives companies credit for a bigger investment than does the federal commission.

In this example, the PSC rate base is \$35.7-million higher than the federal computation.

Meanwhile, the PSC figured net operating income for 1967 at only \$32.2-million—or \$3.2-million less than the federal figure.

This is due mainly to the PSC's tax policies. It treats deferred taxes as an operating expense and thus deducts them from net income.

The combination of higher rate base and lower income always makes for a lower rate of return—in this case, 6.85 per cent.

Since the PSC thinks 7.12 per cent, rather than 6 per cent, is a "fair" rate of return for Florida Power, the company is in no danger of a rate reduction.

A 7.12 per cent return by PSC standards would have produced \$33.4-million net operating revenue—or \$1.1-million less than the company was figured to have earned. Thus, to the PSC, there's no overcharge.

Florida Power Corporation: Are its rates fair? Or are they an overcharge?

It all depends whose figures you use. This table shows how the computations of two agencies can produce different answers:

Florida Power Corp. earnings as computed by the Florida Public Service Commission:	
Rate base.....	\$471, 200, 000
Net operating income.....	\$32, 300, 000
Actual rate of return (percent).....	6.85
Fair rate of return (percent).....	7.12
Net operating income at 7.12 percent.....	\$33, 400, 000

Florida Power Corp. earnings as computed by the Florida Public Service Commission—Continued	
Difference in income.....	—\$1, 100, 000
Taxes collected on extra income.....	0
Total "overcharge".....	0

Source: Florida Public Service Commission, by special request.

Florida Power Corp. earnings as computed by the Federal Power Commission:	
Rate base.....	\$435, 500, 000
Net operating income.....	\$35, 300, 000
Actual rate of return (percent).....	8.11
Fair rate of return (percent).....	6
Net operating income at 6 percent.....	\$26, 170, 000
Difference in income (called "Overcharge" by Metcalf).....	\$9, 200, 000
Taxes on extra income.....	\$8, 500, 000
Total "overcharge".....	\$17, 700, 000

Sources: Congressional Record, and Statistics of Privately Owned Electric Utilities in the United States, 1967.

[From the St. Petersburg (Fla.) Times, Mar. 29, 1969]

#### PSC: LITTLE REASON TO FAVOR CUSTOMERS (By Roland Page)

The three members of Florida's Public Service Commission (PSC) have little reason to favor utility customers in any given rate case or policy decision.

They were elected to office in campaigns nearly ignored by the customers but partially financed by utility company representatives.

They are visited or telephoned almost daily by the highly organized utilities—but seldom by the unorganized customers.

They are not trained in the vital regulatory fields of economics, law, engineering or accounting, and must depend entirely on the guidance of others.

They get much "guidance" from the companies, some neutral guidance from the PSC staff, but little guidance from the customers, who, incidentally, foot the bill both for the companies and for the staff.

They must seek reelection every four years, and hence worry about campaign money during the last two years of any given term.

Former Florida PSC chairman Alan Boyd acknowledged 10 years ago the problems created by statewide election of Public Service Commissioners.

"There is little interest in the commission political campaigns," he wrote, "and little knowledge on the part of the public of whom or for what they may be voting."

Boyd, who later became the first U.S. secretary of transportation, said a candidate's ability to raise money for his campaign is therefore "severely restricted" and utility companies "are in a position to exercise tremendous power in selecting the candidates."

He also noted that it usually takes a new commissioner at least two years of his four-year term to understand the complexities of utility regulation, and that "he then spends the rest of the time worrying about whether he can be reelected."

Boyd recommended the so-called "Missouri Plan" of selecting commissioners. Under it prospective commissioners are "nominated by the governor, supposedly to insure against election of commissioners whose only qualification is a hefty campaign treasury or the right party affiliation. One name is nominated for each vacancy.

The nominees are then placed on a ballot and voters may mark "yes" or "no" beside each name, thus retaining supreme authority in the people.

Boyd also recommended six-year terms for commissioners—the terms used by 35 of 55 regulatory commissions in other states, according to a recent U.S. Senate committee report.

His bill incorporating these features died in a legislative committee and PSC members continue to be elected statewide to four-year terms.

As a result, three career politicians (all Democrats) with no training in the technical or professional fields involved in regulation, now head the PSC.

Law requires that they conduct their hearings like a court—but none of them have law degrees. Their responsibilities require decisions involving questions of economics, accounting and \* \* \* those fields, and none of them are required to have training in those fields, and none of them do.

Some of their own staff members complain privately that this lack of training makes it difficult to get technical points across to the commissioners.

While in office, the commissioners are subjected to what one attorney called "constant pressure and lobbying" from utility representatives.

"The people who contact them are the utilities," he said. "You don't have the consumers coming up to talk to them once or twice a week."

The attorney asked not to be identified. He represents a utility company before the commission.

Consumers, he said, have no organization with the money, the will or the know-how to match the utilities in their "informal discussions" with commissioners.

He pointed to the PSC's handling of the corporate federal income tax surcharge as an example of the results.

The PSC granted two major utilities permission to pass the surcharge on to their customers.

It was learned the commissioners ignored the recommendation of their own general counsel in approving the requests without a public hearing.

Utility representatives had convinced them such action was proper.

A furor ensued, with one state senator threatening a legislative investigation. The commission rescinded its order and told the companies to return what money they had collected.

In a public hearing the situation is usually the same.

Companies haul in mountains of prepared testimony and hire some of the nation's leading economists and other experts to advance the company point of view on a regulatory issue.

All company expenses in a hearing are paid for by the consumers through their rates.

Hundreds of customers might appear in opposition to the company view, but, as Boyd once pointed out, "the opinions of private citizens who are not experts is valueless, because they cannot be considered in reaching a decision."

"The commission," agreed Pinellas County Atty. Daniel Martin, "can't deny a rate increase just because some organizations pass resolutions saying they're against it—the commission has to have valid evidence that the rate increase isn't needed."

Valid evidence only can come through experts—and experts are expensive.

The Pinellas County Commission hired one such expert several years ago, Robert E. Bathen, a rate consultant from the engineering firm of R. W. Beck and Associates to testify on behalf of the county in seeking reductions in the rates of Florida Power Corp. and General Telephone Co. of Florida.

He was paid a total \$25,000 for those services.

Bathen, among other things, maintained that the commission should not allow the

utilities to earn a return on accumulated deferred taxes.

The commission agreed in issuing subsequent orders—though it did not mention Bathen—and a subsequent change in policy theoretically is saving customers throughout Florida thousands of dollars per year.

When it was time to appeal other commission decisions to the Florida Supreme Court, however, the county decided it could not afford the estimated \$15,000 it would cost to put Bathen on the stand.

The county failed to win one penny of financial aid from other cities and counties whose citizens were affected by the cases—although it was sent a drawerful of encouraging resolutions.

Theoretically, the PSC staff is the "people's expert" in rate cases.

In practice, however, the staff functions more as a neutral adviser to the commissioners.

Staff members, says Martin, seldom take the witness stand and never appeal a decision of the commissioners.

Staff neutrality probably was best expressed by Lewis Petteway, the PSC's general counsel.

"The commission represents the public," said Petteway, "but the public includes investors, subscribers, utilities and utility employees. So we've got to balance all those conflicting interests to do a good job."

Petteway also explained a commission policy against releasing staff recommendations to the public.

"One of my recommendations got out once," he said, "and it so happened the commission had ruled against me. Then I had to defend the commission's stand in the Supreme Court and it got kind of embarrassing when the opposition read my own recommendation."

Insufficient funds and personnel problems raise doubts that the staff can match the utilities even as advisers to the commission.

The PSC, for instance, has no economist, no certified public accountant, and no securities analyst.

It hired the national accounting firm of Ernst & Ernst during its study of tax credits last year, and hence received the advice of an economist with that firm.

The State Budget Commission, however, has cut in half the recommended funds available to the PSC for such consultants in the next biennium.

Of 66 new staff positions the PSC is requesting in its request this year, the Budget Commission is recommending approval of 14.

#### PSC TRIO: A SALESMAN, A COACH, A CAR DEALER

Here are the three men who set utility rates in Florida and decide the complex legal, accounting, economic and technical problems involved in regulating one-fifth of the state's economy:

Jerry W. Carter, Democrat, 81 years old. He was, according to a 1967 U.S. Senate report, the only member of a state regulatory commission with no more than a grade school education.

He came to Florida in 1908 as a sewing machine salesman. He supported Sydney J. Catts for governor and was rewarded in 1917 with appointment as State Hotel Commissioner.

He was elected to the Florida Railroad & Public Utilities Commission (later the PSC) in 1934. Once describing himself as "just a cheap politician—because that's all Florida can afford," he won re-election eight times and says he is ready to run again in 1970.

He attends fewer and fewer public hearings because of illness. When he does participate, two full-time PSC staffers have been seen following him around to make sure he doesn't hurt himself. He has been known, in recent years, to doze off in the middle of complex testimony.

Staff members say Carter was one of the nation's best railroad regulators "in his prime," but added that he has "little interest" in electric, gas, or telephone utilities.

In his most recent election in 1966, Carter received \$5,610 in campaign contributions from representatives of utilities regulated by the PSC.

Jess Yarborough, Democrat, 62, is the newest member of the commission, having defeated St. Petersburg attorney Ray Osborne, a Republican, last November. Osborne later became lieutenant governor of Florida.

Yarborough says there "ain't nothin' highfalutin about utility regulations" and adds that he ran for the post for three reasons: 1. "I like politics;" 2. "It's an important office;" and 3. "I thought I could win."

A former Miami high school football coach who boasts in his campaign literature that he "lost only one game to Florida schools during 10 years," Yarborough is the only commissioner with a college degree.

He was a state legislator before joining the commission. Before that, he was Miami's director of public welfare, a Dade County Commissioner and a Dade County school board member.

About one-fourth of the \$24,307 in campaign funds accumulated by Yarborough, near the end of his race with Osborne, were linked to utilities. "They're old friends," he said of the donors.

William T. Mayo, 51, has only two years of college, but claims his business experience as a Tallahassee car dealer and his various government posts as qualifications for the PSC.

The son of the late Nathan Mayo, former Florida Commissioner of Agriculture, the PSC chairman was once mayor of Tallahassee, a member of the State Road Board, and administrator of the Interstate Highway System in Florida.

Mayo is the only incumbent who first joined the PSC by appointment (by former Gov. Farris Bryant). He fought successfully for a law enabling the PSC to consider service when setting rates and initiated studies to further strengthen the agency.

He is generally considered a strong commissioner. He thinks election is the best system of choosing commissioners because it keeps them "more responsive to the public."

When Mayo campaigned for election to his first full four-year term in 1966, he received \$9,075 in contributions from utility-linked sources.

#### FINDINGS: DIVORCE PSC FROM UTILITIES

A study of Florida's system of utility regulation indicates the following findings:

The Public Service commissioners, elected to an office which few voters understand, often must depend on the very people they hope to regulate for campaign funds.

The regulatory agency, with too much work and too little staff and powers, can't meet its responsibilities.

Consumers, untrained in the technical aspects of regulation, unable to see utility records or detailed reports, and unable to combine the knowledge and resources they do have, are under-represented in rate cases.

[From the St. Petersburg (Fla.) Times, Mar. 30, 1969]

#### PUBLIC SERVICE COMMISSION—HEAVY DUTIES, LITTLE POWER (By Roland Page)

The Florida Public Service Commission (PSC) has too many jobs and not enough powers.

For 82 years, the State Legislature has been quick to assign new duties to the regulatory agency—but slow to grant it the powers needed to carry them out.

Utility opposition, legislative inaction and, in some cases, PSC refusal or inability to use the powers available, have combined to keep regulation somewhat less than effective.

It began in 1887 with creation of the "Florida Railroad Commission."

It continued to 1947 with the "Railroad and Public Utilities Commission"; to 1963 with the "Public Utilities Commission," and finally to 1965 with the PSC.

The change in names reflected the change in workload—always heavier.

Today's PSC has jurisdiction over all telephone and telegraph companies, all privately-owned electric and natural gas companies, 218 private water and sewer companies, 15 railroad or railroad terminal companies, and 11,412 buses, trucks, taxicabs, and other motor carriers operating in this state.

Ferries, toll bridge companies and canal companies, as well as dump trucks, transportation brokers, freight forwarders, and movers also come under its jurisdiction.

The PSC is responsible for fixing fair, reasonable and compensatory rates for businesses under its jurisdiction and for setting and enforcing standards of service, efficiency and safety.

It must see that the operator answers when you dial "0," that some buses run on time, that the gas heater doesn't run out of gas or the refrigerator out of electricity, and that these and other services are available at fair prices.

As a footnote, it's also supposed to help the attorney general make sure bookies don't use the telephone for gambling purposes.

It has been a "catch-all" agency for the Legislature—a good spot to put a job that doesn't fit anywhere else.

At least one committee of the Florida Legislature apparently feels some of the jobs don't fit together anymore.

The House Committee on Government Reorganization proposes abolishing the PSC and putting public utilities under a new Department of Business Regulation—along with banking and insurance.

Regulation of common carriers, the committee feels, might better be handled by the Department of Transportation.

The Committee might have a point.

Growth of federal regulatory activity over railroads has dwarfed state responsibilities in that area.

Most motor carriers already are regulated in some respects by several state agencies (the Transportation Department, the Department of Agriculture) and it's not uncommon to find a PSC inspector, and several other state agents checking one truck for several purposes all of which could be accomplished by one man.

Growth of other utilities, meanwhile, especially the telephone, electric, and natural gas companies has been phenomenal.

The State's six biggest privately-owned telephone and power companies alone now serve 4.6-million customers and had a gross investment of \$3.5 billion at the close of 1967.

Yet the PSC's largest single department is devoted entirely to transportation; it's largest single request for new staff this year is for transportation; and most of its general professional departments (accounting, rates, legal) must split their time between the giant utilities and common carriers.

That's why comparison of the PSC staff with those of other state utility commissions is invalid—many states have separate boards for transportation, utilities, and other businesses.

The biggest problem in separating common carriers from utilities would be rate-making and the powers and technical staff it requires.

PSC Chairman William T. Mayo notes the Transportation Department, under the House plan, would have to be granted legislative powers similar to those of the PSC in order to set common carrier rates.

He expressed no opinion on the possible split—but voiced reservations over putting

utilities under a large department with other duties.

"You might create a monster," he warned. He might have added that a "powder puff" can result if the Legislature fails to grant the PSC or any new regulatory body powers vital to effective consumer protection.

The 1969 Legislature could consider other problems which weaken utility regulation and the consumer's voice.

Among them:

Availability of company records—Consumers can't get at utility records to verify certain claimed expenses in a rate case. The PSC has the power to review actual records, as well as the power to order them produced for consumer representatives, and the power to demand itemization of any expenses the company wants to include in its rates.

The commission, however, doesn't require such itemization and, critics say, it usually declines requests for it by utility opponents in hearings.

The City of Miami last year asked permission to see the records and federal income tax returns which support exhibits of Florida Power & Light Co. in its current rate case. The PSC denied the request, saying in a Nov. 11 order that Miami:

"Has attempted an 'en masse' examination or 'fishing expedition' into the company's records in the expressed hope that error may be discovered in the underlying documents constituting the basis for the exhibits presented at the direction of the Commission. We find that mere suspicion that some error in the company's records may exist does not constitute sufficient grounds to require the company to submit its books and records for unrestricted examination."

In cases before the PSC, companies generally list public relations, advertising, labor relations, legal, professional and other expenses as "miscellaneous general" or "miscellaneous sales."

A utility consumer's counsel, if created by the legislature, might be granted authority to inspect records along with the PSC auditors.

Inability of local governments to represent the public—A legal question prevents cities or counties from entering rate cases unless they are customers of the utility involved. Legislation apparently is needed to allow cities to combine resources for cases involving regulatory issues of statewide significance.

Lack of jurisdiction—The commission has no jurisdiction over municipally and cooperatively-owned utilities and no territorial jurisdiction over private companies.

It can do nothing about wasteful duplication of lines and facilities when one utility enters an area served by another.

#### REGULATION—OR DISASTER?

Florida might be standing at a crossroads between effective state regulation of utilities—and disaster.

A constitutional question challenging the very existence of the elected State Public Service Commission (PSC) is responsible.

It's forcing legislators to consider replacing the 82-year-old agency with an appointed board.

Critics of the PSC, including a former commissioner, long have maintained the elective system gives utilities "tremendous power" over its members.

They contend an appointed board would be better insulated from utility-linked campaign contributions, and better able to regulate independently.

It's far too early for them to rejoice.

The constitutional question has not been settled and odds are that when it is, the settlement will favor the existing system.

While legislators could change the PSC even under those circumstances, they wouldn't have to—and they've shown little inclination to do so.

If they are forced to switch to an appointive agency, hasty decisions as to terms, size, qualifications and the appointing authority could result in disaster.

The constitutional question has been forwarded to Gov. Claude Kirk, who is expected to ask the Florida Supreme Court for an advisory opinion.

Meanwhile, the only expressed legislative concern has been for conforming with the State Constitution—not for improving utility regulation in general.

That question seems to have been lost in the flurry of government reorganization.

Yet it's a massive, complex issue, striking at the pocketbook of virtually every voter in the state.

The PSC presently controls about one-fifth of Florida's economy.

It regulates 15 railroad companies, 20 telephone companies, one telegraph company, five of the state's largest electric utilities, 16 natural gas companies, 218 water and sewer companies, hundreds of taxicabs and thousands of common carriers.

It sets and enforces rates and safety and service standards for utilities under its jurisdiction. It serves as policeman, judge and jury in all matters concerning those companies and their customers.

In Florida, it's the Federal Power Commission, the Interstate Commerce Commission and the Federal Communications Commission all rolled into one.

Like those agencies, it has a unique combination of legislative, judicial and executive powers—all of which are necessary in performing its complex and technical functions.

Also like those agencies, and practically, all similar state commissions, its members are kept independent of the legislative and executive branches through fixed terms.

Unlike the federal agencies, however, the PSC remains an elective office—it's not independent of politics.

PSC Chairman William Mayo is opposed to any change in the system under which he keeps his job.

Election, he says, keeps the commissioners "closer to the people."

But if the Legislature tries to abandon the system, either by constitutional demand or by choice, Mayo warns it should "look at the whole thing—separate it from government reorganization."

The PSC, as Mayo put it, is a "different breed of cat."

The House Committee on Government Reorganization, which first raised the constitutional issue, has drafted a plan which would place utilities under a Department of Business Regulation—along with banking and insurance.

A department director, appointed by the governor with consent of the Senate, would direct a professional staff which, in turn, would conduct hearings, set rates, investigate complaints and generally police the industry.

Decisions of the staff would be subject to appeal to a five-member board, also appointed by the governor and Senate and subject to removal only by the governor and Senate.

Regulation of common carriers, one of the biggest areas of PSC responsibility, would be placed under the Department of Transportation under the House plan—which would mean granting of rate-making powers to Transportation.

The House Committee has been silent as yet on the critical questions of terms for the Board members and the director of the Business Regulation Department and on how the director would be removed.

It also has refrained from endorsing any change in the current structure, stating only that its plan would meet the possible constitutional requirement and that it "could" be adopted whether change is mandatory or not.

The State senate, meanwhile, seems confident no change will be necessary and is

keeping hands off the PSC. It has offered no plan.

State Planning and Budget Director Wallace Henderson has proposed a reorganization plan which, among other things, would abolish the PSC and put all business regulation under a Department of Commerce.

He made no recommendation on how the Department would be headed.

If they do reform the system, whether by constitutional mandate or choice, legislators might also look at the Federal Power Commission and the boards of California, New York and Wisconsin for ideas.

These are the commissions generally admired by consumer-oriented experts and professional regulators.

The Federal Power Commission consists of five members appointed by the President with the consent of the Senate for five-year terms, with one member's term expiring each year.

California has five commissioners appointed by the governor with consent of the Senate for six-year staggered terms.

New York has seven members, five full-time and two part-time, appointed for 10-year terms by the governor with the Senate's consent.

It also has in its jurisdiction the company which charged the highest electric bill in the nation in at least one category reported to the Federal Power Commission in 1967.

The company, Consolidated Edison of New York Inc., charged \$9.94 for 250 kilowatt hours. The New York Public Service Commission, nevertheless, is included among most groupings of consumer-oriented state agencies—possibly because Consolidated Edison was held in the same year to a rate of return of 5.61 per cent.

Florida Power Corp. was fourth highest in the same utility bill ranking \$9.26, but its rate of return, calculated by the same method, was 8.11 per cent.

Wisconsin, like Florida's present Commission, has only three members. Unlike the PSC, however, Wisconsin's commissioners also are appointed by the governor and Senate and they have six year, rather than four-year, staggered terms.

No two experts agree on the best structure for a regulatory commission, but they do note that:

Appointment removes commissioners from election campaigns in which they inevitably face voter apathy and are forced to accept campaign contributions from utility-linked sources.

The governor, more than any other official, is likely to represent the general "philosophy" voters want their state government and its agencies to take. The theory is that he will appoint commissioners attuned to that philosophy.

Consent of the Senate or Legislature in one safeguard against political patronage by the governor—especially when the legislative majority is with the opposite party. Proponents of this check also argue that it tends to encourage appointment of qualified commissioners.

Fixed terms insure the independence such commissions must have as quasi-judicial agencies operating in a specialized field.

Terms should be long enough to enable a commissioner to "get the hang" of his complicated work, but short enough and staggered so that the governor can appoint a majority within his own term—hence reflecting in commission decisions the "philosophy" expressed in the governor's election.

Change in the commission membership should be gradual so that utilities aren't confronted with abrupt policy turnabouts which could be economically ruinous.

Membership should be large enough to provide for experienced members sitting at all times (Two of Florida's three present Commissioners are up for re-election next year. If they are defeated the PSC would be left with one experienced member—whose experience began only this year).

**LACK OF A STAFF HAMPERS RATE WATCHERS**

The Florida Public Service Commission (PSC) can't do its job.

It doesn't have the staff, the funds or the professional experts needed to see that the 270 privately-owned utilities under its jurisdiction are charging consumers no more than "fair and reasonable rates."

As the PSC itself said in its current budget request to the Legislature, a "critical situation exists in all departments from Executive through the Administrative and into the technical and professional departments."

It said at least 66 new staff members are needed merely to maintain "the current level of services."

The State Budget Commission, which screens requests of all state agencies before they go to the legislators, apparently doesn't believe the PSC.

Of the 66 positions requested, the Budget Commission recommended only 14 be approved.

It noted that the PSC staff has doubled since 1961. So has its budget.

But the growth in budget and staff hasn't kept pace with the burgeoning regulatory workload in Florida.

The number of water and sewer systems alone under PSC jurisdiction tripled in one day last year—when the now defunct Duval County Commission voted to turn all such privately-owned utilities in its jurisdiction over to the state agency.

Under the budget commission recommendation, the PSC is destined to police the safety and service standards of those systems without an engineer.

The situation isn't new.

For years, the PSC has been deciding questions of economic theory without the services of an economist.

It has approved millions of dollars in utility security issues without a securities analyst.

It frequently hears the testimony of certified public accountants hired by utilities—but has no CPA of its own.

"Our people might be just as qualified," says Chief Accountant John D. McClellan. "And they frequently are—but it makes it rough when you don't have that CPA after your name."

McClellan himself is leaving the PSC because he can't get certified as long as he's there.

The State Board of Public Accountants doesn't recognize experience with the regulatory commission for certification purposes.

The PSC can't afford to send its accountants to school for an extra year—another method of gaining certification.

So, as McClellan put it, "they're forced to leave"—usually for a private accounting firm.

The problem discourages recruiting. "I have to tell them if they come with us they can't get certified," said the PSC chief.

He also has to tell young prospects they'll start at \$6,840—while the national average starting pay for graduate accountants is \$8,400.

The commission now has eight to ten accountants. The number fluctuates because of turnover. McClellan says he could use 20 more.

A request for one more accountant was slashed by the Budget Commission this year.

The Commission last year hired the consultant firm of Ernst and Ernst to give it the weight of CPA and economist services during critical rate hearings. The cost was \$25,000.

The PSC has asked for another \$25,000 in consultant funds for the next biennium.

The Budget Commission recommended against it because of the "increase in staff" it was approving for the PSC. It cut the figure in half.

Ernst and Ernst did a staff organization study of the PSC. It found, among other things, that customers of eight Florida util-

ities could have saved \$11-million by the addition of one staff member.

The problem was an 18-month delay in \$32.8-million worth of rate reductions. For each month the orders were delayed, the utilities were collecting \$1.8-million more from customers than they should have been.

Ernst and Ernst blamed "multiple requirements" on the executive director and general counsel. One man was doing two full-time PSC jobs.

The \$69.4-million "overcharge" U.S. Sen. Lee Metcalf has assigned to four Florida elec-

tric companies would support the PSC for 36 years under its current budget.

One company alone cleared profits last year equal to 10 times the commission budget.

Floridians, through rates, are providing utilities with unlimited funds and experts with which the companies can represent themselves before the PSC.

The commission, says PSC Chairman William T. Mayo, must have "additional personnel as capable and knowledgeable as the experts the regulated groups bring in."

**WHAT'S BEST WAY TO REGULATE YOUR UTILITY BILLS?—A 3-WAY COMPARISON<sup>1</sup>**

Present Florida Public Service Commission	California Public Utilities Commission	House proposal	
3 Commissioners.....	5 commissioners: Utilities, consumer counsel.	5 board members.....	Director, department of business regulation.
Elected.....	Appointed by Governor and senate.	Appointed by Governor and senate.	Appointed by Governor and senate.
4-year terms.....	6-year terms.....	Terms?.....	Terms?.....
Removed for cause by Governor.	Removal by 2/3 vote of legislature.	Removed by Governor and senate.	Removal?
Majority changeover in 1 election.	Takes 4 years for majority change.	Majority change?.....	
Staff under commission.....	Staff under commission.....	No staff.....	Staff regulates utilities subject to appeal to board.

<sup>1</sup> From the St. Petersburg Times, Mar. 30, 1969.

*"There is little interest in the commission political campaigns and little knowledge on the part of the public for whom or for what they may be voting. The cost of a statewide political campaign is very expensive and the ability of candidates to raise money is severely restricted. Because of the lack of interest and knowledge in the office, the net result is that companies regulated by the commission are in a position to exercise tremendous power in selecting candidates, even though this power has apparently never been exercised."*—Alan Boyd, former Chairman, Florida Public Service Commission.

**LOCAL REGULATION?—PUBLIC UTILITIES PREFER STATE**

Florida electric companies wrote and sponsored the laws placing them under state regulation because they preferred it to local jurisdiction, says former State Sen. Henry Baynard of St. Petersburg.

Baynard should know.

Electric companies in Florida went completely unregulated until a few counties began establishing utility commissions of their own in the late 1940s.

Pinellas was a leader. Public pressure, culminating in the election of a Pinellas representative who had vowed to change the situation, led to the creation of a three-man Pinellas County utility commission.

It was Baynard who introduced the bill.

To get it passed, however, he promised not to oppose repeal of the county bill if statewide jurisdiction later was approved.

"That was a mistake," says Baynard.

He said the County Utilities Commission proved effective—ordering \$3-million in rebates and lower rates during its brief existence.

The companies, meanwhile, pushed legislation in 1951 placing them under the Florida Railroad and Public Utilities Commission (now the Public Service Commission), said Baynard.

Baynard doesn't think a return to local regulation would improve the situation.

"It has to be statewide or it would be impossible for the companies to operate," he said. But he thinks the state agency should have "more teeth" to it.

**A COUNSEL: WOULD IT AID UTILITY REGULATION?**

Does Florida need an "office of utility consumers' counsel" in addition to its regulatory commission?

Lack of competent consumer representation in utility rate cases before the Public Service Commission (PSC) is as telling now as it was 10 years ago.

At that time, the PSC itself called it a "problem which shouldn't exist."

Companies haul stacks of testimony and armies of experts into hearings to support their side for a rate increase—secure in the knowledge that it's all paid for in the customer utility bills.

Their customers, meanwhile, go unrepresented, unless a city, county or other agency within a company's service area decides to carry the ball.

And that doesn't happen very often. Few local governmental agencies are willing to risk spending taxes on other than local government affairs.

Especially when they find—as Pinellas County did in a three-year rate fight with Florida Power Corp. and General Telephone Co. of Florida—that other local governments in the utility's service area aren't willing to chip in.

Moreover, there's a question as to whether cities and counties can legally represent the public before the PSC.

Pinellas County and the City of Miami have justified past involvement in rate cases by being customers of the respective utilities serving them.

This approach precludes, however, united statewide action on behalf of the disorganized consumer.

Miami, served by Florida Power and Light Co. and Southern Bell Telephone Co., couldn't join the Pinellas struggle.

Nor can Pinellas aid Miami in its current contest with Florida Power and Light.

In 1965, Pinellas County's hired expert, Robert E. Bathen, testified in opposition to several PSC policies which were in effect statewide.

The PSC agreed with Bathen on one point, reversed its policy, and saved state-wide consumers an estimated \$11-million since then.

An appeal was filed to the State Supreme Court on some of the other points—but the county ran out of funds. It already had spent more than \$38,000 for the services of Bathen and George Spiegel, a Washington attorney who specializes in utility regulation.

Pinellas appealed without Bathen and Spiegel—and the appeal was dismissed.

U.S. Sen. Lee Metcalf, D-Montana, thinks he might have a solution to consumer weakness and disunity.

He's introduced a bill in Congress that would establish a "U.S. Office of Utility Consumers' Council."

It would:

Hire experts to represent the public in utility cases before federal or state agencies.

Provide grants to local or state governments for up to 75 per cent of the cost of establishing their own such offices.

Periodically recommend legislation which might strengthen consumer protection.

Metcalf introduced similar legislation last year. He suggested the Consumer Council be supported by a tax on utilities, since customers already pay all company taxes, all regulatory fees and all costs of company testimony and representation.

It didn't pass.

Metcalf says three states have established Consumer Council offices of their own without federal aid. He quotes the Public Service Commission Chairman of one of the states, Maryland, as describing the council office as "absolutely indispensable."

Metcalf said cost of the proposed U.S. office would be about \$40-million. Divided 50 ways that would be \$800,000 per State if each state decided to act on its own. The California Office, however, operated on a \$60,000 to \$100,000 budget.

A change in the PSC's tax policies alone, could have saved customers of six utilities \$32.2-million in 1967, according to an expert hired by the PSC.

That possibly could have funded a Florida Utility Consumers Council for 400 years.

The PSC points to its staff as representative of the public in rate cases. The staff, however, is neutral at best and acts more as an adviser to the commissioners.

As Pinellas County Attorney Martin said, the PSC follows courtroom procedure, but the system seldom provides the "adversary" atmosphere of a court.

"You have the commissioners as judges and the companies on one side," said Martin, "but nobody on the other side."

Martin would have the staff separated from the commissioners and converted into what Metcalf is proposing.

"Let the staff appeal decisions of the commission," he says. "If it doesn't, who will?"

He also would like the PSC staff recommendations to be made public. "We can't disagree with them," he says, "because we never know what they (the recommendations) are or what these professional people think."

PSC Chairman William Mayo says staff recommendations are kept confidential because they're technical, diversified between PSC departments and would "confuse the public."

#### BETTER UTILITY REGULATION FOR A BETTER FLORIDA

Public utilities are not ordinary businesses. They are monopolies granted by the state and regulated in the public interest.

The 73-year history of monopoly regulation in Florida was well phrased to a congressional committee in 1965 by Edwin L. Mason, then chairman of the Public Service Commission: "The best regulation is little or no regulation."

In truth, the best utility regulation is careful, informed and complete regulation to guarantee investors a fair return and customers reliable service at the cheapest possible rates.

With its eye on reorganization, the 1969 Florida Legislature has an unusual opportunity to remodel the Public Service Commission into an instrument for more effective utility regulation.

#### WHAT'S WRONG WITH THE PRESENT PUBLIC SERVICE COMMISSION?

In a phrase, the PSC doesn't do its job.

A detailed series by Times staffer Roland Page last week documented repeated cases of lax regulation:

The PSC lacks information on utility expenses charged to customers. It does not require itemized listings of millions of dollars of expenses shown in reports as "miscellaneous."

The PSC doesn't even bother to check thousands of dollars worth of contributions, even those which obviously are questionable.

The reasons for these shortcomings also are clear:

The commission's staff is overworked, undermanned and undertrained.

The commission's hearings are distorted. In the natural struggle between the interests of investor and consumer, the PSC staff is neutral. The utilities are loaded with expert horsepower, and the consumers usually are not represented.

The commissioners themselves are highly susceptible to political influence from utility interests which contribute heavily to their campaign treasuries.

#### WHAT DO FLORIDIANS WANT OF THEIR PUBLIC SERVICE COMMISSION?

We believe they want a commission that does its job expertly. They want a commission that isn't classified as heavily oriented toward investors (as the Florida commission always has been), or even overly weighted toward consumers. They want middle-road regulation guided by professional skills instead of political backscratching.

They want a commission that plans well for growth. They want a commission that prevents deterioration of service and equipment such as occurred under the old Peninsular Telephone Co. They want a commission that requires better service more quickly, as since General Telephone purchased Peninsular in August 1957.

They want regulation that guarantees electric power every time a switch is flipped. They want regulation that attracts investors, rewards stockholders, satisfies customers and allows utilities to set standard of progress in their communities.

#### HOW CAN UTILITY REGULATION IN FLORIDA BE IMPROVED BY THE 1969 LEGISLATURE?

We recommend to the upcoming Legislature a five-point program for modern, balanced regulation of utility monopolies:

1. Restructure the commission into a professional five-member board appointed to staggered, six-year terms by the governor and confirmed by the Senate. The six-year terms would require a referendum on a constitutional amendment, which would be a good test of public acceptance. Terms must be long enough to assure experienced regulators, but who retain some independence.

It is an incredible fact that in 1968 400,000 more Floridians voted on who would cast one of 100 votes in the U.S. Senate than who would cast one of three PSC votes controlling their high monthly utility bills. Perhaps a yes-no Missouri Plan vote could be adapted to guide the governor's reappointments.

2. Provide the commission with an adequate, skilled staff. By all means the Legislature should restore the 50-plus staff additions requested by the PSC and chopped out by the Cabinet Budget Commission. The thousands of dollars invested in staff should be weighed against the millions spent and earned by utilities.

3. Establish an effective adversary system for commission proceedings. This means creating within the commission staff a consumer representative—a sort of public defender for utility customers—with the same powers of independent research enjoyed by commission auditors. There is a precedent for such a consumer's ombudsman in the Federal Communications Commission's Broadcast Bureau. Out of each contest between utility experts and consumer experts would come the true facts for a fair decision.

4. Require by law an annual report to the people from the commission. The report should be comparable to the Federal Power

Commission's, using the same calendar year, and including rates of return and net earnings for all regulated utilities. With computerized accounting the report could be offered to the public without delay.

5. Grant the reconstituted commission territorial jurisdiction over all public utilities, including municipal and REA systems.

This program would provide a brilliant start toward greater representation for the consuming public in all branches of state government.

#### IMPORTANT LEGISLATION TO THE STATE OF ALASKA

### HON. HOWARD W. POLLOCK

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. POLLOCK. Mr. Speaker, today at the request of the Alaskan commissioner of labor, Mr. Thomas J. Moore, I have introduced a bill which would amend the Public Works and Economic Development Act of 1965 to permit smaller redevelopment areas in the State of Alaska. The purpose of this bill is contained in a letter I received from Mr. Moore and I would like to set forth in the RECORD at this time a portion of this letter. As can be seen this legislation is of an extremely important nature to the State of Alaska:

Our Employment Security Division has the responsibility for the official workforce measurements (employment, unemployment and unemployment rates) within each labor market area of the State. We attempt to make these measurements as accurate and valid as is possible as the rates are utilized for many purposes. One somewhat questionable use of the rates is to determine what areas qualify for grant assistance under the terms of the Public Works and Economic Development Act of 1965. The rates are one of the major bases by which the Economic Development Administration must determine the amount of their participation, if any, in providing grants for economic development. This causes some problems as follows:

In the summer of 1966, it was determined that one rather large company had a substantial number of persons actively working in the east side of the Prince of Wales Labor Market Area. Thus, the workforce data for the area subsequent to July, 1966 included that company's employment. The net effect of this action was a substantial drop in the unemployment rate for the entire Prince of Wales labor market area. Due to the drop in the unemployment rate, the Economic Development Administration was forced to decrease their grant participation in the Prince of Wales area from 80 percent to 60 percent.

To further complicate the situation, we firmly believe that the change in the unemployment rates for the Prince of Wales labor market area does not reflect a true picture of the economic condition of the vicinity surrounding Klawock.

Some discussion of the labor market area concept would probably be helpful. One of the acknowledged facts in economics is that aggregate measures tend to hide problems in the subsectors. To point up these problems, each state's employment service agency determines that state's unemployment rate and the unemployment rates for "labor market areas" within the state. These labor market areas are generally, but not always, based on geopolitical divisions or are sub-sections of major geopolitical divisions. Examples of these divisions are counties, cities, towns, boroughs, standard metropolitan statistical

areas, etc. In Alaska, we have used the election districts established for the 1956 state constitutional election for our labor market areas. It has been found that for most purposes, the areas so established were satisfactory.

However, in many areas of the state, economic development which occurs at one location within a labor market area has little effect upon other locations in the areas which remain depressed. Two more examples of this, besides Klawock, would be that—

The wholesale bulk copper ore storage and shipping terminal at Skagway will have little, if any, effect on Haines, and

The Amchitka project will have negligible impact anywhere else in the immediate area (although it may be "beneficial" to the Anchorage area.)

The unemployment rate for the labor market areas involved will probably decline causing the grant rates to drop and thus, as occurred in Klawock, effectively prevent economic development of a poverty pocket.

As is typical of most federal laws, regulations, standards, etc., the particular law involved here (the Public Works and Economic Development Act of 1965) is just not satisfactory to resolve Alaska's problems. Changes in the law would appear to be the only meaningful way to help small pockets left behind by development at other points.

We have been concerned about this matter for some time, but under the present law, we are restricted in what we can do.

#### THE MILITARY-INDUSTRIAL COMPLEX

### HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. LIPSCOMB. Mr. Speaker, the farewell address delivered by former President Eisenhower discussing his views on the need to work for peace and human advancement is a message of significance to all of us.

It has been a matter of concern to me however that many seem to concentrate on just one phrase from that address to the exclusion of other equally important aspects of the talk. That phrase is the "military-industrial complex," which the former President used to caution against a situation where unwarranted influence may rest in one element of our society. But concentration on just this one phrase tends to overlook the fact that President Eisenhower also declared we must have a completely adequate military establishment to help keep the peace. Because of my concern about this development I discussed it in a statement to the House of Representatives on April 2, 1969.

The Los Angeles Times on April 14 contained an editorial commenting on former President Eisenhower's farewell address and my statement. In mentioning both General Eisenhower's remarks about the need for caution and on the other hand the need for an adequate military establishment, the Times asserts:

As Congress grapples with the task of deciding how much of our economic resources should be devoted to national security, both halves of Gen. Eisenhower's farewell address should be kept in mind.

Under leave to extend my remarks I submit a copy of the editorial from the April 14 issue of the Los Angeles Times for inclusion in the RECORD. Also included is a copy of the text of former President Eisenhower's address which he delivered January 17, 1961:

[From the Los Angeles Times, Apr. 14, 1969]

#### THE MILITARY-INDUSTRIAL COMPLEX

One of the most interesting phenomena of the 91st Congress has been the crescendo of attacks on the so-called "military-industrial complex."

The ABM debate, for example, has prominently featured charges that the defense establishment and its highly effective lobby have grown so powerful that democracy itself is endangered.

Such verbal assaults frequently observe, quite accurately, that the late President Eisenhower was among the first to sound the alarm.

They quote Gen. Eisenhower's farewell speech, just before his retirement, in which he declared:

"We must guard against the acquisition of unwarranted influence . . . by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

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

As Rep. Glen Lipscomb (R-Calif.) pointed out the other day, though, the rest of what Gen. Eisenhower had to say in the same speech somehow gets left out of the quotations.

Specifically, the late President said that "a vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk its own destruction."

As Congress grapples with the task of deciding how much of our economic resources should be devoted to national security, both halves of Gen. Eisenhower's farewell address should be kept in mind.

#### FAREWELL RADIO AND TELEVISION ADDRESS TO THE AMERICAN PEOPLE, JANUARY 17, 1961

(Delivered from the President's Office at 8:30 p.m.)

#### My fellow Americans:

Three days from now, after half a century in the service of our country, I shall lay down the responsibilities of office as, in traditional and solemn ceremony, the authority of the Presidency is vested in my successor.

This evening I come to you with a message of leave-taking and farewell, and to share a few final thoughts with you, my countrymen.

Like every other citizen, I wish the new President, and all who will labor with him, Godspeed. I pray that the coming years will be blessed with peace and prosperity for all.

Our people expect their President and the Congress to find essential agreement on issues of great moment, the wise resolution of which will better shape the future of the Nation.

My own relations with the Congress, which began on a remote and tenuous basis when, long ago, a member of the Senate appointed me to West Point, have since ranged to the intimate during the war and immediate post-war period, and, finally, to the mutually interdependent during these past eight years.

In this final relationship, the Congress and the Administration have, on most vital issues, cooperated well, to serve the national good rather than mere partisanship, and so

have assured that the business of the Nation should go forward. So, my official relationship with the Congress ends in a feeling, on my part, of gratitude that we have been able to do so much together.

#### II

We now stand ten years past the midpoint of a century that has witnessed four major wars among great nations. Three of these involved our own country. Despite these holocausts America is today the strongest, the most influential and most productive nation in the world. Understandably proud of this pre-eminence, we yet realize that America's leadership and prestige depend, not merely upon our unmatched material progress, riches and military strength, but on how we use our power in the interests of world peace and human betterment.

#### III

Throughout America's adventure in free government, our basic purposes have been to keep the peace; to foster progress in human achievement; and to enhance liberty, dignity and integrity among people and among nations. To strive for less would be unworthy of a free and religious people. Any failure traceable to arrogance, or our lack of comprehension or readiness to sacrifice would inflict upon us grievous hurt both at home and abroad.

Progress toward these noble goals is persistently threatened by the conflict now engulfing the world. It commands our whole attention, absorbs our very beings. We face a hostile ideology—global in scope, atheistic in character, ruthless in purpose, and insidious in method. Unhappily the danger it poses promises to be of indefinite duration. To meet it successfully, there is called for, not so much the emotional and transitory sacrifices of crisis, but rather those which enable us to carry forward readily, surely, and without complaint the burdens of a prolonged and complex struggle—with liberty the stake. Only thus shall we remain, despite every provocation, on our chartered course toward permanent peace and human betterment.

Crises there will continue to be. In meeting them, whether foreign or domestic, great or small, there is a recurring temptation to feel that some spectacular and costly action could become the miraculous solution to all current difficulties. A huge increase in newer elements of our defense; development of unrealistic programs to cure every ill in agriculture; a dramatic expansion in basic and applied research—these and many other possibilities, each possibly promising in itself, may be suggested as the only way to the road we wish to travel.

But each proposal must be weighed in the light of a broader consideration: the need to maintain balance in and among national programs—balance between the private and the public economy, balance between cost and hoped for advantage—balance between the clearly necessary and the comfortably desirable; balance between our essential requirements as a nation and the duties imposed by the nation upon the individual; balance between actions of the moment and the national welfare of the future. Good judgment seeks balance and progress; lack of it eventually finds imbalance and frustration.

The record of many decades stands as proof that our people and their government have, in the main, understood these truths and have responded to them well, in the face of stress and threat. But threats, new in kind or degress, constantly arise. I mention two only.

#### IV

A vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no

potential aggressor may be tempted to risk his own destruction.

Our military organization today bears little relation to that known by any of my predecessors in peacetime, or indeed by the fighting men of World War II or Korea.

Until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could, with time and as required, make swords as well. But now we can no longer risk emergency improvisation of national defense; we have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annually spend on military security more than the net income of all United States corporations.

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every State house, every office of the Federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

Akin to, and largely responsible for the sweeping changes in our industrial-military posture, has been the technological revolution during recent decades.

In this revolution, research has become central; it also becomes more formalized, complex, and costly. A steadily increasing share is conducted for, by, or at the direction of, the Federal Government.

Today, the solitary inventor, tinkering in his shop, has been overshadowed by task forces of scientists in laboratories and testing fields. In the same fashion, the free university, historically the fountainhead of free ideas and scientific discovery, has experienced a revolution in the conduct of research. Partly because of the huge costs involved, a government contract becomes virtually a substitute for intellectual curiosity. For every old blackboard there are now hundreds of new electronic computers.

The prospect of domination of the nation's scholars by Federal employment, project allocations, and the power of money is ever present—and is gravely to be regarded.

Yet, in holding scientific research and discovery in respect, as we should, we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific-technological elite.

It is the task of statesmanship to mold, to balance, and to integrate these and other forces, new and old, within the principles of our democratic system—ever aiming toward the supreme goals of our free society.

v

Another factor in maintaining balance involves the element of time. As we peer into society's future, we—you and I, and our government—must avoid the impulse to live only for today, plundering, for our own ease and convenience, the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without risking the loss also of their political and spiritual heritage. We want democracy to survive for

all generations to come, not to become the insolvent phantom of tomorrow.

vi

Down the long lane of the history yet to be written America knows that this world of ours, ever growing smaller, must avoid becoming a community of dreadful fear and hate, and be, instead, a proud confederation of mutual trust and respect.

Such a confederation must be one of equals. The weakest must come to the conference table with the same confidence as do we, protected as we are by our moral, economic, and military strength. That table, though scarred by many past frustrations, cannot be abandoned for the certain agony of the battlefield.

Disarmament, with mutual honor and confidence, is a continuing imperative. Together we must learn how to compose differences, not with arms, but with intellect and decent purpose. Because this need is so sharp and apparent I confess that I lay down my official responsibilities in this field with a definite sense of disappointment. As one who has witnessed the horror and the lingering sadness of war—as one who knows that another war could utterly destroy this civilization which has been so slowly and painfully built over thousands of years—I wish I could say tonight that a lasting peace is in sight.

Happily, I can say that war has been avoided. Steady progress toward our ultimate goal has been made. But, so much remains to be done. As a private citizen, I shall never cease to do what little I can to help the world advance along that road.

vii

So—in this my last good night to you as your President—I thank you for the many opportunities you have given me for public service in war and peace. I trust that in that service you find some things worthy; as for the rest of it, I know you will find ways to improve performance in the future.

You and I—my fellow citizens—need to be strong in our faith that all nations, under God, will reach the goal of peace with justice. May we be ever unswerving in devotion to principle, confident but humble with power, diligent in pursuit of the Nation's great goals.

To all the peoples of the world, I once more give expression to America's prayerful and continuing aspiration:

We pray that peoples of all faiths, all races, all nations, may have their great human needs satisfied; that those now denied opportunity shall come to enjoy it to the full; that all who yearn for freedom may experience its spiritual blessings; that those who have freedom will understand, also, its heavy responsibilities; that all who are insensitive to the needs of others will learn charity; that the scourges of poverty, disease and ignorance will be made to disappear from the earth, and that, in the goodness of time, all peoples will come to live together in a peace guaranteed by the binding force of mutual respect and love.

#### A MATTER OF PRIORITIES

### HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. HUNGATE. Mr. Speaker, I would like to bring to the attention of my colleagues the following article which appeared in the April 1969 edition of the Illinois Bar Journal:

A MATTER OF PRIORITIES: FIRST, THE LAWYER'S DUTY TO HIS CLIENT; SECOND, THE LAWYER'S PUBLIC IMAGE

The proposed new "Code of Professional Responsibility" of the American Bar Associ-

ation is the first overall revision of the Canons of Professional Ethics in 60 years; and the former 47 Canons are reduced to 9 in number, each accompanied by extensive "Ethical Considerations" and "Disciplinary Rules."

Canon 7 provides as follows:

"A lawyer has a duty to represent his client with zeal limited only by his duty to act within the bounds of the law."

The "Ethical Considerations" which follow Canon 7 make it clear that "bounds of the law" include enforceable standards of professional conduct. The "Disciplinary Rules" which follow Canon 7 cover specifically what the lawyer must do and what he cannot do in representing his client in an ethical manner.

Against that background, and with the limitations referred to above, let us nevertheless consider again the words of Canon 7:

"A lawyer has a duty to represent his client with zeal limited only by his duty to act within the bounds of the law."

This is very strong language, but I think it describes accurately the lawyer's duty to his client. It most certainly states my view of a lawyer's duty to his client.

However, there can be no doubt that the public image of the profession is directly affected by the conduct of lawyers who, most properly, represent their clients with the "zeal" required in Canon 7.

Unlike members of the other professions, lawyers regularly handle a wide variety of adversary matters, including trial work and negotiations in working out disagreements of all types among clients. The final decisions are not always made by judges, juries, arbitrators, referees, commissioners, boards or whatever. The great majority of controversies requiring lawyers eventually end up in negotiated settlements.

Nevertheless, clients in all of these situations have very strong views, and their frequent lack of appreciation for people on the other side of the controversy very naturally extends to and includes their lawyers—particularly so inasmuch as lawyers are the spokesmen.

Both during trial and in negotiations clients often say and believe uncomplimentary things about lawyers for the other side. Too frequently their own lawyers do nothing to correct these impressions, which are usually unfair and inaccurate.

The loser in a lawsuit, or one who feels he got the worst of negotiations, too often believes (again unfairly) that the lawyer on the other side was underhanded and deceitful.

Even with an ordinary real estate deal (and I hasten to acknowledge that many real estate deals are extremely complicated and not ordinary in any way) clients too frequently start out with the impression that it is going to be a match of wits between two lawyers, and seek reassurances that the lawyer on the other side will not get the best of the deal.

In numerous other legal situations, where more than one lawyer is involved, clients too frequently feel there is a contest of some kind and are suspicious of the other lawyer's motives.

In ordinary contacts with a minister or doctor, just for example, adversary aspects are seldom present, and there is little occasion for criticism.

In my view the situation I have described explains in large part the attitude toward lawyers by too many members of the public. Human nature being what it is, little can be done about it.

A lawyer recognizes all of this, but his primary duty is to serve his own client, regardless of whether others find this pleasing or displeasing, and regardless of whether they choose to cast aspersions when a lawyer represents his client "with zeal limited only by his duty to act within the bounds of the law."

Fortunately, all of the above applies only to a very small segment of the total population, but it is a vocal segment nevertheless; and the repeated utterances of this relatively small number on the subject of lawyers does, beyond any question, affect to some degree the public image of lawyers.

Likewise, persons who choose work in government and in politics as their careers, whether they are lawyers or laymen, have similar problems as far as their public image is concerned. A dedicated, honest, conscientious and hard-working legislator (and a very high percentage of legislators in all levels of government are exactly that) voting on a highly controversial bill knows in advance that, whichever way he votes, a large segment of the population will commend him for his vote and another large segment of the population will criticize him and challenge his motives and integrity for voting as he did.

The problems discussed above are easy to define, but no solutions are apparent. It is part of the price to be paid in rendering public service.

ALFRED Y. KIRKLAND,  
President, Illinois Bar Journal.

COLUMBUS STUDENT WINS NATIONAL ESSAY CONTEST

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include this prize-winning essay by 16-year-old Carol Poland, of the Columbus, Ind., community.

Miss Poland, who received the Lucille M. Wright citizenship award from the Girls Clubs of America, challenges her fellow young people who rebel against authority—who seek to change the establishment—to be ready to replace it with a better system.

Miss Poland's excellent essay, printed in the April 9 edition of the Columbus Republic, reads as follows:

THE KIND OF CITIZEN I WANT TO BE  
(By Carol Poland)

The word "Citizenship" is hard to define. It means something different to everyone.

Being a citizen is having the privilege of voting. When you receive this privilege, you are given the responsibility of caring enough about your city and country to take the time to register and vote and the knowledge for choosing the one who would do the best job in each office he seeks.

A great many "protestors" have arrived on the scene of the present time. They protest the Vietnam war, the administration in the schools, the political leadership and protest just to be protesting. It is not enough just to protest, but the people should constructively take part in these activities.

Maybe our country was built on protest against a foreign power imposing unfair restrictions and taxes on our forefathers. But they had a plan to build a country, to give of themselves with hard work, and honesty, dreaming of a country with equal rights for everyone, for freedom of religion—not from religion.

Minorities should have equal rights in this country but they should not be permitted to rule the majority. The atheist "Medelines" shouldn't be granted the right to tell the children in the classroom or the astronauts that they have no right to pray or to read the Bible. She could have just turned off her television if she didn't want to hear it.

A good citizen is a friend to all, regardless of color or social status. A white person is not better than a colored person; a colored person should have no more privileges than a white person. The pigment of the skin is the only difference.

A good citizen also sets a good example in his community. He contributes volunteer services to community service groups, such as, being a senior leader at a Girls Club, by being a big sister to a C.A.P. child, by being a companion to a senior citizen.

He is active in the church of his choice. This builds a good moral background which gives reasons for performing services to country and fellowman. This country was founded on religious background, he will obey the laws of his community and the nation. The breakdown of law and order is the result of the lack of individual training and observance at church and Sunday School. Law officers tell us that few who are trained in the churches will get in trouble with the law.

A good citizen is well informed about the things going on around him. News casts may be dull but this information affects the lives of everyone. If the youths are dissatisfied with the way adults are running the country, they must be well informed on these matters, if they are going to change them for the better.

A good citizen appreciates what others have done for him. The brave men in the past gave their lives for our freedom and thousands of young men have given their lives in this war we are fighting now.

I feel these are the traits of a good citizen and the future concerned citizen I hope to be.

CONSCIENCE AND THE DRAFT

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. LEGGETT. Mr. Speaker, a few weeks ago Federal Judge Charles E. Wyzanski ruled unconstitutional the provisions of the selective service law allowing the status of conscientious objector only to those who based the objections to military service on religious grounds. In his decision the judge held that this restriction was a violation of the first amendment in that it discriminated in favor of religion and against nonreligious beliefs.

I agree with and support this decision. Profound moral objections to war—especially the war in Vietnam—must be recognized. On purely practical grounds, I would consider it unsafe to be in the field with a soldier who had such strong objections to combat. On the theoretical ground on which this decision was based, we must recognize the strength of conviction of the conscientious objector who opposes military service on moral grounds.

I include here an editorial from the April 4, 1969, edition of the Christian Science Monitor:

CONSCIENCE AND THE DRAFT

One of the thorniest but most exalting challenges a freedom-strong democracy can face is reconciling private conscience with public need. If public need is not served, freedom and democracy can be lost. But if private conscience is not honored, this can be equally fatal to all that freedom and democracy hold dear. The great, continuing, never-settled problem is to harmonize this right of the individual to do what his deep-

est, best, God-given conscience dictates with the right of society to protect and enforce what a democratic consensus of opinion deems the highest good.

Once again, with Federal District Judge Charles E. Wyzanski Jr.'s ruling, the United States must work out such a problem. By deeming that the draft law was unconstitutional where it said that a man could be exempted from military service only if his objection to war was religion-based, Judge Wyzanski has greatly broadened and sharpened the national debate over America's whole draft setup. He has said, and rightly, that the present law discriminates against those who may object to the draft on the grounds of "profound moral beliefs which constitute the central conviction of their beings."

We welcome this broadened and sharpened debate. We find it well that the question must now go to the Supreme Court for a final, definitive ruling. We are glad that the judge's decision is likely to spur the search for a better means of meeting the nation's military manpower needs.

Today, on many fronts, the question of conscience is coming more strongly to the fore. This is a healthy development; it is proof of the self-correcting and self-raising nature of the American ethos. And no nation or people ever loses by heeding the lessons which crises of conscience teach.

It will not be easy for the United States to cope with the practical questions raised by Judge Wyzanski in the John H. Sisson case. But the decision giving weight to the young man's conscientious objection to the draft, and thereby to war, was morally right. In the long run such decisions will strengthen society rather than weaken it.

Also to be welcomed was Judge Wyzanski's opinion that the present draft law violates the First Amendment stating that "Congress shall make no law respecting an establishment of religion." This amendment has been under serious and progressive weakening for some years, primarily through the granting of public and federal financial aid to religious schools. Judge Wyzanski's application of the amendment to the draft law should encourage the Supreme Court to honor the amendment's application in other fields.

TRAVELING CONGRESSMEN

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. MIKVA. Mr. Speaker, Michael J. Howlett, the auditor of public accounts in Illinois, recently sent me some remarks which he made before a Knights of Columbia dinner in Evansville, Ind. I believe Mr. Howlett's remarks probably reflect the feelings of millions of Americans—especially those who are residents of our hard-pressed inner-city areas. Mr. Howlett points out that if Congressmen wish to travel, they might very well begin by traveling to some of the so-called ghetto areas in our Nation's largest cities and to areas of rural poverty throughout the country. I believe that Mr. Howlett's remarks indicate a healthy skepticism about the travels of congressional junketeers, as well as an awareness—which we must hope all citizens share—that Congress first and most important job in this session is to begin devising solutions to our pressing domestic problems.

Apparently some elements of the press share Mr. Howlett's thoughts, for

his remarks were the subject of an editorial in the Quincy, Ill., Herald-Whig, on March 10, 1969. I include the Herald-Whig editorial for the perusal of my colleagues.

The item referred to follows:

TRAVELING CONGRESSMEN

Michael J. Howlett, who this year began a new and well-deserved term as Illinois auditor of public accounts, speaks often and well, at many gatherings and upon many subjects. Sunday night, addressing Knights of Columbus of Evansville, Ill., at their golden jubilee dinner, he teed off on the foreign travels of congressmen and suggested an interesting alternative.

Noting that during 1967 U.S. taxpayers paid the expenses of 206 congressmen for 30 trips abroad, Howlett suggested that the money might be better spent on tours of American city ghettos and rural poverty areas.

"I do not doubt that these visits were useful," he said of the trips abroad. "Many of them probably were a personal sacrifice by the men involved. Information gathered, especially in Vietnam, Korea and Western Europe was necessary to a correct understanding of our foreign policy.

"But the problems of poverty at home amid the greatest prosperity of all history, demand more meticulous attention than they are receiving. Some of the money we have spent to combat poverty has been wasted."

Howlett proposes that we have a year's moratorium on expense-paid trips overseas, "or at least some diminution," and use the money thus saved to set up congressional tours of city slums and rural poverty areas.

Expanding on that theme, he said that congressmen representing slum districts could arrange to conduct visits of their colleagues from states, or districts, having no such problems. To provide a two-way street, he proposes that city congressmen, in return, "could profit by visits to Appalachia, some of our Indian reservations, and areas of backwoods poverty."

Howlett, as noted, does not propose a complete halt for foreign trips by congressmen, and that is wise. Some foreign fact-finding trips are valuable. But the taxpayers footing the bills have long had doubts about the need or value of many costly congressional junkets.

His idea, it must be suspected, won't be embraced happily by Congress. So we don't look for any drastic change. But there is no question about the need for those in Congress to understand the problems of areas other than the ones they themselves represent. It could lead to a broader representation of all Americans, not just those of specific states or districts. As Howlett said in his talk Sunday night:

"We have more people at work today than ever before, making more money than ever before. More young people are going to college than ever before and staying there longer. We are comfortable and well-informed, but too many of our comfortable, well-informed people don't know how the other fellow lives."

EDUCATION IN ALABAMA

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. NICHOLS. Mr. Speaker, the Alabama Legislature is presently meeting in special session to consider one of the most pressing problems facing our State. That is the matter of education. We feel

very strongly in Alabama that education is the answer to many problems, and that by strengthening our educational system, we can strengthen our whole State.

Great strides were made in education during the administrations of Gov. John Patterson and Gov. George Wallace. But like many other States, the lack of funds is again threatening our fast-growing schools.

Gov. Albert P. Brewer has called this special session, and has made a number of recommendations as to where the badly needed funds should come from. Already the house of representatives has given its approval to much of the program, and the senate has now begun debating these programs.

But just additional funds are not enough. Many other States are finding, just as we in Alabama are, that our educational system is still operating under antiquated rules and regulations. As Governor Brewer said in his opening address to the legislature, we must not only ask our taxpayers for better paychecks for our teachers, we must also promise better teachers and administrators for our paychecks. Mr. Speaker, I was very much impressed by Governor Brewer's address, and I am sure our colleagues whose States are facing educational crises would enjoy reading it. Therefore, I include it in the RECORD, as follows:

Mr. President, Mr. Speaker, members of the joint session, ladies and gentlemen:

We are assembled here tonight in extraordinary session for a most extraordinary reason—to do something more, to do something better, for the school children of our State.

After months of study, after many personal visits to schools in our State, and after long and invaluable consultation with you members of the legislature, I am convinced that a crisis does indeed exist in public education in Alabama today.

We have been here before.

We have too long had a crisis approach to education in Alabama. That is, we have moved from crisis to crisis—each time, appropriating more money for the public school system, yet not actually doing anything to improve the system itself. Our approach to education, rather than keeping pace with the times, has simply become more expensive.

At the outset I must say—and say it emphatically—that we Alabamians need not be ashamed of our efforts in public education. We can look with pride upon the fact that we rank fourth in the nation in state support for our schools. We can look with even greater pride upon the fact that Alabama ranks very high nationally in percentage of support for education based on per capita income. But despite our efforts of the past, despite our sacrifices, much yet remains to be done.

As we strive in the coming weeks to meet the challenge confronting us, it would be my fervent hope, and yes, my fervent prayer, that we keep uppermost in our minds this one thought—we are not here on behalf of the college administrators and faculty; nor are we here on behalf of the public school principals and teachers—we are here for one purpose, and one purpose alone, and that is to do something better for the school children of Alabama.

I will offer to you members of the Legislature tonight an educational program which may be viewed by some as revolutionary. It will propose changes in education administration and educational approaches which are indeed dramatically different from those employed for the past half a century. I am convinced that education can do a better

job than it has been doing; more importantly, I am convinced that education wants to do a better job than it has been doing. The program I offer you tonight, which is in fact a consensus program which resulted from our legislative conferences, will, I believe, give education the opportunity to do a better job.

The pride I mentioned earlier in what has been done for education in Alabama was a sincere expression. But let us not confuse pride with satisfaction. I am not satisfied, nor are you, with what we have in public education today.

And we can't be satisfied with what we have in public education today when we find cumbersome administrative procedures—far too many schools—even far too many school systems—shamefully over-crowded classrooms—our institutions of higher learning at a competitive disadvantage in recruitment of faculty—classroom teachers teaching outside their subject field—many teachers teaching on emergency certificates without adequate background—salaries substantially less than the southeastern average—lack of sufficient textbooks for our school children—charges of waste and inefficiency in the administration of some of our school systems—failure to meet the special needs of many children, including those who will not attend college—and our teachers having to spend valuable class time filling out reports and taking up money and having too little time for their students. All of these factors, and many more, result in less than the best . . . far less than the best . . . for the children of Alabama.

I have said repeatedly in the past, and I say again that money alone is not the answer to the problems confronting us in public education.

I say this while readily conceding a vital need for additional revenue.

I am convinced that the people of Alabama are ready and willing to pay for a quality educational system. But I am not willing to ask them to shoulder this burden unless and until we can assure them that they are going to get more for their education tax dollar than they have in the past.

I cannot and will not ask the taxpayers for a substantial increase in educational funds without a corresponding increase in educational quality. To put it another way, I ask not only for more money for education, but more education for our money; I ask not only for better paychecks for our teachers, but better teachers for our paychecks.

So now we arrive at the hour when the people of Alabama demand something more from education than we have had in the past. They demand that we do more for our public schools than just give them more money.

The mandate for change is clear. It is echoed in every part of our state. Parents and citizens have voiced their concern for our present dilemma and have charged their leaders in government with charting a new course.

But now is not the time to fix blame for the past.

Now is not the time to wish we had done it differently.

Now is the time to welcome a new era in Alabama education.

Now is the time to stop talking about what we haven't done and do what needs to be done.

Our program for education provides Alabama with a fresh approach—a new direction for our efforts.

We seek now to lay the mistakes of the past behind us.

We seek to alter our educational system in a fundamental way to meet the new demands of our time.

And we seek to bring education closer to the people who support it.

I want the people of Alabama to know of the time and effort which you as members

of the Legislature have already contributed to this effort. In our discussions in the Governor's Office, you have already exhibited your commitment to a new approach in education.

The program we offer represents the thinking of literally thousands of our citizens from all walks of life—the very excellent report of the Education Study Commission—the comments of many organized groups throughout the state—and yes, the letters and wires from so many concerned Alabamians which you and I have received.

So this program represents, in a very real way, an Alabama commitment to quality education.

The oft-stated goal of this administration for education is to get our educational dollars to the teacher in the classroom and the child at the desk for it is here that education takes place. To this end, bills will be introduced tonight to accomplish the following specific things:

First, we propose the creation of a permanent Education Study Commission, charged with providing us with a continuing study of the constantly-changing role and needs of education in Alabama.

We propose that the first duty of this Commission shall be to secure a professional, in-depth study of the entire educational system in Alabama from the smallest school to the State Department.

Such a study will deal especially with such areas as business practices, management, and the possibility of more use of buildings, personnel, and resources.

The work of the Commission can give the Legislature guidance on future legislation to upgrade and improve the system as a whole. And at the same time, it will give those in education some concrete suggestions on how to make wisest use of our tax dollars.

Secondly, we propose the creation of a Commission on Higher Education which will be responsible for advising the legislature on matters concerning all aspects of higher learning from the junior college to the graduate level.

This Commission will advise the Legislature on budget requests, future programs, and additional institutions. We simply cannot afford wasteful duplication of effort in higher education when our needs are so great.

Thirdly, we propose legislation to provide for the election of the State Board of Education and all local Boards of Education and for the appointment of the state superintendent and all local superintendents.

Education is as much a part of government as any other function at the state and local level—and as such, should be answerable to the people who provide its support.

At the same time, we recognize that the top administrators of our school system at all levels must be highly-qualified, full-time professionals. Elected boards of education must be able to select the best possible people as superintendents—persons who will be directly supervised by the boards in their daily administration of our schools.

A system of elected Boards of Education and appointed Superintendents will give us an organization that answers directly to the people and also provides a competent, businesslike approach to the daily functions of our schools.

Fourth we propose to you tonight two measures which will provide for the future allocation of public funds to education and will correct such inequities as may exist in our present system.

Every child in Alabama, whether he lives on a farm or in a city is entitled to the same amount of state money for his education.

We therefore recommend the altering of the present allocation formula so that each child gets the benefit of his fair share of state funds. I am determined that this be accomplished.

The second proposal addresses itself to the desperate need for more local support for our

schools. We propose that each school system in Alabama be required to provide local support in keeping with its ability.

We are aware that state government is now doing more than its share of providing for public education. Seventy-four per cent of the funds now appropriated to public schools in Alabama comes from the state—one of the highest percentages in the nation.

State government cannot continue to carry this burden without local help.

I strongly believe that local people will be more willing to take an active interest in their schools if they have an investment in them. The people of Alabama who take great pride in other institutions such as their homes, their businesses, and their churches are also willing to support their local schools.

State government should not do everything for local people any more than the federal government should do everything for the states. Local people know best what their needs and problems are—and they must have a direct voice in spending their tax dollars.

Fifth, we propose that Alabama's classroom teachers be paid in the future on the basis of their proven ability to do a good job.

As part of the appropriation bill for the next two years, we recommend an initial across-the-board pay raise for all of our school teachers. It is desperately needed to raise salaries to the level of our sister states, and to enable us to attract and keep outstanding young teachers.

Moreover, during the second year of the coming biennium, we propose a system of incentive pay to be administered by the local Boards of Education—and used to provide appropriate reward for those outstanding teachers who demonstrate their excellence.

I feel strongly that those who give of their best, no matter in what field, deserve recognition.

An incentive program will also be a strong inducement to our teachers to stay in Alabama and stay in education—because they know there is room for advancement. It is not fair for the overwhelming majority of skilled, dedicated, motivated teachers to be held to the level of the lowest performance.

Our program also contemplates attention to those areas of education which have been too long neglected—the needs of retarded children, emotionally disturbed children, crippled children, vocational rehabilitation, and vocational education. These and other worthy programs have not been in the mainstream of our educational effort. This shameful affront to thousands of deserving children can no longer be tolerated.

At the same time, we recognize a continuing responsibility to retired teachers, to administrative personnel, to school bus drivers, maintenance employees, cafeteria workers, and all those others so vital to the normal operation of our schools.

We simply cannot neglect any phase of education if we are to have a well-rounded program that serves the needs of all of our people. Our program reaches every area—from the grade school to the graduate school.

As a part of our responsibility, we are recommending revenue measures to you to provide the necessary funding. We are asking you to close some of those gaps in our tax laws which have given favored treatment to special groups. Let me make one thing clear—I am unalterably opposed to and will veto any increase in our already high sales tax which hits hardest those least able to pay.

I am aware of the great concern in our state about the effect of recent court orders, particularly those of the three-judge panel in the Middle District of Alabama involving 99 of our school systems.

These arbitrary and capricious rulings have denied us the use of some fifteen million

dollars worth of badly needed classrooms and school buildings in our State.

They have been a source of discouragement to your governor in trying to build a program for quality education.

But we as a people have faced adversity before, and if we are to realize the great potential of growth and development and progress which exists, then we must not be deterred from our objective by the actions of these who seek social objectives rather than quality education.

I am more firm than ever in my determination that we in Alabama shall indeed have quality education—not a discriminatory education, but a quality education for every child in our State.

Here, tonight, we reach the hour of decision in Alabama. We have come to the time and the place when we must face the future and the promise it holds for our state.

Our educational system must respond to the great demands our people place on it.

We have reached the day when we no longer can afford the luxury of a second-rate effort in education—when we can no longer afford to give our children anything less than the finest possible preparation for the opportunities that lie before them.

Time waits for no man—and no state. And unless we seize upon the opportunity presented to Alabama and its people here and now, it will surely slip from our fingers.

I have been described in the press as being supremely confident that this session of the Legislature will result in a responsible program for our schools. I am supremely confident—supremely confident that you members of the Legislature are prepared to do what needs to be done, what must be done, for the school children of Alabama.

I am convinced that you are convening here in a constructive spirit—not to tear down but to build up—not to argue negatively but to act positively—not to look for problems but to find solutions.

My charge to you is to repeat my opening remarks—We are assembled here tonight in extraordinary session for a most extraordinary reason—to do something more, to do something better—for our children.

They surely deserve no less.

#### HOW TO ESCAPE U.S. TAXES

### HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. DANIELS of New Jersey. Mr. Speaker, if there is one issue which has come to the fore, it is that of tax reform. Even the most unsophisticated of our fellow citizens are aware that our Internal Revenue Code is riddled with loopholes which favor the very rich as against the middle- and lower-income taxpayers.

On April 10, 1969, the Christian Science Monitor published a very interesting story under an Associated Press byline which explained how it is possible for the very rich to escape paying their fair share of the tax load.

Mr. Speaker, this account is worthy of the attention of all Members of the House, and especially the distinguished chairman, Mr. MILLS, and members of the Committee on Ways and Means, who have been considering this subject for several months now. I ask unanimous consent that it appear following my remarks in the RECORD.

It has been said that there is no force on earth that can compare with that of an idea whose time has come. It seems

to me that tax reform is one idea whose time has come. I hope that we will not let another April 15 go by without providing the tax relief that Americans of moderate income need and deserve.

Mr. Speaker, I cannot, in conscience vote to continue the odious 10 percent surcharge unless meaningful tax reform comes with it. I define meaningful tax reform as tax reform which can be seen and felt by the great mass of the people of the Nation. I will not settle for less.

The article follows:

**GIFT DEDUCTIONS POPULAR: HOW TO ESCAPE U.S. TAXES**

(By the Associated Press)

WASHINGTON.—There are two kinds of millionaires in the United States: those who pay federal income taxes and those who don't. In the latter group there were 21 last year.

How is it possible, you ask as you reach for your checkbook after a losing bout with Form 1040, to have an income of more than \$1 million a year and yet not pay any federal income tax?

The method most favored by untaxed millionaires is to give away things that have grown in value since they were acquired. Stocks, real estate, a share of the donor's business, art objects—all are good for this treatment.

The current value of the gift is deducted from income subject to taxation. So it's quite possible to reduce taxable income to zero.

One return cited in a recent Treasury Department study showed adjusted gross income of \$10.8 million, contributions totaling \$10.5 million and other deductions of \$400,000-plus. No taxable income and hence no tax.

Another taxpayer's adjusted gross income of \$4.3 million was erased by \$4.5 million deductions, including \$4 million in contributions.

**SPECIAL EXCEPTION**

Ordinarily, a taxpayer may deduct no more than 30 percent of his income for charitable gifts. But it's not an ironclad rule.

A special exception allows the claiming of contributions without limit if in 8 of the past 10 years the taxpayer's contributions, plus his taxes, have added up to 90 percent or more of income.

One aspect of these gifts that bothers those seeking reform of the tax laws is that it is legal for Mr. Rich to make his donations to a foundation run by his family.

And perhaps the contribution to the Rich Foundation is a share of Mr. Rich's business. This kind of giving, a Treasury study says drily, "lacks the finality which characterizes a true parting with property."

Congress is thinking of throwing out the unlimited charitable contributions privilege, largely because it figures so often in stories about untaxed millionaires.

Another proposed change would make the untaxed superwealthy an extinct species by imposing a minimum tax on all high-bracket incomes, with no exceptions.

Before he left office in January, Treasury Secretary Joseph W. Barr told Congress many middle-income taxpayers are losing confidence in the fairness of the tax system. His warning of a "taxpayer revolt" is still echoing on Capitol Hill. The new Treasury team also is pledged to a reworking of the tax laws.

**DEPRECIATION HELPS**

If the unlimited charitable contribution rule is the favorite of untaxed millionaires, one of the runners-up would have to be the depreciation rules.

Depreciating is a great vanishing cream for taxable income. You don't have to be a millionaire to use it, but it helps.

Suppose you're a corporation executive poking along at \$250,000 a year. Normally, you might figure on paying about \$110,000 in income tax.

What you might do instead is borrow \$15 million and buy a nice big apartment building. Figure an income from rents of \$1 million, reduced by maybe \$500,000 for upkeep and loan payments.

So far, you're \$500,000 in the black as a landlord, but don't worry about having to pay tax on it. Depreciation will bail you out.

While allowable amounts in succeeding years will be smaller, one accelerated method of figuring depreciation would permit you to claim your \$15-million investment depreciated \$750,000 the first year.

**PAPER LOSS RESULTS**

You get to deduct depreciation from income, even though no actual cash expenditure occurred. So the \$500,000 you netted from operating the building becomes instead a paper loss of \$250,000 and this cancels out the \$250,000 salary. Result: no taxes instead of \$110,000.

What makes it even more attractive is that the amount of cash that has passed through your hands—money you could put into other short-run projects—is \$750,000. That's more than triple the cash you had to play with back before you became an apartment owner on borrowed capital.

Then there is the oil-depletion allowance. Suppose your wells are producing a before-taxes income of \$1 million a year. It costs \$450,000 to run the operation—deductible expense—so your net is \$550,000.

But the depletion allowance, one of the most controversial tax breaks in the books, permits you to deduct 27½ percent of the gross income from the wells. So off comes \$275,000.

**BLACK TO RED INK**

You still have another \$275,000 in income. You can make it disappear this way:

You could spend \$375,000 developing some other oil properties. This is deductible expense, so your black-ink \$275,000 becomes a red-ink \$100,000.

You now are theoretically \$100,000 in the hole. Surprisingly enough, this is a position many of the superrich aim for, because paper losses are just the thing to shelter other income.

In your case, the \$100,000 loss would enable you to have \$100,000 in other income—stocks and bonds, for instance—and keep it all.

The net result of your year as a combination oilman and stock-market babbler is that you have paid no tax, and you come away with at least \$275,000 clear. And though \$1.1 million has passed through your hands, you have had, in the eyes of the law, no taxable income.

**CONGRESSMAN HAMILTON REPORTS ON RESULTS OF HIS 1969 QUESTIONNAIRE**

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. HAMILTON. Mr. Speaker, I wish to report that an extensive sampling of the returns on a questionnaire which I sent to the residents of the Ninth District of Indiana indicates they:

Support overwhelmingly the establishment of a postal corporation, such as I have proposed, to remove the Post Office Department from politics, and meet costs from postal revenues.

Favor, by nearly a 4-to-1 margin, international nuclear protection negotiations rather than the construction of an anti-ballistic-missile system.

Support by nearly a 5-to-1 margin, a congressional resolution requiring the

President to seek Congress' approval before U.S. troops are committed to fight in foreign countries.

Also favor by nearly a 5-to-1 vote the abolishment of the electoral college and a direct, popular vote for the President and Vice President.

Support by lesser margins, the lowering of the voting age, a random chance, lottery draft system, and the continuation of the U.S. space program at its present level.

Tabulations on the 11-question survey were stopped at 15,747 when the trend of the responses was clearly established.

I am gratified at the number of responses. They show that Ninth District residents are keenly aware of the issues, both foreign and domestic, which face this Nation.

I recognize the limitations and inadequacies of a brief questionnaire, but it is nevertheless helpful to me as one indication—among several—of public opinion in the 16 counties of the Ninth District of Indiana.

The results of the questionnaire are as follows:

**RESULTS OF QUESTIONNAIRE**

**ELECTION REFORM**

*Electoral College*

Would you approve of a Constitutional amendment which would substitute popular election of the President and Vice President for the present Electoral College?

1. Yes: 12,411 or 80.0%.
2. No: 3,087 or 19.9%.

*Voting age*

Would you favor lowering the voting age of Americans?

1. Yes: 8,190 or 52.2%.
2. No: 7,496 or 47.7%.

**NATIONAL SECURITY**

*The draft*

Attempts to revise the draft law come before the Congress each year. Would you favor:

1. The present system, which permits student deferments: 4,493 or 29.5%.
2. A random-chance lottery system, with no student deferments: 5,513 or 36.3%.
3. A professional, all-volunteer Army, at an estimated increase in payroll of \$6 to \$17 billion each year: 5,163 or 34.0%.

*Space*

The early Apollo series of space exploration missions has been spectacularly successful. Would you:

1. Continue to fund the space program at its present level of \$3.8 billion: 8,448 or 54.1%.
2. Reduce the funds for space exploration: 5,144 or 32.9%.
3. Abandon the space program: 2,019 or 12.9%.

*Anti-Ballistic-Missile System*

Do you favor:

1. Construction of an anti-ballistic missile system to defend our cities from ballistic missile attack at a cost of approximately \$50 billion: 4,317 or 30.1%.
2. Negotiating an international agreement with adequate inspection safeguards to limit anti-ballistic system defense expenditures: 10,007 or 69.8%.

**TAXES AND ECONOMIC POLICY**

*Tax incentives*

In attacking the problems of crime, slums, rural development, pollution, housing and other social problems, should the 91st Congress rely primarily upon:

1. Direct government spending: 1,547 or 9.9%.
2. Private enterprise, encouraged by tax incentives: 3,871 or 24.9%.

3. A combination of 1 and 2: 10,088 or 65.1%.

*Tax sharing*

Do you favor sharing Federal government tax revenues with State governments when the federal budget is in, or near to, balance?

- 1. Yes: 11,219 or 74.0%
- 2. No: 3,928 or 25.9%

FOREIGN POLICY

*Troop commitments*

Would you favor a Congressional resolution requiring the President to ask for Congress' approval before United States troops are committed to fight in foreign countries?

- 1. Yes: 12,125 or 78.8%
- 2. No: 3,260 or 21.1%

*Foreign aid*

This country's foreign aid program was reduced this year to \$1.7 billion, the lowest level in the history of the program. Would you:

- 1. Reduce further the foreign aid program: 10,693 or 73.1%.
- 2. Continue the program at approximately the present level: 4,024 or 26.4%.
- 3. Increase the level of the program: 491 or 0.32%.

GOVERNMENT PROGRAMS

*Antipoverty programs*

Head Start, VISTA, Job Corps, Community Action Programs, Upward Bound, and other anti-poverty programs are administered by the Office of Economic Opportunity (OEO). Would you favor:

- 1. Stopping all OEO programs: 4,402 or 31.2%.
- 2. Transferring all OEO programs to other government agencies: 2,652 or 18.8%.
- 3. Continuing all OEO programs under the present arrangement: 4,105 or 29.1%.
- 4. Continuing some OEO programs: 2,946 or 20.7%.

*Postal service*

Do you favor:

- 1. Retaining the present postal service, requiring support from general tax revenues to meet costs exceeding postal revenues: 1,827 or 12.2%.
- 2. Reorganizing the Post Office Department to provide improved service but still requiring support from general tax revenues to meet costs exceeding postal revenues: 1,847 or 12.8%.
- 3. Creating a government-owned postal service corporation to provide improved service, to meet costs from postal revenues and to make all appointments non-political: 11,244 or 74.7%.

AMERICANS: RESPECT AMERICA

HON. BEN REIFEL

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. REIFEL. Mr. Speaker, I am pleased to have the opportunity to insert in the CONGRESSIONAL RECORD an interesting and thought-provoking essay written by Danny Syhre, the son of Mr. and Mrs. Maynard Syhre of Webster, S. Dak. The essay, entitled "Americans—Respect America" was judged the winner in a local contest sponsored by the American Legion Auxiliary.

Danny is a sophomore at Webster High School. He has obviously given a great deal of thought to his subject, and I think his essay merits careful reading by the Members of this body.

The winning essay by Mr. Syhre follows:

AMERICANS: RESPECT AMERICA

There are many ways in which we Americans can respect our country. I think patriotism, by far, is the best way to show our respect for America.

Patriotism is the love of one's country and much more. Patriotism is loyalty. Loyalty is being true and faithful to our country. If we live in a country whose privileges and protection we enjoy, it is our obligation to recognize the benefits we receive by being true to its government. A good American citizen is loyal.

Patriotism is being fair. We must not think we are the only country. All the world should matter to us. We should love the world, but we should love our country more. We do not have the right to do anything harmful to our own country. We need not think unkindly about all other countries in order to be patriotic toward our own.

Patriotism is being well-informed. It is our business to inform and concern ourselves about problems in our community, state, and nation. We owe to our government an understanding of its organization, its works, and its problems. We should know something of the great men of our country. The Pledge of Allegiance to our flag and our patriotic songs should not be just words but there must be some thought and spirit and feeling that makes these words and the music really mean something. A good citizen is well-informed of what's going on.

Patriotism is the courage of a free people firmly dedicated to the noblest cause. We should have courage to speak when we do not agree with something. Patriotism is not to believe blindly in your country, whether it is right or wrong. It means everyday service, it means keeping out of our minds motives and temptations to be selfish or to disregard the authority of our country. True patriotism will display itself in sacrifice when there is a call for it. It will always try to face the facts and know the truth. A good citizen will co-operate with other good citizens in accomplishing worthy ends.

Patriotism is the vision that led our founding fathers into dangers of a wilderness that was to become the proud American Republic in which we live today.

If we Americans will respect our country and be proud of it, then we should have the desire to make it the best of all nations.

AMMUNITION CONTROLS  
MISINTERPRETED

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. HUNT. Mr. Speaker, there is considerable apprehension among our law-abiding citizenry concerning the implementation of the provisions of the Gun Control Act of 1968. Those provisions to which I have specific reference deal with ammunition and the recordkeeping requirements which have been administratively imposed by the former Commissioner of Internal Revenue at the direction of the previous administration.

There is cause for suspicion in the fact that because the Congress overwhelmingly rejected attempts to attach provisions to the act that would have established national registration and licensing, a roundabout approach for registration of sorts was conceived in a misconstruction of the recordkeeping requirements for ammunition through administrative regulations.

Section 922(b) (5) of the act states, in part:

It shall be unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or deliver— (5) any firearm or ammunition to any person unless the licensee notes in his records . . . the name, age, and place of residence of such person if the person is an individual . . . (Emphasis added.)

Ammunition, as defined in the act, "means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in a firearm".

This is only the half of it, Mr. Speaker, for in title 26 of the Code of Federal Regulations, part 178, section 178.125(c), it is stated:

The sale or other disposition of ammunition, or of an ammunition curio or relic, shall, except as provided in paragraph (d) of this section, be recorded in a bound record at the time such transaction is made. The bound record entry shall show; (1) the date of the transaction, (2) the name of the manufacturer, the caliber, gauge or type of component, and the quantity of the ammunition transferred, (3) the name, address, and date of birth of the purchaser (transferee), and (4) the method used by the licensee to establish the identity of the purchaser (transferee). (Emphasis added.)

It is very interesting to note that when the proposed Internal Revenue Service regulations were initially published in the Federal Register of November 6, 1968, the pertinent provisions of section 178.125 said:

The sale or other disposition of a firearm, ammunition, curio or relic shall be recorded by the licensed dealer or the licensed collector at the time of such transaction . . . The record shall show the date of the sale or other disposition of each firearm, ammunition, curio, or relic, the name, address, and the license number (if any) and the date of birth of the transferee if such person is not a licensee. (Emphasis added.)

Thus, when the regulations were printed in their final form in the Federal Register of December 14, 1968, the additional requirements for information, pertaining to recordkeeping on the disposition of ammunition, included "the name of the manufacturer, the caliber, gage or type of component, and the quantity of the ammunition transferred."

Not only do I believe these additional regulations are in contravention of the intent and purpose of the Congress respecting the sale and disposition of ammunition, but the cumbersome recordkeeping requirements imposed by administrative regulation are an unnecessary burden on the licensed dealer, under penalty of not more than \$5,000 fine, or not more than 5 years' imprisonment, or both. In addition, the information required pursuant to every single purchase of ammunition is no small inconvenience on the purchaser who is to be needlessly registered, in effect, every time he buys ammunition. It is beyond comprehension how this information can be of use to anyone, but it is certainly one further step to dissuade the law-abiding citizen from purchasing anything connected with a firearm by psychologically characterizing him as a potential lawbreaker or as one who might be implicated with

a crime because of the purchase of a particular type of ammunition.

I firmly believe the majority of the American people are fed up with this type of personal disclosure for the record which represents the continuing erosion of his rights to privacy when there is no clearly defined public interest to be served. No one, I am sure, wants to see the day when his every move can be fed into a computer which, at the push of a button, will disclose his life's history to be used at the discretion of one whose motives might not always be beneficent.

One other point to be made is derived from the language of the preamble to title I of the Gun Control Act of 1968. It states, in part:

... it is not the purpose of this title to place any undue or unnecessary Federal restrictions or burdens on law-abiding citizens with respect to the acquisition, possession, or use of firearms appropriate to the purpose of hunting, trapshooting, target shooting, personal protection, or any other lawful activity . . . , or to provide for the imposition by Federal regulations of any procedures or requirements other than those reasonably necessary to implement and effectuate the provisions of this title.

Significantly, these statements make no reference to "ammunition," even though the provisions of the act regulating the acquisition and disposition of ammunition are contained in title I. Are we to believe, therefore, the proponents of national registration and licensing, having been defeated in their obvious efforts, sought to achieve the objectives in principle by the more insidious regulation of ammunition which, if effectively controlled, would make the possession of a firearm less significant? I think the answer is yes, if for no other reason than the fact that the blanket coverage of all ammunition under the provisions of the act is otherwise without substance.

Therefore, Mr. Speaker, I am pleased to introduce a companion bill to others sponsored by Members of both the House and Senate which would specifically exclude "shotgun shells, metallic ammunition suitable for use only in rifles, any .22-caliber rimfire ammunition, or any component parts thereof" from the definition of "ammunition" as it is used in the Gun Control Act. I urge other Members who feel as I do to do likewise in the hope that such support will allow Congress to work its will on this issue to assure that the administrative regulations of the Internal Revenue Service will not be permitted to subvert the intent of Congress.

#### A BELL AND A PRAYER

### HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to bring to the attention of my distinguished colleagues in the House of Representatives the following article which appeared in the Quincy Sun, Quincy, Mass., on Thursday, April 3, 1969, entitled "A Bell and a Prayer":

#### A BELL AND A PRAYER: WOULD THAT GOD MIGHT GIVE US OTHERS TO TAKE HIS PLACE

The bell tolled sadly and solemn words were spoken this week at Quincy's historic United First Parish Church in a farewell tribute to Dwight David Eisenhower.

The Rev. Stephen W. Brown, pastor of First United Presbyterian Church, Quincy, pinpointed the feelings of a mourning nation with these words:

"Dwight David Eisenhower is a symbol of that which is good, and right, and strong in our nation.

"Would that God might give us others to take his place."

His eulogy to the 34th President and General of the Army was given during an Ecumenical Memorial Service at the "Church of the Presidents" Monday noon.

And at 4 p.m., the big, 2,000-pound bell in the belfry tolled for five minutes as funeral services were being held in Washington, D.C.

The church's bell has thus been sounded in tribute at the death of every President since George Washington.

"Dwight Eisenhower," said The Rev. Brown, "was a warrior whose chief aim was peace."

"Our time is a time of extremes when some are willing to have peace at any price, even the price of chains, and others are willing to have war at any price, even the price of annihilation."

"His words are to be remembered. He said, 'I hate war as only a soldier who has lived it can, only as one who has seen its brutality, its futility, its stupidity.'

"He also said, 'Today . . . we still must be wise and courageous enough to live fully, confident in the knowledge that we have taken every reasonable step to deter aggression, and that we shall always be ready to defend liberty . . . .'

"His words need to be heard in our time."

The Rev. Brown's eulogy was listened to attentively by approximately 150 persons attending the service at the church that contains the remains of Quincy-born Presidents John and John Quincy Adams and their wives.

Other Quincy clergymen participating in the service were:

Rev. Bradford E. Gale, minister United First Parish Church; Rev. Demetrios Michealides, St. Catherine's (Greek Orthodox) Church; Rabbi David J. Jacobs, Temple Beth El; Rt. Rev. Richard J. Hawko, pastor Sacred Heart Church, Rev. Dean E. Benedict, Quincy Centre Methodist Church.

#### DWIGHT DAVID EISENHOWER: HIS PASSING IS MORE THAN THE PASSING OF A MAN

(Text of the eulogy to former President Dwight D. Eisenhower given by the Reverend Stephen W. Brown, at the Ecumenical Memorial Service Monday in Quincy's historic First Parish Church)

We are gathered here this afternoon to remember one, Dwight David Eisenhower . . . Supreme Commander of the Allied Forces in Europe during World War II and the 34th President of the United States.

His death on Friday last leaves our land a sadder place. And yet, because Dwight Eisenhower was full of years, because he was covered with honors and praise, because his efforts, perhaps more than any other man of our time, bore much fruit and because death is the inevitable precondition of life . . . the passing of Dwight Eisenhower does not have the overtones of tragedy that would be quite evident in the death of one not so successful, not so full of years and not so highly esteemed.

It is for that reason that the passing of Dwight Eisenhower should inspire in us not only sadness and hurt, but even more, a feeling of somber thoughtfulness, for his passing is more than the passing of a man . . . it is the death of an era in which giants walked the land, the passing of a period in history when men seemed taller and heroes were

easier to come by, the passing of a quality of life that we have somehow lost.

Dwight Eisenhower was a warrior whose chief aim was peace. Our time is a time of extremes when some are willing to have peace at any price, even the price of chains, and others are willing to have war at any price, even the price of annihilation.

His words are to be remembered. He said, "I hate war as only a soldier who has lived it can, only as one who has seen its brutality, its futility, its stupidity . . ." He also said, "Today . . . we still must be wise and courageous enough to live fully, confident in the knowledge that we have taken every reasonable step to deter aggression, and that we shall always be ready to defend liberty." His words need to be heard in our time.

Dwight Eisenhower was a politician whose aim was statesmanship. He was a man who invested in the word "politics" its rightful qualities of honesty, integrity and service. In a time when there are those who would place self-interest above national interest, who would sell their souls for a vote, who would rather have position than honor, his life would guide us.

Called to serve his country as President, he found the business of politics distasteful and at the same time to give that business the depth and quality that a nation governed by political forces must have if it is to survive. He prayed in his first inaugural address, "Give us, we pray, the power to discern clearly right from wrong and allow all our words and actions to be governed thereby . . . . May cooperation be permitted and be the mutual aim of those who under the concepts of our Constitution, hold to differing political faiths, so that all may work for the good of our beloved country and Thy glory."

Dwight Eisenhower was a citizen whose aim was to serve his country best by the life that he lived. There was in him a quiet simplicity that seems alien in an age of sophistication and cynicism. He loved his God; he loved his family; he loved his country . . . sentiments, if expressed by a lesser man, would bring on the snide, knowing smiles of a generation that has outgrown that kind of naivete.

However, those were the sentiments with which he worked as he forged together a group of nations and articulated those nations' goals. Those were the sentiments with which he worked as he led his own country in a time of crisis. Had Dwight Eisenhower been only an unknown private citizen who operated the general store in Abilene, Kansas, I doubt that the qualities that he personified as a Supreme Commander, a university president and president of the United States . . . I doubt that those qualities would have been different.

Let us once again listen to his words: "As friends of free people everywhere in the world, we can by our own example . . . our conduct in every crisis, real or counterfeit; our resistance to propaganda and passion; our readiness to seek adjustment and compromise of difference . . . we can by our own example ceaselessly expand understanding among the nations.

We must never forget that international friendship is achieved through rumors ignored, propaganda challenged and exposed; through patient loyalty to those who have proved themselves worthy of it; through help freely given where help is needed and merited. In this sense there is no great, no humble among us. In rights and in opportunity, in loyalty and in responsibility to ideals, we are and must remain equal. Peace is more the product of our day-to-day living than of a spectacular program, intermittently executed.

The best foreign policy is to live our daily lives in honesty, decency, and integrity; at home, making our own land a more fitting habitation for free men; and abroad, joining with those of like mind and heart, to

make of the world a place where all men can dwell in peace. Neither palsied by fear nor duped by dreams but strong in the rightness of purpose, we can then pace our case and cause before the bar of world opinion . . . history's final arbiter between nations. Dwight David Eisenhower is a symbol of that which is good, and right, and strong in our nation. Would that God might give us others to take his place. Amen.

**HAMILTON PROTESTS INADEQUATE BUDGET FOR SOIL CONSERVATION SERVICE**

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. HAMILTON. Mr. Speaker, I am very concerned about certain items in the recommended budget for the Soil Conservation Service.

I represent the people in 16 southeast Indiana counties. In past years many of these 16 counties have been declared flood disaster areas and drought disaster areas within the same year. The conservation of soil, water, and related resources is vital to both their livelihood and well-being.

Development and management of soil and water resources under the leadership of soil and water conservation districts is moving toward a brighter future. These districts are continually broadening their horizons to meet ever increasing conservation needs. Where formerly they were concerned in only agricultural erosion activities, they now are deeply involved in total soil and water resource development. This includes assisting local people, both rural, and urban, manage water resource for flood prevention, erosion, and sedimentation control, municipal, and industrial water supplies, recreation, beautification, fish, and wildlife, and low flow for water quality control.

Each of the 16 soil and water conservation districts in the Ninth Congressional District are governed by five local district supervisors, plus a number of assistant supervisors. They work with and provide the technical assistance of the Soil Conservation Service to cooperators who either own or operate land. These supervisors are dedicated, leading citizens in their areas, and serve without pay to improve the public welfare through soil, water, and related resource conservation. These districts had 622 new cooperators apply for assistance this year, which brings their total to 8,656, 3,236 of whom applied one or more conservation practices this year. The Dearborn County District alone has assisted its 3,481 cooperators to install 432 ponds, 39 of which were done last year. These districts depend on the technical assistance furnished by Soil Conservation Service personnel to achieve the planning and application of the multiplicity of conservation measures.

Funds budgeted in 1969 furnished 600 man-years less technical assistance to districts nationally than was budgeted in 1959. This trend toward eventual emasculation of soil and water conservation districts, dedicated to planned develop-

ment and wise utilization of our natural resources, must be reversed.

Included in the appropriation for assistance to districts are the Federal funds needed to carry on the National Cooperative Soil Survey. This provides a sound basis for determining good land use, and is used extensively by local planning boards, highway departments, park and recreation boards, engineers, architects, as well as builders, developers, and other landowners and operators.

In Indiana districts have an immediate need for 72 man-years of technical service in addition to the budgeted positions to meet their scheduled workload. Eleven of these needed man-years are in the Ninth Congressional District, and the shortage is adversely affecting the conservation effort therein. Ohio County formed a district a year or so ago. To date no funds have been available to staff this new district. The part-time technical assistance that has been made available comes from the adjoining Dearborn County soil and water conservation district, which further dilutes the assistance to that district.

In the light of these needs and the impact of the soil and water conservation movement on the lives of my constituents, the national budget appropriation for technical assistance to soil and water conservation districts should be \$130 million.

Within the total program of the Soil Conservation Service are the Public Law 566 small watershed projects which have gained tremendous popularity. These projects are aimed at full development of the soil and water resources in an area, and serve to reduce costly flooding, reduce erosion and sedimentation, provide water for industry and rural and urban areas, create water-based recreation developments, and significantly improve the quality of the environment.

In the Ninth Congressional District there are 16 applications on file in various stages of completion. A breakdown of these projects is shown as follows:

Completed: Elk Creek.

Approved for construction: Stucker Fork, Muddy Fork of Silver Creek, Twin-Rush Creek, and Dewitt Creek.

Planning completed and awaiting authorization: Delaney Creek.

Planning completed and undergoing review: Lost River.

Planning authorized and underway: Upper Vernon Fork, Lower Vernon Fork, and East Fork of Whitewater River.

Preliminary investigation completed: Whitewater River (Fayette County), and Upper West Fork of Whitewater River.

Preliminary investigation studies underway: Silver Creek and Blue River.

Applications awaiting service: White Creek.

On most of these projects, local people have spent considerable time and money to organize conservancy districts, and secure land easements and rights-of-way. In some cases moneys were borrowed and interest is being paid to provide their portion of the costs for this watershed development. All this activity was predicated on the Federal Government providing their share of the agreed amounts of money for planning and construction on schedule. Preliminary investigations

are currently being delayed in Blue River and Silver Creek due to lack of watershed planning funds. This is holding up the local organization of conservancy districts, which are necessary before the Soil Conservation Service can proceed with work plan development.

Construction plans are either ready, or will be ready, to contract in fiscal year 1970, amounting to \$7,993,000 for the State of Indiana. If the present national budget appropriation is allowed to stand, only about 25 to 30 percent of this construction could be started.

Based on the State estimate, the three operational watersheds in the Ninth District—Twin-Rush, Stucker Fork, and Muddy Fork of Silver Creek—which have construction planned in the amount of \$1,713,000 during fiscal year 1970, would be forced to delay approximately 65 to 75 percent of their needed improvements.

It required much initiative, enthusiasm, hard work, and local money on the part of my constituents to advance their watershed projects to where they are now. I do not believe we should so lightly regard this local effort, in which we encouraged the action, and then say:

No, we cannot assist you now. You must live with your flood problems until some indefinite future time.

Instead, I strongly believe we should encourage this local initiative whenever and wherever they have the courage to move forward as my constituents have done.

A study completed in Indiana identified 44 additional potential watersheds in the Ninth District that have problems and needs that can be overcome by action under the Small Watershed Act. With these additional potential projects installed the Ninth District could receive annual benefits amounting to \$2,300,000 from flood prevention and drainage improvements, have 3,000 man-years of additional employment, create 200 new jobs and 69 new or expanded businesses, 15 additional water supply reservoirs, sufficient to supply 91,000 people, 18 new recreation developments, and the increase in the annual payroll would be at least \$1,480,000 per year. The reduced pollution from sediment would be very significant (1,600,000 tons per year) and the cost of antipollution efforts would be reduced by nearly \$300,000 per year. The total need for application of soil and water conservation practices would be accelerated, and when all projects were installed, would have a value to the land in the Ninth District that would exceed \$40 million.

For the benefit of these people, as well as many others in Indiana, the Soil Conservation Service national budget appropriation should be placed at no less than \$8 million for watershed planning, and \$80 million for watershed operations.

Last year I reported to this committee that there was not a resource conservation and development project in my district, but that careful evaluation was being made of the outstanding successes being achieved in the Indiana Lincoln Hills resource conservation and development project. The conservation action programs being achieved on the part of local people in the Lincoln Hills resource

conservation and development project was too much of a temptation to overlook. Today I am happy to report that the application for the Historic Hoosier Hills resource conservation and development project has been prepared and submitted for planning approval. However, I am most unhappy about the delay in getting this application approved. I sincerely urge this committee to support the \$10,252,000 in the budget for resource conservation and development and to add to this every dollar possible.

Mr. Speaker, I know that this is a time when every Federal dollar must be spent wisely. But, we must also move ahead with certain proven domestic programs for the well-being of our own people. In my opinion, the benefits attained through the work of the Soil Conservation Service is of tremendous value to our Nation. I sincerely hope the increase in budget appropriation outlined in this statement, will be favorably considered.

#### HOW ARAB PROPAGANDISTS AND THEIR FRIENDS WORK IN AMERICA

### HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. SCHEUER. Mr. Speaker, the activities of several official Arab propaganda agencies operating in the United States have reached scandalous proportions.

The Arab Information Office, for example, maintains headquarters in five major American cities, through which it engages in a heavily financed program of propaganda activities. It is registered as an official spokesman for the 14 countries of the Arab League.

The general tenor of these propaganda activities is well indicated by the fact that the authorized maps of the Middle East, issued by the Arab Information Office, do not even indicate the existence of the State of Israel. As long as the Arab States do not admit the existence of Israel, the hope for peace in the Middle East, or even the possibility of opening direct negotiations there is obviously very small.

Of even greater concern, however, is the fact that another officially sponsored Arab organization, devoted to securing support for illegal guerrilla operations and schemes of terrorism against a peaceful neighbor, is actually maintaining an office in this country under the guise of providing information. I refer to the Palestine Liberation Organization, headed by a man named Yasir Arafat. It is the business of this group to organize guerrilla bands to invade Israel. It is shocking to learn that such an agency maintains an office on Second Avenue, in New York City.

Mr. Speaker, I believe that the activities of this Palestine Liberation Organization exceed the limits prescribed for the operation of friendly information services in this country, as defined by the

terms of the Foreign Agents Registration Act.

Moreover, I believe that the duties of the United States regarding our relations toward a country with which we are at peace, Israel, require us to put an end to the activities within our boundaries of any agency such as the Palestine Liberation Organization.

Mr. Speaker, the background of this entire matter is well discussed in an article appearing in the current issue of *Prevent World War III*, a magazine published by the Society for the Prevention of World War III, Inc., of 50 West 57th Street, New York, N.Y., which should be of great interest to my colleagues:

#### HOW ARAB PROPAGANDISTS AND THEIR FRIENDS WORK IN AMERICA

It is a commonly heard complaint from Arab quarters that their cause has "no voice" in America. In point of fact, the exact opposite is the case.

Each of the 14 Arab states has its own delegation—and usually its own information officer—at the United Nations. On top of that, the Arab Information Center, operating for all of the Arab League states, maintains headquarters in New York, Washington, Chicago, San Francisco and Dallas—plus a representative in Florida.

There is also the Palestine Arab Delegation—which purports to represent the indigenous Arab inhabitants of Palestine, but is actually the registered agency of the Arab Higher Committee of Palestine, headed by Haj Amin el-Husseini, better known as the former Grand Mufti of Jerusalem. (He was once Hitler's "special advisor" on the "final solution of the Jewish problem.")

Most reprehensible of all is the Palestine Liberation Organization (PLO)—an agency established and financed by the Arab League states for the express purpose of organizing guerrilla units to invade Israel, in order to bring an end to what it insists upon calling the "Zionist usurpation" there. This agency is openly dedicated to defiance of United Nations peacekeeping resolutions, and it publicly proclaims its goal of ending the existence of the State of Israel. Yet, it is permitted to operate with offices in the United States, although its bellicose purposes are clearly set forth in papers filed with the Foreign Agents Registration Section of the Department of Justice.

One might well ask whether the United States is not in fact acting contrary to its obligations to countries with which we are at peace in providing haven to such an agency as the PLO; and one must certainly say that in permitting it to operate within our borders, we are leaning over far backward to make things easy for Arab war-promoters.

#### ONE-SIDED VOICES

The mere presence of so many Arab state delegations at the United Nations provides a kind of built-in advantage for certain propaganda purposes. When Security Council debates are televised, for instance, the number of minutes given to Arab spokesmen and their supporters is invariably several times greater than that given to Israel and her usually less-verbose friends.

On these occasions, moreover, the Arabs have generally seen fit to play fast and loose with the ordinary rules of diplomatic courtesy, while objecting to any slight technical deviation from the rules by those on the other side.

For example, during the debate following the Six Day War, the Ambassador of Saudi Arabia delivered vituperative attacks against both Governor Nelson Rockefeller and the late Senator Robert F. Kennedy, on the ground that they had donned yarmulkes

when attending as guests at a Jewish High Holiday service! One may well imagine the reaction in Cairo if an American spokesman had made similar personal attacks upon members of the United Arab Republic government.

Even the American press was attacked—most especially, the *New York Times*, which Arab propagandists keep insisting is "Jewish owned." Yet, it is impossible to report U.N. debates on the Middle East without giving more space to the Arab spokesmen than their opponents, because of the mere factor of number. A line by line survey of the *Times* coverage of two months, including 30 days before the Six Day War and 30 days afterward, in fact shows 59.3% of the space given the Middle East during that period to be "pro-Arab" and only 40.7% to be "pro-Israel." Yet, it continues to be a constantly repeated—though untruthful—theme of Arab spokesmen that "the American press is against us"—because it is "Zionist controlled."

It is true, of course, that the Arab-Israeli war was more fully reported on television from the Israeli side than from the Egyptian side. But the explanation here was very simple: the Israelis welcomed any reporters, including cameramen, who could find transportation to follow their forces. On the other hand, the Egyptians locked up all American correspondents in a Cairo hotel, under guard, and kept them there during the hostilities. Under these circumstances, the Arabs are hardly justified in complaining that few pictures were taken of their armies: after all, a cameraman cannot cover a war from a hotel room.

#### THEIR MAP OMITTS ISRAEL

The well-financed Arab Information Center publishes a slick-paper monthly, a fortnightly news service and innumerable pamphlets; sends speakers to uncounted religious and civic groups; provides free films and maps to colleges; recruits participants for radio and television programs—and stands ready to supply any high school debater with a 10-pound assortment of literature. (Indeed, its supply of printed material is one of the largest available at any information agency of any government maintaining outlets in the United States.)

Unfortunately, not all of the material from this source is as accurate as might be hoped. For example, to this very hour of writing, the well-printed maps of "The Arab World" continue to show Israel only as a cross-hatched area marked "Israeli occupied territory of Palestine." Less partisan persons might be pardoned for asking whether, after 20 years of recognition by the United Nations and most of the countries of the world, an Arab map might not at least show the existence of the State of Israel—even if President Nasser might prefer to wish it out of being.

The expenditures of the Palestine Arab Delegation are much smaller than those of the Arab Information Center with its numerous branches, but its activities are a matter of special concern, because unlike most foreign propaganda agencies this "Delegation" concerns itself very directly with internal affairs of the United States.

For example, when President Johnson announced that negotiations would open for the possible sale of new aircraft to Israel, the "Delegation" sent him a scathing telegram and released it to the press. When Vice President Humphrey and President-Elect Nixon spoke in support of the same purpose, they were also favored with telegrams accusing them of courting "Zionist votes" and "harming" American interests. We know of no other purportedly official diplomatic group which conducts itself in such a manner—and it is unquestionable that an American information representative in Cairo, resorting to

the same methods, would be hustled out of the country at once, or put in jail.

#### NEO-NAZIS AIDED

Even more reprehensible, however, is the relationship which this agency has built up with some of the more extreme hate-groups in the United States, where the obvious effort is to set American citizens of different religions against each other. At one period, indeed, the "Delegation" actually permitted a self-avowed neo-Nazi group, the National Renaissance Party, to use the Arab postage meter for the purpose of mailing out the "Party's" own vicious anti-Jewish publication. On another occasion, "literature" written by the Palestine Arab Delegation was made available for printing in *Common Sense* (described in a staff report of the House Committee on Un-American Activities as "the source of some of the most vitriolic hate propaganda ever to come to this Committee's attention")—and the material actually appeared in two editions of *Common Sense* even before the Delegation got around to issuing its own pamphlet edition. Other hate-literature from the same source has been extensively used by the Gerald L. K. Smith, and equally notorious American anti-Jewish agitators.

It is one thing to advocate a national cause; it is something quite different for a foreign agency to try to stir up dissension in a country with which peaceful relations presumably prevail.

We should emphasize here that the Palestine Arab Delegation is not a self-supported group of agitators. It has filed its official registration papers with the Department of Justice (Foreign Agent Registration No. 1459) as an agency of the Arab Higher Committee for Palestine, with headquarters at Almansurieh, Lebanon; and the Higher Committee's Chairman, the former Grand Mufti, is listed as residing in Egypt, near Cairo. Early publications of the "Delegation" list support from the four Arab states surrounding Israel, but more recently only the Higher Committee's sponsorship has appeared. The "Delegation" is recognized at the United Nations, to the extent of appearing before various official committees, where it claims to represent the Arab Palestinians. These facts make its uninvited intervention in America's domestic affairs all the more inexcusable.

#### STUDENTS USED AS AGITATORS

A survey of this subject would be incomplete without mention of the Organization of Arab Students in the United States and Canada, which has units on over a hundred American college campuses. The United States welcomes students from all parts of the world, and tries to help them secure an education—but in this particular case, the students who belong to the Organization are also told to consider themselves as political spokesmen for the views of their home governments. The Organization prints an elaborate magazine, which contains some of the most violent anti-Israel propaganda that we have seen—and its national convention it entertains speakers from the Palestine Liberation Organizations. Apart from other considerations, it seems hardly appropriate for an organization of foreign students, with obvious support from outside governments, to engage in such activities while its members are guests in our own country.

At its last-year's National Convention the Organization of Arab Students honored Dr. M. T. Mehdi as its "Man of Year." Dr. Mehdi, a former employee of the Arab Information Center (at its San Francisco branch), now heads The Action Committee on American-Arab Relations, an ostensibly domestic agency which describes itself as "an organization dedicated to better American-Arab understanding."

Dr. Mehdi's principal claim to fame, however, is the authorship of a book entitled

"Kennedy and Sirhan, Why?"—the outrageous theme of which is that the Jordanian assassin of the late Senator Robert Kennedy ought to be thought of as a political prisoner, instead of being tried for murder in the ordinary way in the courts of California.

"Sirhan's act is not an ordinary case of murder: it is a political act and political assassination. Hence traditional legal devices and legal remedies cannot adequately provide proper defense for the accused," we are told. Mehdi, in effect, tries to make Sirhan's terrible crime into a mere incident in the war between Arabs and Israelis (with the late senator classified as an Israeli protagonist). The idea is thus suggested that Sirhan should be treated as "a prisoner of war," with Kennedy classified as "a casualty in that war."

Must our government tolerate this? In short, Arab propaganda runs the entire gamut from slick-paper appeals intended to influence people with cultural and intellectual curiosity, to the stirring up of race hatreds, the organization of guerrillas, and even a quasi-exculpation of assassination.

Some aspects of this agitation are almost certainly contrary to American law, and are certainly in violation of good public policy. There is no excuse to permit the intentional stirring up of group hatreds in this country by people acting in the name of a foreign government, and our international obligations are clearly inconsistent with allowing the continued operation of militarist-terrorist groups like the Palestine Liberation Organization.

#### WARREN BLASTS REPRESENTATIVE GOVERNMENT

### HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. RARICK. Mr. Speaker, every law-abiding citizen agrees that "free people require a free judiciary." The communications breakdown results in the word "free."

This was a weak excuse for Chief Justice Earl Warren to berate the elected Members of the U.S. Congress, for their mandated duty to their constituents to act within the framework of the Constitution to correct power-grasping decisions of an arrogant Supreme Court, which has treated the Constitution as if it were some archaic scrap of paper. Or perhaps the Chief—quick to defend judicial revolution, dissent, and change—fears legislative process with the people having a voice in Government.

Strange and erratic behavior for an appointed official—even Warren—to openly profess his disapproval of the constitutional system by attacking reform measures proposed by the U.S. Congress.

A responsible, constitutional judiciary is essential and indispensable—the very essence of this Government—to maintain law and order. This is why governments are established among men. And it is only because of Mr. Warren's secessionist departure from his duty under the constitutional plan that many Members of the U.S. Congress have felt compelled to introduce bills and amendments to restore a constitutional judiciary, having integrity and the confidence of the people.

Few will be persuaded by Mr. Warren's

plaintive plea over what he called the litigation explosion. For he and his fellow usurpers are alone responsible for any "litigation explosion." Their many, many maverick decisions against the American people—their seeming dedication to rewrite our basic legal concepts and laws were his Court's own fault—not the Congress or the American people.

Most humorous of the Chief's retaliatory pouting against Congress was his claiming the High Court decisions added a "civilizing aspect to our society."

Only an individual oblivious to what is taking place in our country—the murders and rapes, criminals running rampant, anarchists carrying the flag of the enemy, millions of dollars in property damage, homes destroyed, little children denied prayer—would have the audacity to boast that his role in unleashing the criminal element on our people has any relationship to a better society.

Mr. Speaker, I include a report by Lyle Denniston, from the Evening Star for April 10, 1969, as follows:

#### WARREN HITS EFFORTS TO CURB COURT'S POWER (By Lyle Denniston)

Chief Justice Earl Warren has rebuked congressmen who tried to take away some of the Supreme Court's powers, telling them: "A free people require a free judiciary."

Warren's comments in a speech here yesterday, marked the second round of criticism he has aimed at Congress in the last month.

A few weeks ago he bluntly accused the lawmakers of depriving the high court and lower courts of the full amount of money they need to do their work.

Yesterday's speech, which was oblique and indirect compared with the earlier one, appeared to be an answer to the effort in Congress last year to deprive the justices of some of their authority to decide criminal law issues.

When Congress attempted to include these curbs in the new anticrime law, the effort was beaten but only by narrow margins.

Warren's response came indirectly as he used the historic figure of Daniel Webster to make his point. The chief justice was speaking at a ceremony marking the anniversary of an 1819 Supreme Court decision in a case in which Webster was the winning lawyer. The case upheld the royal charter of Dartmouth College and laid the basic foundation for much of American Business law.

Warren recalled that Webster, as a member of Congress, had been "stern and unswerving—in his opposition to legislative attempts at retaliation to unpopular Supreme Court decisions. The chief justice praised Webster for his "tireless effort to protect and sustain the independence and the integrity of the federal courts, and their authority to give meaning to the language of the Constitution."

After quoting Webster as saying that the judicial power was "essential and indispensable to the very being of this government," Warren said that those "underlying premises" remain valid today.

The chief justice also returned to his earlier theme that adequate facilities must be provided for the courts so they could handle what he called a "litigation explosion."

He commended lawyers who work without adequate pay in handling unpopular criminal cases and said these lawyers "can rightly insist that there be an allocation of public resources" to attain the "goal of equal justice under law."

Defending the advances the high court itself had made in the field of criminal law, Warren said the result has been to add a "civilized aspect to our society."

AN AMERICAN AFFRONT TO  
CHILE?

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. BROYHILL of Virginia. Mr. Speaker, Mr. David John Gladstone, of Falls Church, Va., has called my attention to an article which appeared in the March 28, 1969, edition of the Chilean newspaper, *Politica Economica Cultura*. The article details the plans of the publisher of an anti-American, pro-Communist newspaper to obtain an \$800,000 loan through the AID program in Chile, to improve the facilities of his newspaper, now referred to in Chile as the "official bulletin of criminals."

Mr. Gladstone asked:

Would you please find out why my tax dollars are being used to support Communist newspapers in Chile?

In an effort to comply with his request, I have today written to the Secretary of State to obtain full details on this proposed loan. I urge my colleagues, who, I am sure, would share Mr. Gladstone's and my concern over such misuse of taxpayers' funds, to join me in urging the Department of State and the Agency for International Development, to look into this loan, and, if the facts are as stated in the *Politica Economica Cultura* article, to deny it without delay. The article reads as follows:

AN AMERICAN AFFRONT TO CHILE

The loans allocated to Chile by A.I.D. (Agency for International Development) during this year are close to 30 million dollars obtained from various sources which reach from the purchase by Chile of farm surpluses down to the fluctuations in the price of copper. These funds are intended to be used by manufacturers, farmers and businessmen working in Chile who need some of the almost 300 items classified as soft goods for consumption, or of the almost 70 items included under "capital goods." Item 84.34 corresponding to "Printing Machinery" has just fallen under the rapacious hands of Dario Sainte Marie, proprietor of "Clarín" the paper which has accumulated the greatest number of convictions in the Chilean courts of justice for violation of the laws, and which even makes the toughest of its readers blush with its headlines, obscenities, insults and derision at the human and spiritual values of the country.

Hiding behind the apparent impersonality of international accords Volpone (Dario Sainte Marie's nom de plume) ordered printing machinery from the United States, applying for a credit close to \$800,000. Using as his tool the terror developed by his paper, in the best Chicago racketeer style, he obtained the approval of his application by the Banco del Estado (the Chilean State Savings Bank.) This bank will endorse the bills drawn on and accepted by Volpone so that in turn the Banco Central de Chile will connect the operation with A.I.D.

Three years ago Dario Sainte Marie (Volpone) tried to fool the Export and Import Bank with a similar deal. But the authorities of that international credit establishment, better acquainted than A.I.D. with Volpone's moral stature and the consequences which such a credit would have on the prestige of the Eximbank refused the credit. Unworried Volpone turned then to his Communist pals and obtained in Leipzig the

machinery he wanted. At present the insults and attacks of "Clarín" against the United States, its armed forces and its rulers are printed with equipment imported from Communist Germany. This has increased the love of the Communist Party towards "Volpone" and it is thus that there is a permanent relationship between the "Clarín" of Volpone and "El Siglo" the Communist newspaper in their mentions of Vietnam, Cuba, racial conflicts in the United States, and the turns of internal American politics. What "El Siglo" says with dullness of the comrades, "Clarín" repeats making fun and deprecating the role of the United States in the preservation of world democracy.

Officials of A.I.D. in Chile have blushing disclaimed responsibility for this deal which will strengthen the anti-American repository of insults, explaining that the Agency grants the credit so the Chilean Government which in turn operates it through its own channels. According to these officials all A.I.D. does is to determine each year the total amount of the grants in aid, and to hand over the list of consumer goods or capital goods available to be used under the "A.I.D. Letters of Credit" which are granted at very low rates of interest.

The explanation, nevertheless, does not free the diplomatic agents of the U.S. from blame. Without their approval no credit operation can be materialized. And this is recognized by the very Banco Central de Chile which advises the commercial banks (by Circular letter No. 1052 of 30 Aug. 68) that it reserves the right to withdraw the dollar currency it has furnished "if, for any reason the [importation] cannot be completed."

And it could not be otherwise because if A.I.D. disclaimed all responsibility, passing it on to the officials of a government foreign to that which is granting the credits, it would be possible for "El Siglo" the property of the Communist Party of Chile to use A.I.D. credits to install a modern print shop and to attack with American machinery obtained with credits granted to underdeveloped countries "Yankee imperialism" and "Yankee murderers." And this has been the usual language of Volpone and of "Clarín" towards the United States on every occasion when its people have had to face a problem.

The politics and the national and international goings on of the United States are subjects of lively discussion and worry in Chile. The occupation of Santo Domingo, the conflict in Vietnam, the assassinations of John and Robert Kennedy, the Bay of Pigs, or the meddling of Ambassador Dungan to speed up the Agrarian Reform of Chonchol (head of the Agrarian Reform program until late 1968) have divided the opinion of Chileans into rabid pro and con groups. But it can be certain beforehand that the approval of the A.I.D. loan to Volpone to increase his anti-American and anti-Chilean artillery will be rejected by the majority of leaders and serious members of both the right and left areas, including those in power who are already alarmed by the jump in criminality, of corruption and immorality developed and stimulated by Volpone and "Clarín" deservedly considered the "Official Bulletin of Criminals" in Chile. There is no more refined pornographic or criminal press than that produced by Volpone and his cohorts.

American diplomats in Chile cannot evade public judgment if they do not alert their Government against the indignation which the granting of this credit to "Volpone" will arouse. Nor will they be able to justify themselves before the new president and the new regime which will be governing Chile after 1970. How will American diplomats face the new President of Chile when he shows them the dirt of "Clarín" luxuriously printed in American machinery delivered to Volpone through the unbelievable generosity of the American people?

And if the Senate and the House of Wash-

ington which are so jealous about the use of foreign aid question A.I.D. officials about this loan to Volpone what reasonable explanation will they give? Or do American diplomats in Chile ignore that Volpone's very wife forbids "Clarín" from entering her home fearful that her small daughters will be corrupted by reading the paper their father publishes? Or are there private plans by A.I.D. to impede the development of Chile by promoting crime, immorality, shamelessness, and public corruption?

This would be the only explanation for the inconceivable loan of \$800,000 granted for Volpone to bite even harder the gentle hand which helps him with unbelievable blindness.

Chileans may disagree among themselves on the American policies in Chile: for some the "Copper Agreements" may be ruinous, for others Ambassador Dungan's efforts to harden Agrarian Reform were fatal; but for the immense majority of the country, for all the decent people, the affront to Chile should the A.I.D. loan to Volpone be finalized, will be unerasable.

WITHHOLDING OF CITY INCOME  
TAXES FROM THE COMPENSA-  
TION OF FEDERAL EMPLOYEES

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. HALPERN. Mr. Speaker, on March 10 of this year, I introduced H.R. 8526 which authorizes the withholding of income taxes imposed by incorporated cities with a population of 60,000 or more from the compensation received by Federal employees.

Under present law, Federal agencies are already authorized to withhold State income taxes from the pay of Federal employees and to return such collections to the States when State officials have requested such withholding.

My bill would simply enable larger incorporated cities also to enter into agreements with the Secretary of the Treasury which would provide for the withholding of city income taxes owed by Federal employees by the Federal department or agency employing such individuals. Since this measure would apply only to our larger cities, it will not impose too heavy an administrative burden upon those Federal agencies which withhold such taxes.

The Treasury Department in the past has supported similar legislation which would give larger cities the same assistance the States now receive in collecting income taxes owed by Federal employees.

Cities, caught in a financial bind as they attempt to provide the growing requirements of their citizens for additional and improved schools, housing, health and welfare facilities and services, and transportation systems, are finding it increasingly necessary to add income taxes to those which they are already levying to finance these needs.

Further, those cities which do impose an income tax are experiencing some difficulty in collecting the amounts owed by Federal employees. Just last month the Finance Administrator of New York City complained that about 20 percent

of the Federal employees working in the city had escaped paying the city income tax. He indicated that "the root of the problem was that under Federal law the city could not require Washington to withhold local income taxes from the weekly or biweekly earnings of its employees."

Enactment of this measure will enable our cities to more efficiently and promptly collect the income taxes to which they are legally entitled. At the same time it will prove less painful to Federal employees if such amounts are withheld as they earn their income.

For these reasons I urge your support and early approval of this measure.

**TIMELY SPEECH BY THE HONORABLE A. E. GIBSON, MARITIME ADMINISTRATOR, U.S. DEPARTMENT OF COMMERCE**

**HON. WILLIAM M. COLMER**

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. COLMER. Mr. Speaker, on last Friday, April 11, the Ingalls Shipbuilding Corp., an affiliate of the Litton Industries, launched the *Mormacstar* at its yards in Pascagoula, Miss. The *Mormacstar* is the third of the class designation Seabridge for the Moore-McCormack Lines. The *Mormacstar* is the last word in cargo ships.

I had the privilege of being present at the launching of this majestic ship. I also had the privilege of hearing the Honorable A. E. Gibson, the new Maritime Administrator, deliver the principal address on the occasion of this launching. Because of the quality of Mr. Gibson's speech and the further fact that it was his first public appearance in his new capacity as Maritime Administrator, I should like to include the speech in the CONGRESSIONAL RECORD for the benefit of all who are interested in the necessity of maintaining an adequate merchant marine fleet. Mr. Gibson's speech was well received, and I am confident that he is going to discharge the duties of his office in an able and constructive manner. The speech follows:

I am honored to be present and to participate in the ceremonies attendant upon the launching of the *Mormacstar*. Since this is my first public appearance as Maritime Administrator, you might say that we are being launched together.

And if I may stay with that metaphor for a moment, I only hope that I penetrate the bureaucratic fogs, ride out the political storms and carry the workload tonnage with a degree of the ability and grace that I am sure will characterize the career of the *Mormacstar*.

It is a propitious time for all to join together to achieve an American Merchant Marine worthy of a great nation such as ours. I am sure there is no downgrading within this Administration or failure to recognize the importance to the nation of its merchant shipping. If I thought there were, I wouldn't be here today. On the contrary, at the highest level of this Administration—from President Nixon on down—there is full recogni-

tion of the importance of seapower as it relates to the nation's welfare.

The President has himself defined seapower as "the ability of a nation to project into the oceans, in times of peace, its economic strength; in times of emergency, its defense mobility." It is on this concept of seapower that future maritime policy will be based.

Speaking specifically to the merchant marine, the President has said that this Administration shall "adopt a policy that recognizes the role of government in the well-being of an industry so vital to our national defense and stimulate private enterprise to revitalize the industry." To which he has added: "We shall adopt a policy that will enable American-flag ships to carry much more American trade at competitive world prices . . ." setting as our goal "a sharp increase in the transport of U.S. trade aboard American-flag ships."

In commenting on the unsubsidized sectors of our merchant fleet, the President has said that they "must be given attention, so they, too, can replace their deteriorating fleets in the immediate future."

The President has appointed a team which is in full accord with these views. Secretary Stans told the Senate Commerce Committee that it was his avowed purpose and intent to implement the statements of the President for revitalizing the American Merchant Marine. To my personal knowledge, and I am sure that of many present here today, such similar purpose is shared by Undersecretary Rocco Siciliano, and soundly seconded I can assure you by the new Maritime Administrator.

But in addition to the determination of the new Administration, it is a propitious time for achievement for the American Merchant Marine within the Congress. Certainly at no time since the passage of the 1936 Merchant Marine Act has there been the degree of awareness that exists today in both the Senate and House of the vital importance to the Nation of its shipping and shipbuilding capacity.

With such evident awareness to the needs of the American Merchant Marine on the part of both branches of the government, there can be no question that every effort will be made to provide a merchant fleet of which this nation can be proud.

It is an opportunity to be grasped by the entire industry. It is a time for closing ranks in order to revitalize this industry upon which so many rely for a livelihood and a future. It is time to put aside the age-old feuds and divisions that have torn this industry asunder.

In speaking of the need for a revitalized merchant marine, the President has said: "In turn, I would expect initiative and cooperation from both industry and labor. Throughout the maritime industry, a new outlook must be encouraged to replace the current divisiveness and shortsightedness." In similar fashion, Senator Magnuson only a few months ago commented on the same need for eliminating this divisiveness.

There is probably no single union that could not or would not negotiate an equitable contract with the management of this industry at this time. It is only when the inter-union comparisons of benefits are made and inequities, real or fancied, are discovered that negotiations break down and the jungle takes over. There must be some plausible means developed to adjudicate these disputes between unions, or any new Maritime program will be frustrated from the outset.

The time, then, for uniting in a common endeavor in which the Congress, the Administration, together with management and labor can forge a new, a vital, a profitable merchant marine to serve the nation is now.

I have no delusions as to the difficulty of the undertaking—to unite a divided industry, to work out a merchant marine policy ac-

ceptable to many diverse elements, whose interests, at least in the short-term, often seem quite opposite from each other. Of one thing I am sure: we cannot succeed in such an undertaking without the good will and cooperation of everyone concerned.

What we need most at this time is the support of the industry in finding solutions in an atmosphere of peace and reason.

New labor contract negotiations have already begun. The recent expression of intent on the part of the maritime unions to continue negotiations beyond June 15th without a strike, if progress is being made, is most encouraging. Another maritime strike this year is unthinkable.

Together, we can all move forward to implement President Nixon's policy statements on the American Merchant Marine. In the Administration, we are doing so. We are hard at work to come up with implementing programs. We are not "studying" the merchant marine. It has almost been studied to death. We are not questioning its vital role as an instrument of national policy. We are not viewing our merchant ships solely from the defense aspect. On the contrary, we recognize their vast importance to our commerce and the national economy, their service in aiding our balance-of-payments deficit.

Since the Administration clearly recognizes this importance, I am confident that the resulting program will reflect it. However, no program can be truly effective unless it can attract private capital—for it will require large investments to match the shipbuilding subsidies, if a new fleet is to be built. In like manner, much of this fleet is totally dependent on the companies' ability to attract commercial cargoes to produce the necessary revenues to provide continued operation. Just as the private investor has alternate uses for his capital, the exporter or importer has alternate means for transporting his cargo—neither is forced to invest in or use American flag ships. There has to be a reasonable assurance of continued operation if they are to make the commitments so essential for the future of the U.S. merchant fleet, and no better way could be found to do this than the negotiation of a responsible maritime labor contract this year without resort to a work stoppage.

And now to the purpose for which we have gathered today, the launching of a magnificent addition to the American Merchant Marine, the Moore-McCormack ship, S.S. *Mormacstar*.

The building of a new ship is always a reassuring symbol of economic activity, progress, hope for the future. The *Mormacstar* and her sister ship awaiting delivery, the *Mormacstar*, are not just "replacement" ships. They are bigger, better, faster, more productive ships in every way than those whose place they will take in carrying on the commerce of our nation.

The choice of the class designation "Seabridge" for these ships is indeed appropriate. It complements the "land-bridge" concept which is being developed, as increasing availability of container carrying ships makes it possible to send a whole shipload of cargo in unit trains across an intervening continent.

The modern "sea-bridge" is now taking its place as an extension of the land-bridge, to provide totally new concepts in worldwide transportation systems.

And so, to Moore-McCormack Lines goes my sincere congratulations for their initiative, and my appreciation of this very concrete evidence of the company's belief in the future of the American Merchant Marine.

To the Ingalls Shipbuilding Division of Litton Industries, I offer similar congratulations on their building of this magnificent vessel. The capable and efficient management of the shipyard, and the skilled hands of Ingalls workers are evidenced in the *Mormacstar*.

To the gracious sponsor of the *Mormacstar*, allow me to wish your ship well. May the *Mormacstar* have a long, productive, profitable life in the service of our Nation's commerce—and may I wish her "God speed."

## BROADENING THE TAX BASE

## HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. SAYLOR. Mr. Speaker, I can think of no better day than this one to bring to the attention of our colleagues a study dealing with the broadening of the Federal income tax base.

"Tax reform" is a subject mightily in the air this day as it has been most of this year. There is renewed hope on the part of the American taxpayer that "this" is finally the year when something will be done to right the wrongs, eliminate the inequities, close the loopholes, and reform the whole tax system. Whether or not all the changes that need to be made can be made this year is a subject of some conjecture. But I do not think there is any doubt in any Member's mind that we must strive extra hard to initiate substantial reforms this year. The taxpayer will accept no less.

The most unfortunate aspect of the present tax system is that it simply does not appear to be systematic. It is a "system" of loopholes, exemptions, dodges, and exclusions. We need to start at the base and work up if there is to be a real reform.

In this regard, I am pleased to bring to the attention of my colleagues a study which I have found to be stimulating to my own studies of potential tax reform. The American Bar Foundation has kindly granted me permission to include this study in my remarks. The paper by Attiat F. and David J. Ott of the Department of Economics of Southern Methodist University is entitled "Simulation of Revenue and Tax Structure Implications of Broadening the Federal Income Tax Base." I have also learned from the foundation that it will soon publish a more comprehensive book on the subject of tax reform. That book, edited by Arthur B. Willis, will be entitled "Studies in Substantive Tax Reform" and should be available in the next few weeks.

I ask that Members examine the paper below with the view to sharpening their own approaches to the tax reform proposals before the Congress. There are many approaches, but whichever one we choose, we must expand the tax base. The study follows:

## SIMULATION OF REVENUE AND TAX STRUCTURE IMPLICATIONS OF BROADENING THE FEDERAL INCOME TAX BASE

(By Attiat F. and David J. Ott, Department of Economics, Southern Methodist University)

## ACKNOWLEDGMENTS

The authors acknowledge the efforts of J. Scott Turner and Gary A. Robbins in organizing and processing the basic data for the study as well as doing the necessary programming. George Williams and Robert W. Tinney contributed in collecting data and

conceptualizing the imputation techniques for fringe benefits, interest on life insurance, and imputed rent on owner-occupied homes. The assistance of Larry Howard in converting tapes for use on the Southern Methodist University computer and the patience and perseverance of the Southern Methodist University Computer Laboratory staff are also gratefully acknowledged.

Finally, the authors appreciated the continuous support and encouragement of Dean Charles O. Galvin of the School of Law of Southern Methodist University and Project Director Arthur Willis.

We grant the usual absolution from blame for errors to all the persons named above.

## I. INTRODUCTION

This paper is a preliminary report on the results of a study on substantive tax reform conducted at Southern Methodist University during 1967-68 under the sponsorship of the American Bar Foundation and the Tax Section of the American Bar Association.

The objectives of substantive tax reform broadly stated are as follows:<sup>1</sup>

1. Broaden the tax base
2. Reduce income tax rates
3. Simplify the technical provisions
4. Eliminate inequity in tax treatment of individuals with similar income
5. Remove taxation as a major factor in business, investment, and family estate planning

We limit our discussion here to the simulation of a substantial broadening of the Federal income tax base, applying existing (1965) tax rates to the new tax bases, and calculating the implied proportional tax rate and progressive structure needed, with the new bases, to raise 1964 individual and corporate income tax revenue.<sup>2</sup> The sample of tax returns used is the 1964 Brookings Tax File, and the data for making the income imputations were obtained from a number of different sources, but heavy use was made of the 1963 *Federal Reserve Board Study of the Financial Characteristics of Consumers*.

Two alternative broadened tax bases were used; the first, which we call *BTB<sub>1</sub>*, essentially follows the plan set out in the project proposal, and the second, *BTB<sub>2</sub>*, is an extension of the originally proposed base to incorporate a substantial portion of unrealized capital gains and imputed rent on owner-occupied homes.

Section II summarizes the major findings of the study. Sections III and IV discuss *BTB<sub>1</sub>* and *BTB<sub>2</sub>*, respectively, in somewhat more detail—the effects on the tax base and revenues are considered by Adjusted Gross Income (AGI) classes, and the significance for the base and tax revenues of each component of the *BTB*'s is also considered.

It should be emphasized that the changes in the tax laws explored in this study do not, by their inclusion or by the exclusion of other possible changes, imply any advocacy on the part of the investigators. Other possible changes should also be investigated before any major revision of the law is undertaken.

## II. SUMMARY OF MAJOR FINDINGS

The major findings of the study are summarized in Table 1. Broadening the base under *BTB<sub>1</sub>* would add \$252 billion to the tax base; under *BTB<sub>2</sub>* some \$271 billion would be added.<sup>3</sup> In both instances the bulk of the gain in the tax base comes from the elimination of all personal exemptions and deductions (\$179.5 billion). However, considerable amounts are added to the base by the income imputations, particularly in the cases of partnership treatment of corporate profits (in *BTB<sub>2</sub>*), the dividends plus total capital gains on corporate stock treatment of corporate income (in *BTB<sub>2</sub>*), treating capital gains as ordinary income, and fringe bene-

fits. Not surprisingly, the other imputations (excluding imputed rent) together account for only a small portion of the change in the base (\$9.4 billion).<sup>4</sup>

While the treatment of personal exemptions and deductions and corporate income would be a large portion of any major base broadening, it must be remembered that only selected income items have been added to the base in this study. If we were to be truly comprehensive, for example, by integrating gift and estate taxation with the personal tax, the relative importance of these three items would diminish (though it would still be a large part of the base broadening).

Table 1 shows the dramatic effect that taxation of the much larger bases would have had on 1964 revenues:<sup>5</sup> the low 14.4-13.9 percent flat tax rate on all income needed to raise the same revenues as was obtained in 1964, and the effect on average tax rates in a progressive rate schedule yielding actual 1964 revenue.<sup>6</sup>

TABLE 1.—SUMMARY OF EFFECTS OF BASE BROADENING ON THE TAX BASE, TAX REVENUES, AND TAX RATES UNDER ALTERNATIVE BTB CONCEPTS

Item	BTB <sub>1</sub>	BTB <sub>2</sub>
	Billions of dollars	
1. Old tax base.....	230.4	230.4
2. New tax base.....	481.6	501.3
3. Change in tax base.....	251.2	270.9
(a) State and local bonds interest.....	1.1	1.1
(b) Interest on life insurance.....	1.7	1.7
(c) Employer's contributions to and interest on profit sharing and pension plans.....	7.0	7.0
(d)(1) Partnership treatment of corporate profits.....	44.1	-----
(d)(2) Dividends plus capital gains (realized and unrealized) on corporate stock.....	-----	58.6
(e) Deductions and exemptions.....	179.5	179.5
(f) Realized capital gains as ordinary income.....	11.2	-----
(g) OAI.....	3.6	3.6
(h) SI.....	.2	.2
(i) Imputed rent.....	-----	28.7
(j) Unemployment compensation.....	2.2	2.2
(k) Sick pay.....	.6	.6
4. 1964 tax revenues <sup>2</sup> .....	69.7	69.7
5. Tax revenue from BTB at 1965 tax rates.....	113.3	126.4
	Percent	
6. Flat tax rate needed to raise 1965 actual revenue.....	14.4	13.9
7. Progressive rate schedule (0 to 40 percent) required to raise 1965 revenue, selected levels of taxable income (average tax rate): <sup>3</sup>		
(a) \$1,000.....	.02	.02
(b) \$3,000.....	.06	.04
(c) \$5,000.....	.10	.08
(d) \$10,000.....	.20	.17
(e) \$50,000.....	.35	.35
(f) \$100,000.....	.38	.38

Note: Details may not add to totals because of rounding.

<sup>1</sup>The change in the tax base for imputations is \$283,200,000,000. But the addition to the base is only \$270,900,000,000 since \$12,800,000,000 were excluded from old base in making the (i) imputation.

<sup>2</sup>Includes personal and corporate income tax revenues. Corporate income tax revenue is on a cash basis, from Joseph A. Pechman, Federal Tax Policy (Washington, D.C.: Brookings Institution, 1966), p. 276.

<sup>3</sup>For *BTB<sub>1</sub>*, the revenue raised would actually be \$71,900,000,000; the schedule for *BTB<sub>2</sub>* would raise \$71,100,000,000. The computer program used to calculate these schedules yielded these totals as the closest approximation to the \$69,700,000,000 of revenue needed. A description of the tax function used is appended to Studies in Substantive Tax Reform (see text note 1 supra).

III. A CLOSER LOOK AT BTB<sub>1</sub>

We now consider *BTB<sub>1</sub>* in more detail. Each addition to the base will be presented separately to show, by AGI class:<sup>7</sup> (1) the amount imputed; (2) the change in tax revenue (1965 rates) from making the imputation alone; and (3) the change in tax revenues (1965 rates) from "dropping" the imputation alone from *BTB<sub>1</sub>*. Steps (2) and (3) bracket the "first-order" (assuming no changes in *before-tax* incomes) revenue ef-

Footnotes at end of article.

fects of each imputation. Table 2 shows the effect of the imputation of each item in *BTB<sub>1</sub>* on tax revenues.

*Interest on State and local bonds*

As Table 2 shows, \$1,116 million of state and local bond interest was imputed. As expected, most of the addition to the tax base falls in the upper AGI classes; \$671 million,

or 60 percent, of the \$1,116 million is estimated to have been received by tax units with \$50,000 or more of AGI.  $\Delta R_1$  is the "add-on" revenue;  $\Delta R_2$  denotes the "back-off" revenue change. The marginal tax rate (the change in tax revenue from the "add-on" ( $\Delta R_1$ ) divided by the amount imputed is 54 percent. This is slightly lower than most previous estimates.<sup>8</sup>

with AGI class. Thus the revenue change from taxing profits to stockholders shown here is probably an underestimate.

Table 2 shows total profits imputed to stockholders above the amount paid out in dividends as \$44,134<sup>12</sup> concentrated largely in the AGI classes \$25,000 and above. This addition to the base results in substantial revenue gains measured either "from the bottom" (\$20,265 million) or "from the top" (\$21,830 million). The average marginal rate is clearly high, that is, from 46 to 49 percent.

*Exemptions, deductions and sick pay, and realized capital gains*

Three elements in the base broadening did not involve any income imputations but consisted of eliminating certain "preferences" in treatment of income, namely, personal exemptions and deductions, the sick pay exclusions, and realized capital gains. The effects these changes have on closing the gap between AGI and taxable income are summarized in Table 2.

Treating realized capital gains as ordinary income adds \$11,184 million to the tax base, 68 percent of which falls in the AGI classes \$25,000 and above. This change would yield \$4,213 million to \$4,765 million in additional revenue.

Elimination of all personal exemptions would add \$112,594 million to the tax base, concentrated in the \$10,000-\$15,000 AGI classes (84 percent falls in this range). The revenue gain at 1965 rates would, of course, be substantial, ranging from \$20,788 million to \$22,712 million.

Elimination of personal deductions also adds substantially to the tax base—\$66,897 million. Over half of this is concentrated in the \$5,000-\$15,000 AGI classes (57 percent), and the revenue gain would be \$14,542 million to \$16,741 million. The sick pay exclusion adds only \$562 million to the base and some \$120 million to \$143 million of revenue.

TABLE 2.—SUMMARY OF REVENUE EFFECTS OF IMPUTING ITEMS TO TAX BASE—*BTB<sub>1</sub>*

[Amounts in millions of dollars]

Item	AGI class					Total
	\$0 to \$3,000	\$3,000 to \$10,000	\$10,000 to \$25,000	\$25,000 to \$100,000	\$100,000 and over	
<b>State-local bond interest:</b>						
Amount imputed.....	0	127	161	458	369	1,116
$\Delta R_1$ .....	0	25	45	221	237	527
$\Delta R_2$ .....	0	31	55	262	256	606
<b>Interest on saving element in life insurance:</b>						
Amount imputed.....	127	773	505	255	28	1,687
$\Delta R_1$ .....	19	138	113	105	18	393
$\Delta R_2$ .....	23	163	140	131	19	476
<b>Employer's contributions and interest on profit-sharing and pension plans:</b>						
Amount imputed.....	209	2,095	3,536	711	93	6,984
$\Delta R_1$ .....	32	388	844	308	58	1,692
$\Delta R_2$ .....	41	455	1,040	375	64	2,044
<b>OASI benefits received by filing units:</b>						
Amount imputed.....	2,497	1,024	217	57	5	3,802
$\Delta R_1$ .....	362	186	57	26	3	635
$\Delta R_2$ .....	460	255	89	33	3	840
<b>Unemployment compensation:</b>						
Amount imputed.....	720	1,399	117	3	0	2,240
$\Delta R_1$ .....	112	250	25	1	0	388
$\Delta R_2$ .....	128	289	30	2	0	450
<b>Partnership treatment of corporate income:</b>						
Amount imputed.....	2,315	8,220	11,271	14,002	8,326	44,134
$\Delta R_1$ .....	416	2,080	4,114	7,896	5,760	20,265
$\Delta R_2$ .....	497	2,429	4,682	8,404	5,817	21,830
<b>Exemptions, deductions, and sick pay:</b>						
Amount imputed.....	32,154	103,306	36,171	6,837	1,585	180,053
$\Delta R_1$ .....	4,818	18,495	8,179	2,880	1,052	35,433
$\Delta R_2$ .....	5,321	20,259	9,425	3,464	1,102	39,579
<b>Treatment of realized capital gains at ordinary income:</b>						
Amount imputed.....	545	1,596	1,889	2,863	4,292	11,184
$\Delta R_1$ .....	100	319	552	1,241	2,033	4,213
$\Delta R_2$ .....	122	420	725	1,458	2,039	4,765

*Interest on savings element of life insurance*

The result of imputing interest on the savings component of life insurance is also shown in Table 2. This form of income is apparently heavily concentrated in the \$5,000-\$15,000 AGI class; our estimate shows some 66 percent of the \$1,687 million is received by tax units in this range. The tax yield varies from a low of \$393 million to a high of \$476 million—again there is a substantial difference in the revenue gain depending on where the income is "put on."

*Employer's contributions to private pension plans and interest on pension plans*

Table 2 shows the effect of imputing to the tax file a substantial portion of "fringe benefits"—employer contributions to private pension plans—and the interest on the vested interest of employees in such plans.<sup>9</sup>

This income is concentrated in middle-income classes; 74 percent (\$5,199 million) fell in the \$5,000-\$20,000 AGI classes. Again, the high and low revenue gain estimates differed considerably, from \$1,692 million to \$2,044 million.

*Social security—old age and survivors benefits*

Separate imputations were made for benefits accruing to the aged and to survivors under OASI. It is estimated that \$3,604 million of OASI benefits received by aged units was received by the aged units filing in 1964—the rest was received by non-filing aged units.

As one would expect, a very large proportion of this income was received by units in the lower-income classes. Those with AGI's of less than \$5,000 received \$2,787 million of the total, over three-fourths of the total received by filing units. As a result, the tax yield, taking either the high or low esti-

mate, is not as large relative to the added income as with the previous items; the average marginal tax rate is about 17-22 percent.

Imputing survivors' benefits to filing survivors' beneficiaries has contributed very little to the base and revenues. Only \$198 million of income was imputed and \$30 million to \$38 million of revenue gained. Our calculations indicated only about 107,000 of the 470,000 families receiving survivors' benefits in 1964 would be represented in the tax file, and thus about \$800 million of survivors' benefits accrued to non-filing units.

*Unemployment compensation*

The imputation of unemployment compensation benefits shown in Table 2 was \$2,240 million concentrated in the AGI classes below \$10,000 (95 percent). The revenue gain at 1965 rates ranged from \$388 million to \$450 million.

*Partnership treatment of corporate profits*

The partnership treatment of corporate profits was approximated under the assumption that every dividend recipient received a constant proportion of total corporate profits in proportion to his holdings. That is, a dollar in dividends received represents a constant multiple of dollars in profits before taxes at the corporate level.<sup>10</sup> This was assumed to be true regardless of AGI class. This constant multiple was assumed to be equal to the ratio of gross corporate profits to dividends (net of intercorporate dividends), which was approximately 4.0<sup>11</sup> in 1964. Due to underreporting of dividends in 1964 this number was blown up to 4.5. Thus the imputation was made by adding the dividend exclusion and 3.5 times dividends to taxable income. Because of underreporting in the tax file some bias may exist. Another bias may exist because profits/dividend ratios are likely to vary for dividend recipients directly

IV. A COMPARISON OF THE RESULTS OF *BTB<sub>1</sub>* AND *BTB<sub>2</sub>*

Since the second version of the broad tax base (*BTB<sub>2</sub>*) differs from *BTB<sub>1</sub>* only with regard to two items—imputed rent and the treatment of corporate income—we need only discuss here the impact the addition of these two items has on the tax base and tax revenue changes discussed in the previous section. We shall therefore discuss, in turn, the results of (1) adding imputed rent on owner-occupied dwellings; (2) substitution of the taxation of dividends plus total (realized and unrealized) capital gains on corporate stock for the partnership treatment of corporate income; and (3) the differences in the distribution of the tax base by AGI classes in *BTB<sub>1</sub>* and *BTB<sub>2</sub>*.

*Imputed rent on owner-occupied homes*

Adding net rent on owner-occupied homes to *BTB<sub>1</sub>* increased the base \$28,739 million, which was concentrated in the \$3,000-\$20,000 AGI classes. The addition to tax revenues is estimated as between \$4,076 million and \$6,062 million.<sup>13</sup>

*Taxing corporate income by taxing dividends paid and total capital gains on corporate stock at ordinary rates*

One alternative to taxing corporations as partnerships was suggested by Bittker,<sup>14</sup> namely, taxing the dividends paid plus total capital gains (or losses) which accrue to stockholders. We have attempted here to make a rough estimate of the effects of such a procedure.

In order to avoid violating our assumptions about not allowing for "second-order" effects, dividends (including the amounts excluded) are "grossed up" by 92.3 percent, on the assumption that corporate taxes previously paid on dividends are now passed on to stockholders. In short, we assume the ratio of retained earnings to profits is unchanged by the new treatment.

Footnotes at end of article.

The results are shown in Table 3. Where as the partnership method added \$44,134 million to the base, this treatment adds considerably more, \$58,643 million. The result

is large revenue gains of \$34,418 million to \$35,649 million, an increase of \$14,153 million to \$13,819 million on the partnership approach.

(1) the tax begins with the first unit of income; (2) the rate of increase in the average tax is constant; and (3) the maximum marginal tax rate is 40 percent.

<sup>7</sup>To save space, the summary tables for this and the following section use 5 AGI classes; a more detailed breakdown by 13 and 29 AGI classes will be given in *Studies in Substantive Tax Reform* (see note 1 *supra*).

<sup>8</sup>Benjamin A. Okner, *Income Distribution and the Federal Income Tax* (Ann Arbor: Institute of Public Administration, University of Michigan, 1966), p. 86, estimated a 59 percent average marginal rate; Ott and Meltzer and Robinson came up with similar estimates. See D. Ott and A. Meltzer, *Federal Tax Treatment of State and Local Securities* (Washington, D.C.: Brookings Institution, 1963), p. 60; and R. I. Robinson, *Postwar Market for State and Local Government Securities* (Princeton, N.J.: National Bureau of Economic Research, 1960), pp. 191-92.

<sup>9</sup>Total "fringe benefits" in 1964 were estimated at \$16.6 billion by the U.S. Department of Commerce, *Survey of Current Business* (July 1967), p. 16. The amounts excluded here (because data were not available on the employer's share of contributions or on the distribution of this amount by AGI class) are largely contributions to health and accident insurance, life insurance, and fringe benefits of government (federal and state-local) employees.

<sup>10</sup>Alternative treatments of dividends and corporate profits are discussed by Gary A. Robbins in "Alternative Tax Treatments of Corporate Income and Capital Gains," *Studies in Substantive Tax Reform* (see note 1 *supra*).

<sup>11</sup>*Economic Report of the President* (February 1968), p. 290.

<sup>12</sup>Dividends received in 1964 were \$12,477 million (from *Statistics of Income* [1964], p. 33). Thus the amount of total corporate profits implied by this computation is about \$56.6 billion. This is less than actual total corporate profits in 1964 of \$66.8 billion (*Economic Report of the President* [February 1968], p. 290) because of under-reporting and intercorporate and foreign dividends.

<sup>13</sup>A detailed explanation of the methodology will be presented in *Studies in Substantive Tax Reform* (see note 1 *supra*). Note that in this one case the "back-off" revenue gain is less than the "add-to" gain. This is because net rent was imputed, and where returns had mortgage interest or real estate tax deductions, this had to be added to the imputation to avoid double counting. When imputed rent was deleted from *BTB<sub>1</sub>*, only the net rent was deleted, not the double-counted deductions. See Robert W. Tinney, "Taxing Imputed Rents on Owner-occupied Housing," *Studies in Substantive Tax Reform* (see note 1 *supra*) for further details and alternative estimates.

<sup>14</sup>B. Bittker, "A 'Comprehensive Tax Base' as a Goal of Income Tax Reform," *Harvard Law Review*, Vol. 80 (March 1967), p. 978. See also his further discussion of the ideal of "Comprehensive Income Taxation: A Response," *ibid.*, Vol. 81 (March 1968), p. 25 n., pp. 1041-42.

TABLE 3.—SUMMARY OF REVENUE EFFECTS OF ITEMS ADDED TO TAX BASE—*BTB<sub>2</sub>*

Item	AGI class					Total
	\$0 to \$3,000	\$3,000 to \$10,000	\$10,000 to \$25,000	\$25,000 to \$100,000	\$100,000 and over	
Imputed rent on owner-occupied home:						
Amount imputed.....	2,667	14,711	9,133	2,011	214	28,739
ΔR <sub>1</sub> .....	391	2,639	2,047	810	136	6,024
ΔR <sub>2</sub> .....	413	1,739	1,238	595	90	4,076
Taxation of dividends plus gains from changes in value of corporate stock:						
Amount imput.....	454	1,772	5,310	16,723	35,223	58,643
ΔR <sub>1</sub> .....	112	483	1,342	8,914	23,539	34,418
ΔR <sub>2</sub> .....	98	496	1,584	9,790	23,669	35,649

Distribution of *BTB<sub>1</sub>* and *BTB<sub>2</sub>* by AGI classes

Although *BTB<sub>2</sub>* is some \$20 billion larger than *BTB<sub>1</sub>*, it is not larger in every AGI class—*BTB<sub>1</sub>* is greater in the \$1,500-\$5,000 AGI classes and the \$11,000-\$50,000 AGI classes. *BTB<sub>2</sub>* is larger for all other AGI classes and particularly so for the \$50,000-\$500,000 classes and the "over \$1,000,000" class.

This reflects the fact that *BTB<sub>2</sub>* does not differ from *BTB<sub>1</sub>* simply by the addition of income items. If this were the case, then *BTB<sub>2</sub>* would be larger than *BTB<sub>1</sub>* (or at least no smaller) for every AGI class. *BTB<sub>2</sub>* reflects the addition to *BTB<sub>1</sub>* of imputed rent and a change in the treatment of corporate income. The latter change causes the tax base to rise in some AGI classes and fall in others. Total capital gains in *BTB<sub>2</sub>*, which account for a large portion of corporate income in this base, were distributed by AGI class on the basis of the Federal Reserve Sample Survey of corporate stock ownership. On the other hand, the distribution of corporate income by AGI class under the partnership treatment in *BTB<sub>1</sub>* was based on the distribution of dividends by AGI class (via the "gross-up" technique used). It is not surprising that more of corporate income goes to the higher AGI brackets under *BTB<sub>2</sub>*, since persons in higher brackets are likely to prefer capital gains over dividend income and thus hold stocks with low dividend/price ratios. Thus in the highest brackets, *BTB<sub>2</sub>* considerably exceeds *BTB<sub>1</sub>*.

The reason for the excess of *BTB<sub>2</sub>* over *BTB<sub>1</sub>* in the \$1,500-\$5,000 and \$11,000-\$50,000 AGI classes is a reflection also of the switch in the treatment of corporate income. In imputing total capital gains of corporate stock in *BTB<sub>2</sub>*, realized capital gains were deleted. In these classes the amount imputed was less than the amount deleted, in part because realized capital gains on all assets (rather than just corporate stock) were deleted.

It is probable that, had an attempt been made to distribute corporate profits by ownership of shares rather than dividends in *BTB<sub>1</sub>*, the difference in the distribution of the two tax bases by AGI classes would not have been very significant.

TABLE 4.—DISTRIBUTION OF *BTB<sub>1</sub>* AND *BTB<sub>2</sub>* BY AGI CLASSES

AGI class	<i>BTB<sub>1</sub></i>	<i>BTB<sub>2</sub></i>	Difference: <i>BTB<sub>2</sub></i> less <i>BTB<sub>1</sub></i>
0 to \$600.....	6,083.4	6,120.5	37.1
\$600 to \$1,000.....	4,408.2	4,497.2	89.0
\$1,000 to \$1,500.....	7,920.9	8,039.1	118.0
\$1,500 to \$2,000.....	8,265.2	8,120.5	-144.7
\$2,000 to \$2,500.....	9,088.8	8,913.3	-175.5
\$2,500 to \$3,000.....	10,184.7	10,164.3	-20.4
\$3,000 to \$3,500.....	11,291.7	11,063.7	-228.0
\$3,500 to \$4,000.....	13,146.6	12,866.2	-280.4
\$4,000 to \$4,500.....	14,237.2	13,949.9	-287.3
\$4,500 to \$5,000.....	14,638.6	14,339.9	-298.7
\$5,000 to \$6,000.....	34,523.0	34,812.2	289.2

TABLE 4.—DISTRIBUTION OF *BTB<sub>1</sub>* AND *BTB<sub>2</sub>* BY AGI CLASSES—Continued

AGI class	<i>BTB<sub>1</sub></i>	<i>BTB<sub>2</sub></i>	Difference: <i>BTB<sub>2</sub></i> less <i>BTB<sub>1</sub></i>
\$6,000 to \$7,000.....	36,707.4	37,036.2	328.8
\$7,000 to \$8,000.....	38,982.2	39,438.2	456.0
\$8,000 to \$9,000.....	35,252.4	35,387.4	134.9
\$9,000 to \$10,000.....	31,426.6	31,459.4	32.8
\$10,000 to \$11,000.....	25,701.2	25,934.9	233.7
\$11,000 to \$12,000.....	20,634.0	20,560.6	-73.3
\$12,000 to \$13,000.....	17,191.1	16,787.2	-403.9
\$13,000 to \$14,000.....	13,282.0	12,947.3	-334.7
\$14,000 to \$15,000.....	10,407.6	9,921.6	-486.1
\$15,000 to \$20,000.....	30,850.7	29,257.2	-1,593.8
\$20,000 to \$25,000.....	14,996.9	13,558.4	-1,438.5
\$25,000 to \$50,000.....	33,296.7	29,628.9	-3,667.8
\$50,000 to \$100,000.....	18,574.2	23,283.0	4,708.8
\$100,000 to \$150,000.....	5,938.8	12,948.4	7,009.6
\$150,000 to \$200,000.....	2,952.6	7,379.6	4,427.0
\$200,000 to \$500,000.....	5,923.1	14,632.0	8,708.9
\$500,000 to \$1,000,000.....	2,277.5	2,345.8	68.3
\$1,000,000 and over.....	3,411.3	5,928.6	2,517.3
Total.....	481,593.9	501,320.7	19,726.8

## FOOTNOTES

<sup>1</sup>Arthur B. Willis, "Comments and Observations by the Project Director," in *Studies in Substantive Tax Reform*, ed. Arthur B. Willis (Chicago: American Bar Foundation; Dallas, Texas: Southern Methodist University [forthcoming]).

<sup>2</sup>The complete results of the project as well as the detailed methodology used will be presented in early 1969 in *Studies in Substantive Tax Reform* (*ibid.*). The book will contain, besides an expanded version of this paper, comments and a history of the project by Arthur B. Willis and Charles O. Galvin. Other papers included discuss the legal aspects of tax-base broadening (by Robert A. Bernstein) and special economic studies (by Gary A. Robbins, J. Scott Turner, and Robert W. Tinney).

<sup>3</sup>The major differences in *BTB<sub>1</sub>* and *BTB<sub>2</sub>* are indicated in Table 1. *BTB<sub>1</sub>* excludes imputed rent and taxes corporate profits as partnership income, while *BTB<sub>2</sub>* includes imputed rent and taxes corporate income by taxing dividends (grossed up to "pass through" the corporate tax, which is eliminated) and all capital gains (realized and unrealized) on corporate stock at ordinary rates.

<sup>4</sup>Recall, however, that no account here is taken of the non-filers. This would increase the increase in the base from adding OASI and unemployment insurance and also add virtually all of public assistance (most of the recipients being non-filers) to the base.

<sup>5</sup>Corporate plus personal income taxes. The increase in personal taxes is after deduction of the lost revenue from discontinuance of the corporate tax implied by both *BTB's*.

<sup>6</sup>The progressive rate schedule used is explained in *Studies in Substantive Tax Reform* (see note 1 *supra*). Essentially it is a formula meeting the following constraints:

## AMERICAN DEFENDERS OF BATAAN AND CORREGIDOR TO HOLD NATIONAL CONVENTION

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. FASCELL. Mr. Speaker, during April 30 to May 4, the American Defenders of Bataan and Corregidor, Inc.,

will convene in Miami Beach, Fla. This unique organization is composed of surviving members of the defense of these Pacific islands and the infamous Death March during World War II.

When this organization was formed, members recognized that it would be unusual among veterans organizations in that its ranks would never increase—only diminish. Yet it was necessary that they band together, for they had an experience in life that this country must never forget. We are grateful for this reminder of a part of the history of our country that required American fighting men to summon up amazing courage and endurance.

For the survivors, their very existence serves as testimony to bravery and devotion to their country's ideals far beyond the capacity of most people to even imagine. I congratulate all of the members of this outstanding organization for what they have accomplished.

One survivor of the Bataan Death March is Louis Cusano, who as a private first class survived 40 months in Japanese prison camps. On his return, he told a grisly story of the inhuman torture and slaughter of American military men during this terrible period. Now, Mr. Cusano is a resident of Miami, Fla., and is still serving his country as an employee of the U.S. Post Office.

I take this opportunity to offer congratulations to Mr. Cusano and other members of the American Defenders of Bataan and Corregidor. May they continue to gather for these meetings for many, many years. They deserve the high honor and tribute of a grateful nation.

#### A. PHILIP RANDOLPH CELEBRATES HIS 80TH BIRTHDAY TODAY

### HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. CAREY. Mr. Speaker, on the occasion of the 80th birthday of the noted A. Philip Randolph it is my privilege to offer this distinguished gentleman my best wishes for a future which yet promises further service in a life devoted to the advancement of the Negro people and to the cause of justice for all men.

Mr. Randolph retired last year as president of the Brotherhood of Sleeping Car Porters of which he was the chief founder in 1925. From that time until the present Mr. Randolph has devoted himself unsparingly toward uniting all segments of the working class. He maintained:

My philosophy was the result of our concept of effective liberation of the Negro through the liberation of the working people. We never separated the liberation of the white working man from the liberation of the black working man—rather, we believe the unity of these forces would bring about the power to really achieve basic social change.

And, indeed, A. Philip Randolph has been instrumental in the evolution of positive social change. He organized the march on Washington movement which

led President Roosevelt to initiate the commission on fair employment practices in 1941 which became the predecessor of State and Federal antidiscrimination laws. He also served as a member of Mayor LaGuardia's commission on race in 1935 and later as honorary Chairman of the White House Conference on Civil Rights. Last year he retired as the AFL-CIO's only Negro vice president.

It is therefore an honor for me to join so many other Americans in paying tribute to a man who has done so much toward realizing the goal of equal opportunity for all Americans.

#### THE VULNERABLE RUSSIANS

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. DERWINSKI. Mr. Speaker, in reference to our relations with the Soviet Union, the present period has been defined as "an era of negotiation rather than confrontation." Whether this definition is accurate and valid or ill-founded and misleading is a subject for much debate. Psychopolitically, we are being confronted by the Russians on every front, even within our own domestic environment. Nonetheless, if we believe this is an era of negotiation, then obviously, even in this case, we should approach it with knowledgeability, background, and insight.

The book, "The Vulnerable Russians," furnishes these necessary requisites for negotiating with the Russians. The numerous favorable reviews given this work point this out in a variety of ways. For example, as the review below shows:

This is a much-needed book that should serve to startle Americans out of their cold war complacency.

Authored by Dr. Lev E. Dobriansky of Georgetown University, the book enables us to understand why diplomacy and negotiations are themselves mere instruments utilized by the highly vulnerable Russians to advance their cold war objectives. Copies can be obtained at the Georgetown University Bookstore, White Gravenor Building, Georgetown University, Washington, D.C. The following review, written by Geraldine Finch in the October issue of Free China Review, explains in part the significance of the work:

#### THE VULNERABLE RUSSIANS

(By Lev E. Dobriansky, reviewed by Geraldine Finch)

In the dedication of his book, the author bares its essence: "To all freedom fighters, particularly the unsung heroes of the Ukrainian Insurgent Army which in World War II . . . fought both the Nazis and the Russian imperio-colonialists. Their supreme sacrifice . . . renders historically inseparable the far-flung events of our American Revolution, Ukraine's independence and the freedom of every non-Russian nation, as well as the Russian people, now held captive in the Red Empire . . ."

In the light of Russia's steady determination to reach world domination through the exploitation of captive nations, the often in-

consistent, unplanned and wavering policies of the United States have resulted in Russian diplomatic victories and encroachments in the Middle East and North Vietnam. The United States has done well twice: (1) in getting the missiles out of Cuba and (2) in the annual Captive Nations' Week proclamation. Unfortunately the U.S. president's proclamation remains only that instead of a program of action. Khrushchev's bitter railing against the resolution during Richard Nixon's visit in 1959, and the harsh comments in the Russian press and in broadcasts indicates that a new nerve was struck.

Professor Dobriansky exposes the Bolshevik revolution as the incubator of Soviet Russian imperio-colonialism, the fraud of Lenin's promise of "land, bread and peace" and the sham of such Moscow slogans as "peaceful coexistence". Communism, he explains, is used as a technique by the Russian leaders. They are guilty of the same imperialism and colonialism, the empire-building that was started by Ivan the Terrible and characterized Russia after the 16th century.

Methods have included divide and conquer, networks of conspiracy, genocide, Russification, two steps forward and one back, broken treaties, messiahship, ideological smoke-screens, political partition, the police state, distortions of history, anti-Semitic pogroms and Potemkin Village tactics. Russia's policy is one of internal totalitarian rule and external imperialism and colonialism.

There always have been Russian freedom fighters and resistance movements—Poland's Pulaski, the Ukraine's Shevchenko, White Ruthenian and Byelorussians, North Caucasians and the Muslims of the U.S.S.R. and of Central Asia. The author stresses the need to study the history of Tsarist empire-building in order to understand Soviet Russia. He reveals their tactics in promising self-determination and the right to secede from the U.S.S.R. while really dominating and exploiting. In 1920, eight countries came under Communist domination; from 1922 to 1946 eight more lost their freedom; since then eleven more have become part of the Communist bloc.

The author tells how Russia's propaganda deceives Americans, who are largely unaware of how other countries have been subverted and brought under Communist domination. Appeasement-minded groups and individuals in the United States do Moscow's propaganda work at no cost to Russia. Americans fall for campaigns supporting "peace" and "coexistence," for nuclear test bans and for more trade. All will be discarded like so many treaties whenever it suits the Party leaders.

Dobriansky makes these main points: (1) Whether Americans like it or not, they are involved in a continuing cold war, (2) the final outcome must be either victory or defeat and (3) political defeat of the enemy is possible and necessary to preclude nuclear holocaust. Some Americans talk of the cold war "moderating," of a "detente" between Moscow and Washington, of "building bridges" to Russia, of the influence of more trade and of moral and political compromises. Meanwhile, Moscow goes right on supporting the U.S. enemy in Vietnam, develops space missiles and carries out subversion in the Middle East and Latin America.

Hitler blundered in World War II by not realizing what the readiness of the Ukrainians and Byelorussians (and other people of captive nations) to help Germany against Russia could have meant. Instead, he attempted to foist his system on them and they therefore fought Germans as well as Russians. U.S. blunders have included appeasement at Yalta, failure to aid the Hungarians in 1956 and the desertion of Chiang Kai-shek when Russia was giving vast stores of Japanese arms to the Chinese Communists.

Dobriansky says that Russia's economic status and rank as the world's second industrial power are largely due to colonial ex-

plottation of the non-Russian nations of the U.S.S.R. The Ukraine has a population of 45 million and huge resources, especially of coal and pig iron. Georgia has manganese and Azerbaijan has oil.

The book is not without flaw. The author uses too many obscure or self-coined words. Examples include "actionism," "concretist," "entitative" (for entity), "hardwarists," "pendulomic," "potemkinize," "nomer," "venomia" and "guestimations." However, this is a much-needed book that should serve to startle Americans out of their cold war complacency. One may hope for issuance as a paperback together with tighter editing.

## STILL RESISTING MOSCOW'S WAY

### HON. WILLIAM L. SPRINGER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. SPRINGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I attach herewith an article by Tad Szulc, who is a New York Times correspondent who has just completed a visit to Rumania. This article is very revealing. It indicates that Rumania is trying to maintain herself in diplomatic relations with all nations. This has given the country some flexibility in trade negotiations and other aspects of foreign economic policy. Independence such as Rumania has shown will do more to keep us out of World War III than any other thing possible. Ability to retain one's independence and thinking about world matters in the end results in the best thing being done for the individual country concerned—and it would appear that Rumania has that in mind.

This article from the New York Times of Sunday, April 13, is herewith attached, and I believe my colleagues will be interested in reading it today:

#### STILL RESISTING MOSCOW'S WAY

The expression "unity and cohesion" as applied to the Communist movement had different meanings to Rumanian Foreign Minister Corneliu Manescu and to the top Soviet leaders when they conferred in the Kremlin last week.

To the Rumanians, unity and cohesion meant full cooperation on the clear understanding that there is no interference of any type by a Communist country in the affairs of another Communist state.

To the Soviet Union the phrase represented a complete acceptance of the leading role of Moscow within what the Soviets have taken to calling the "socialist commonwealth." This theory since last autumn has also been known as the "Brezhnev Doctrine," because the Soviet Communist party's General Secretary, Leonid I. Brezhnev, invoked it to justify the invasion of Czechoslovakia.

In a lengthy article last week marking Mr. Manescu's visit, Pravda, newspaper of the Russian Communist party, explained the doctrine. "Marxist-Leninists," said Pravda, "believe that whenever there is a threat to the revolutionary gains of the people in any country, and hence a threat to its sovereignty as a socialist country and a threat to the fraternal community, it is the internationalist duty of socialist states to do everything in their power to remove that threat and insure the progress of socialism and strengthen the sovereignty of all socialist countries."

This fundamental difference of opinion is at the root of the ideological schism between Moscow and Bucharest. In the opinion of

many experts on Communism, this schism, gradually widening in the last seven or eight years, may in the long run be more embarrassing and even dangerous to the Kremlin than the Czechoslovak acts of defiance in 1968 and again this spring.

On many aspects of foreign, military and economic policy, Rumania has rejected Soviet guidance. She has successfully opposed Soviet plans for Warsaw Pact forces' maneuvers on her soil, even going so far as to protest against all war games by everybody, everywhere. This month, in a small concession, she sent staff officers to a brief exercise involving Soviet and Bulgarian units in Bulgaria.

Rumania has been as reluctant to follow the Soviet inspiration in the Comecom (Council for Mutual Economic Assistance) as she has been in the field of the Warsaw Pact, although she continues to belong to both Communist organizations as a reluctant partner.

At the Warsaw Pact "summit" in Budapest last month, the Rumanians virtually torpedoed Soviet plans for a unified stand against Communist China. Their argument was that there must be no taking of sides in the Communist disputes. At the Moscow conference this month, the Rumania Minister of Justice refused to sign resolutions against the United States' presence in Vietnam and against West Germany because, he said, he had no authority to do so.

The Rumanians not only deny Moscow the right to tell them what to do, they insist on maintaining relations ranging from warm in the case of Yugoslavia to cordial or reasonably correct in the case of China, Albania and Cuba—all countries considered hostile by the Soviets.

In the black-and-white terms of what Moscow regards as proper Communist allegiance to its authority, the Rumanians, therefore, have been acting as stubborn and confirmed heretics.

The question thus arises what, if anything, the Kremlin leaders proposed to do about the Rumanian recalcitrants.

A military invasion of the Czechoslovak type might still appear as a solution to the "hard-liners" propounding the Brezhnev theory of "limited sovereignty." But the long months of political upset in Czechoslovakia after the invasion, and the violently adverse reactions from much of the world Communist movement to the August intervention, may well have forced a rethinking of the Soviet options in Rumania.

Among the factors Moscow must consider in Rumania is that, in the first place, the Rumanians may well fight back. Carnage in a fellow Communist state may not be precisely what the Soviets need as they strive to rebuild the international movement, push for a European security conference, and seek serious negotiations with the United States.

The Rumanian Communist party—and the rest of the nation—is totally united around the party chief, Nicolae Ceausescu. Contrary to the case in Czechoslovakia, a pro-Soviet wing does not exist in the Rumanian party, because in the last four years Mr. Ceausescu saw to its extinction.

Rumania's centuries-old experience in playing Turk against Russian and Transylvanian against Austrian has taught her how to maneuver flexibly in the predatory world around her.

While hoping to maintain normal relations with Moscow, Mr. Ceausescu remains friendly with Yugoslavia's Marshal Tito, sends warm greetings to the Chinese Communists, signs new economic agreements with Cuba, visits Turkey, which is a NATO member, and deals extensively with the West in trade and technology.

Under the circumstances, it is unlikely that Mr. Manescu and the Soviet leaders have agreed on more than how to disagree with a minimum of Communist scandal.

But Moscow's basic problem in Rumania is far from being solved as it ever was since Bucharest decided to follow its own private path to Socialism.

## OIL COSTS NOT REAL CULPRIT

### HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. FISHER. Mr. Speaker, a small increase in crude oil prices has been viewed with alarm by a few who seem to support inflationary increases as applied to other enterprises but do not like to see any such price adjustments as applied to the petroleum industry.

An excellent discussion of this overall subject is contained in an editorial which appeared in the April 6, 1969, issue of the San Angelo, Tex., Standard-Times. The editorial follows:

#### OIL COSTS NOT REAL CULPRIT

Surely pure gall must have a limit. And surely the 14 senators who have urged the Nixon administration for a full-scale investigation of recent oil and gasoline price hikes have their share of pure gall that must approach the limit.

After voting to hike their own pay, approving increased salaries for Civil Service employees and otherwise spending money like it is going out of style while giving lip service to curbing inflation, these senators have the gall to ask for a probe of an industry where inflation trends rank among the lowest in the nation.

Granted the price of a gallon of gasoline is up 9 per cent from 1960. But even at that, gasoline prices have risen less than the general cost of living during that period.

The senators should turn their attention to a wide variety of other items that inflation has taken toll on to a far greater extent. Among those prices that have risen more than the general cost of living during the 1960s are:

Semi-private hospital rooms, up from an average of \$20.95 per day in 1960 to \$41.04 per day in 1968 for an increase of 96 per cent.

Adult movie tickets nationwide are up from the 1960 average of 90 cents to \$1.61 in 1968 for a hike of 79 per cent.

A man's wool suit cost an average of \$41 in 1960. In 1968 the average cost had risen by 51 per cent to \$74.

There are numerous other prices that have risen by far greater percentages during the eight-year span—too numerous to name them all. But some include the cost of a house call by a doctor, up 46 per cent; maid service for a day is up 45 per cent; cigarettes have risen 42 per cent in cost per package; men's shoes, up 39 per cent; hair cuts are up 34 per cent; even oranges are up 30 per cent from 84 cents per dozen to \$1.09.

More directly, petroleum prices have been forced up by rising costs of labor and steel, a necessary item in the form of pipe and machinery to the drilling of any oil well.

The senators made their request for a probe of rising oil prices in a letter to Atty Gen. John N. Mitchell, asking him "to ascertain whether these price rises have been coincidental or collusive and predatory practices." The letter was made public by signers Sens. Edward M. Kennedy (D-Mass.), William Proxmire (D-Wis.), and Edward W. Brooke (R-Mass.).

They noted that the price rise, costing consumers an estimated \$800 million annually, "comes at a time when the greatest single

economic problem facing our nation is inflation, and at a time when virtually all of the major oil companies have record high profits."

They commented that "this is certainly no time to fatten profits still more by an irresponsible price hike . . . Almost none of the price increase comes back to the federal government in taxes . . . because of the privileged tax treatment received by oil companies."

It would seem to us, after examining the inflationary trends that have stricken the economy with fever, that a 9 per cent price rise in eight years is not even sufficient to offset the rising costs of production. Certainly oil prices have risen and certainly no motorist enjoys paying more for a gallon of gasoline than he has in the past. But it seems remarkable that petroleum prices have not risen even higher than they have during the 1960s, and we feel the oil industry is to be congratulated for holding down its contribution to spiraling inflation.

After 14 senators have examined their own personal situations, including a wage hike of \$12,500 per year and a vast array of other price hikes that are the real culprits in an overheated economy, then a request for scrutiny of the oil industry would not seem so apparently full of gall.

Sen. Everett Dirksen said when Congressional pay raises were being considered, "Even senators have to eat." We contend that oil industry people also have that right and to no lesser degree than congressmen afford themselves—and you can eat pretty good on \$42,500 per year.

The real victims of price hikes, whether it be in salaries or congressmen, in hospital room fees or at the grocery shelf are the nation's poor—the unemployed whose assistance is not boosted in accordance with rising costs, the nation's elderly who find Social Security checks no larger when living costs continue to rise. Most other Americans have realized increases in take-home pay in excess of the 9 per cent in eight years that oil prices have risen—but still below the 30 per cent congressional pay hike and numerous other cost increases.

In the battle of rising costs, reality dictates that when wage costs rise, so does the cost of production. That increase is passed on in increased costs to the consumer, who, in turn, demands more wages. The people who are hurt by this process are those whose paychecks do not rise in proportion to living costs, but if congressmen aren't responsible enough to hold the line against the spiral we find it hard to understand why they want any industry—oil or otherwise—to absorb the blow without raising the prices of its products.

#### CAPABILITIES, JUDGMENTS, AND THE ABM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. BINGHAM. Mr. Speaker, Secretary of Defense Laird has based a large part of his case for the Safeguard ABM system on his judgment that the Soviet Union, by resuming deployment of the SS-9 missile system, is seeking to achieve a first-strike capability against our offensive missile forces. As William Beecher noted in a perceptive article in yesterday's New York Times, the evidence to support Mr. Laird's contention is not nearly so clear as the Secretary would have us believe. Indeed, Frank Mankiewicz and Tom Braden have gone

one step further, and argue in this morning's Washington Post that the evidence is better fitted to a conclusion exactly opposite to that reached by Mr. Laird.

These two articles warrant careful study by all of us in Congress, since we will soon be asked to vote funds for a system which is being justified on grounds which are tenuous indeed. In order that they may be readily available to all Members, I am inserting their texts at this point in the RECORD:

[From the New York Times, Apr. 14, 1969]  
SOVIET MISSILE DEPLOYMENT PUZZLES TOP U.S. ANALYSTS

(By William Beecher)

WASHINGTON, April 13.—The scope and nature of Soviet strategic weapons deployment has puzzled senior Government analysts to the point where it may play an important role in the Administration's fight for an antiballistic missile system.

The issue came to light recently when Defense Secretary Melvin R. Laird asserted there was "no question" that Russia was seeking "a first strike capability" against the United States. He credited new intelligence information with bringing him to this view.

Qualified sources say that the new evidence gathered by high-flying satellites shows the following:

The Soviet Union has a total of about 1,200 intercontinental ballistic missiles, in place or rapidly going into place, roughly 150 more land-based ICBM's than in America's arsenal.

After deploying about 225 giant SS-9 missiles the Russians abruptly stopped the program early last year, but then, in December, surprisingly started it up again.

The Russians are believed to have deployed a fractional orbiting bombardment system, a weapon that could only be used effectively in a first strike against so-called "soft" targets, such as bomber bases.

They are also testing new multiple warheads for the SS-9.

As of last fall, the American intelligence community was convinced the Russians were merely following the American lead in building a secure "second strike" force that would enable them to ride out a surprise attack and then retaliate overwhelmingly.

The new information, centering on the SS-9, has raised a serious question in many officials' minds. However, Mr. Laird has apparently resolved that question to his own satisfaction in favor of assuming that the Russians are bent on upsetting the balance of power dramatically in their favor. Others in the Government are far from sure.

Secretary Laird's statement was made before a recent session of a Senate Foreign Relations subcommittee that was strongly skeptical about the need for the \$6-billion to \$7-billion Safeguard antimissile system, designed in part to defend America's ICBM's against Soviet attack.

Without squarely disagreeing with Mr. Laird's assessment, Secretary of State William P. Rogers nonetheless told a news conference he doubted that the Russians had the "intention" of launching a first strike. But he said one of the first questions the United States would raise with the Russians when arms limitation talks got underway was: "Why would you have a 25-megaton missile?"

A megaton is equivalent to one million tons of TNT.

Since the Administration has apparently chosen to pitch much of its case for the missile defense system on the rising Soviet threat, the differing assessments within the Administration on the nature of that threat could well undermine its case.

#### PACE OF DEPLOYMENT

Back in 1965, when the Russians moved to a large-scale deployment of ICBM's, they concentrated on two second-generation liquid-

fuel missiles: the SS-9, with a warhead of from 9 to 25 megatons, and the SS-11, with a warhead of slightly more than 25 megatons.

The pace of deployment was approximately 250 a year about 200 SS-11's for each 40 to 50 SS-9's. At the time, American analysts figured the Russians had simply put their development and production money on two different systems made by two separate design teams, just as the United States had done originally.

About 200 early model SS-7 and SS-8 missiles were retained in the Russian force as the new weapons went in.

Then, early last year, the Russians stopped deploying the SS-9 and slowed installation of the SS-11. At the same time it started putting in about 25 SS-13's, a new solid-fuel ICBM with a warhead of about one-megaton.

The feeling was the Russians thought they had almost as many ICBM's as they needed or wanted and would soon taper off.

But in December came evidence of a sudden resumption of SS-9 construction. Only a few missiles were involved but this raised concern because of the large payload of this system.

#### NONE BELIEVED ACCURATE

The question was whether the Russians had decided to resume the earlier construction pace that would result in a total of about 500 SS-9's in five years.

None of the Soviet ICBM's is considered very accurate. The one-megaton missiles, however, are considered quite adequate for destroying cities. They are five times more powerful than the atomic bombs that destroyed Hiroshima and Nagasaki.

But the SS-9 makes up in warhead size what it lacks in accuracy and thus could be used to try to destroy minuteman missiles in their steel-and-concrete silos.

More chilling yet is the possibility that the Russians would put accurately guided multiple warheads on the SS-9. The experts say it has enough thrust to carry three 4-to-5-megaton multiple warheads, or six 1-to-2-megaton warheads, or conceivably 18 200-kiloton warheads.

The Russians have been actively testing a three-part multiple warhead on the SS-9, sources say. But, as yet, these are not believed capable to separate guidance against different targets. Instead it is said, they land "like a string of beads" in a straight line.

There were three main theories on what the Russians are up to:

One school holds that they have powerful internal pressures to continue construction of at least some more missiles, a sort of Soviet "military-industrial complex."

Another group believes they have decided they ought to build a first-strike force, more to exploit as an implicit threat in future confrontations than to use suddenly one morning in a surprise attack.

A third group holds that the Russians are interested in limiting damage in the Soviet Union in case deterrence fails and nuclear war breaks out. ICBM's that can destroy enemy missiles in their silos would limit damage on Russia fully as much as anti-missile missiles.

#### MOST EXPERTS UNDECIDED

Most analysts say the evidence is not at all clear enough to choose among these alternative strategies with confidence.

Mr. Laird, some officials point out, has the responsibility to make conservative judgments where the country's survival may be at stake and thus understandably wants to move ahead now to start the slow deployment of a defense for the Minuteman force.

(The Administration argued for the Safeguard system, additionally, as a full protection against ICBM's Communist China is expected to have in the mid-1970's and as a defense against a small number of missiles launched accidentally or without authorization from China, Russia or anywhere else.)

Those who lean to the Soviet first-strike

school point to the Russian deployment of the fractional bomb system. It uses the same booster as the SS-9 ICBM, but carries a smaller warhead and is believed less accurate. Its main feature is its ability to come in low, under the view of long-range radar, thus being potentially capable of destroying bombers before they can be warned and get airborne.

Such a weapon would be of little use unless employed in a first strike. After war had begun, the bombers would not be sitting around on their bases waiting to be hit.

Additionally, the Russians have long expressed interest in building a large missile defense system. So far they have deployed only 67 long-range defensive missiles around Moscow but are testing a more advanced model.

If the Russians installed a heavy defensive all around the country, this too could cut two ways. On the one hand it could limit damage if someone else started nuclear war. But it also could be used to knock down retaliatory American missiles that survived a Soviet first strike on the United States.

Administration officials hope a freeze on offensive and defensive missiles can foreclose these horrors. But they question whether the United States can safely start a unilateral freeze even before those long and difficult talks get under way.

[From the Washington (D.C.) Post, Apr. 15, 1969]

LAIRD SCARE STORY ON SOVIET MISSILE WON'T WASH

(By Frank Mankiewicz and Tom Braden)

Even so reasonable a man as Secretary of State William Rogers has apparently been taken in by the Pentagon's hard-working propagandists on the subject of the SS-9, or Soviet "supermissile," as it is now being called.

The belief of too many Americans that "bigger is better" is helpful to Secretary of Defense Melvin Laird and the generals in the campaign to make the SS-9 into a new and frightening reason why we should spend \$6 billion to \$7 billion—for openers—on an ABM system.

There is no doubt the SS-9 is big. Secretary Rogers, at his recent press conference, referred to it as a "25-megaton missile." This is a far higher estimate than that made by the CIA, which estimates it to have a warhead capacity of 5 megatons. But there is no need to argue the point of size. Probably, the SS-9 has a bigger warhead than anything the United States now deploys—and it is still far too small to knock out more than one ICBM site, of which we have 1054.

The fact is that the SS-9 is not a first-strike weapon, no matter how many grisly (and already public) details the Pentagon "declassifies." It is not designed to destroy the U.S. ICBM system and cannot do so. It is, instead, a large warhead designed to destroy large "soft" targets, such as cities. It is—in other words—a second-strike weapon, and that's all it is.

Thus, it does not change the balance of terror in any way or give the Russians some huge and mysterious advantage which should cause us to escalate the arms race.

Secretary Laird and the generals in the Pentagon have chosen to ignore this fact—for a very good reason. The reason is that the Safeguard ABM as proposed by President Nixon is not intended to protect large targets, such as cities. It is intended to protect our ICBM silos. And it is a tenable proposal only if Congress and the American people can be persuaded that the Soviets have a missile capable of destroying these silos. The SS-9, being large, meets the needs of the argument so long as the argument ignores the facts.

The facts are these: In order to threaten only the U.S. land-based second-strike capability, the Russians would have to build 2000

SS-9s, at a cost of \$25 million each. Such a program would give them a minimal chance of destroying 1000 of our Minutemen, built at a cost of \$5 million to \$6 million each. There is no evidence that they are embarking on any such ridiculous course.

And if they did it would still threaten neither our substantial fleet of submarine-borne missiles nor those carried by U.S. strategic bombers.

Ever since mid-1968, when details of the SS-9 were first made public in the commercially published "Jane's All the World's Aircraft," it has been known to be inferior to the U.S. Minuteman in both reliability and launching time. Indeed, it is most comparable to our Titan I missile which we are now in the process of discarding as obsolete. To resurrect SS-9 now, as a reason for starting an ABM program, seems very close to down right deceit.

For far less money—say about \$2 billion—the United States could "superharden" all of its Minuteman sites. Roughly speaking, a superhardened site is five times as strong as a hardened site. Thus, in order to maintain the same counterforce ability, the Russians would have to do one of the following: (1) increase the warhead size of the SS-9 by a factor of 11; or (2) double its accuracy.

Either of these is a far bigger order than penetrating the "thickest" ABM system.

In short, the much trumpeted SS-9 is not a breakthrough in the balance of terror. It is a weapon of great horror—but of no greater horror and somewhat less efficiency than many of our own. It justifies neither panic nor the ABM.

## DEFINING LIMITS OF FREE SPEECH

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. ASHBROOK. Mr. Speaker, yesterday the 13 Democratic National Convention delegates and campaign staff workers who were arrested on August 29 of last year during the convention fracas were convicted yesterday of disorderly conduct. The case was heard by Magistrate Arthur L. Dunne whose statement on the limits of free speech and assembly put this complex issue in its proper context. Stated Magistrate Dunne:

The right of free speech and assembly, while fundamental in our democratic society, does not mean that everyone with opinions or beliefs to express may do so at any public place at any time.

Conveniently forgotten by some of our free speech advocates these days is the principle of the common good which implies the maintenance of public order in the community. Perhaps the future will see more realistic definitions of the individual freedom versus individual responsibility issue, with the community receiving its rightful protection from deliberate violations of the law.

Here is the text of Magistrate Arthur L. Dunne's statement as it appeared in the Chicago Tribune of April 15, 1969:

The right of free speech and assembly, while fundamental in our democratic society, does not mean that everyone with opinions or beliefs to express may do so at any public place at any time. The constitutional guarantee of liberty implies the existence of an organized society maintaining

public order without which liberty itself would be lost in the excesses of anarchy.

### CITES DANGERS TO SOCIETY

The authority of government is not so trifling as to permit anyone with a complaint to have the vast power to do anything he pleases, whenever he pleases, and wherever he pleases. If this were true, our customs and our habits of conduct—social, political, economic, ethical and religious—would all be destroyed and become no more than relics of a gone, but-not-forgotten past.

I firmly believe that our cities, and the residents of these cities, can be and must be protected by their government from noisy, chanting, shouting, marching, threatening picketers who, under the guise of free speech, hurl pieces of brick, stones and fireworks, bent on filling the minds of men and women and children who reside in our city, with fear and hysteria.

### THREAT TO ORDER

In the case at bar, there is ample evidence that the totality of the circumstances in the city of Chicago and particularly in the vicinity of 18th and Michigan on the night of Aug. 29, 1968, did present a clear, imminent and present threat of violence to our community. Under these circumstances the authorities have the right, as well as the duty, to take action under ordinances enacted by the municipal authorities for the welfare and protection of the citizenry.

The ordinance which the defendants are charged with violating is narrowly drawn in such a way as to avoid abridging the right of speech, assembly and petition. It is in no sense a "meat and potatoes" ordinance. It is also clear in this record that the Illinois national guard, as well as the Chicago police department, did make a determined and successful effort to permit the marchers to peacefully demonstrate and acted only in the interest of maintaining public order.

### ORDER NOT MAINTAINED

I do not believe that this group and its leaders did all in their power to maintain order. On the contrary, it appears that such efforts that were made were nothing more than a shallow pretense—no more than an empty gesture. It is noteworthy that one of the defendants in this cause stated that he was a parade marshal with the responsibility of maintaining order, abandoning his duties, did remove his identifying armband, pressing to the forefront of the marchers, refusing to obey the lawful order given to him by a peace officer, ultimately being taken into custody.

It is readily apparent that this group, bent on airing emotional grievances, either imaginary or real, on the streets of our city, acted in such a fashion that the joint efforts of the Illinois national guard and of the Chicago police department were of no avail, resulting in the issuance both by personal contact and by means of amplifying devices, of an order to disperse—which was lawful in every sense.

The defendants in this cause knowingly disobeyed this order and sought arrest, rather than obey the duly constituted and lawful authority of the community.

HON. ALVIN M. BENTLEY

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1969

Mr. CHAMBERLAIN. Mr. Speaker, I was indeed saddened to learn of the passing of our former colleague, the Honorable Alvin M. Bentley, of Owosso, Mich.

Courageously denied once before, death nevertheless came unkindly long before its time on April 10, at the age of 50. Not before, however, Al Bentley had already completed two distinguished careers in service to the Nation. The misfortune of ill health, which he gallantly struggled against in recent years, recalls the fateful day of March 1, 1954, when a group of terrorists sprayed this Chamber with gunfire, inflicting upon Al wounds so serious he only narrowly escaped death.

Following graduation from the University of Michigan in 1940, Al was one of a group of 30 appointed to the U.S. Foreign Service from among 600 applicants, and for a period of some 8 years he served most ably at various posts, including Mexico City, Bogota, Budapest, and Rome.

In 1950, the year the Korean war broke out, Al resigned from the Foreign Service to speak out publicly about his concern over the growing threat of Communist aggression and subversion throughout the world.

In 1952 he ran successfully for the House of Representatives from Michigan's Eighth Congressional District, which at that time was composed of Clinton, Gratiot, Ionia, Montcalm, Saginaw, and Shiawassee Counties. He served in the 83d, 84th, 85th, and 86th Congresses, always being returned by the citizens of the Eighth District with a generous vote of confidence.

To the House Committee on Foreign Affairs, Al brought the wealth of his experience and knowledge of international relations.

A man devoted to the principles of his party, he was the choice of Michigan Republicans in 1960 for the office of U.S. Senator, and in 1962 for the office of Congressman-at-large.

Nor was his a narrow partisanship. Returning to the House Chamber on April 27, 1954, some 8 weeks after being wounded, among Al Bentley's first thoughts were these in speaking of the attack of March 1:

Both sides of the aisle suffered casualties and both sides of the aisle reacted in the same way. Political campaigns are good and proper in their place but we here in Washington have national and international problems whose importance far surpass the exigencies of any political contest. When we in Congress faced a terrible problem 8 weeks ago yesterday it was met with no thought of party lines. Perhaps the good Lord wanted to see if we could still meet problems on a nonpartisan basis. Perhaps it would be well if we met some of our bigger problems in the same way.

And he concluded:

With the help of Almighty God, let us then with remembrance of the past, look to the future and so conduct ourselves in the present that we may be worthy representatives of the American people, the greatest people the history of the world has ever known.

I cannot help but think that these thoughts would be among those he would, if given the opportunity, wish to leave with us.

Al Bentley served his country, his State, his constituency, his community untiringly in the finest tradition of representative government. To paraphrase

the famous words of the great 18th-century English statesman, Edmund Burke, Al Bentley's happiness and glory was to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes had great weight with him; their opinion high respect; their business unremitted attention. But his unbiased opinion, his mature judgment, his enlightened conscience, he sacrificed to no man or any set of men living.

At this point, I insert a copy of the warm editorial tribute appearing in the Owosso Argus-Press of Friday, April 10, 1969, and the perceptive memorial by Judd Arnett in the Detroit Free Press of Monday, April 14, 1969:

[From the Owosso (Mich.) Argus-Press, Apr. 11, 1969]

#### I LIKED THAT GUY

It seemed fitting that our front page of yesterday, which carried the somber news of the death of Alvin Morell Bentley also carried another story which proclaimed, "There Are Many People Who Care."

Fitting because Al Bentley did care. He cared about his family and friends, of course. But Al also had a deep concern for his fellow man.

Awareness of the depth of Alvin Morell Bentley's concern for his fellow man is denied those who would seek it in an edition of a newspaper or even between the covers of a book.

It was understood by those who loved him . . . and their ranks extended far beyond the ties of family.

It had somehow been communicated to people like the Owosso housewife who, when she learned that Al lay near death this week, remarked, "I liked that guy."

Al Bentley deserved to be liked. He wasn't flashy or pretentious. He was a hard worker. He was a rich man who considered himself a trustee of wealth put into his hands for the purpose of helping his fellow man.

As has been said, Al Bentley could have chosen to sit on a yacht off the Florida Keys for the rest of his life.

But selflessness, not selfishness, was a mark of the man. That and his capacity for hard work led him into the diplomatic corps, into Congress for four terms and so deeply into the field of education that he became a Regent of the University of Michigan.

To all appearances, Al Bentley had it "made" as a Congressman. But the same fellow wouldn't sit in that yacht off the Keys also declined to "sit it out" on the House floor. So he took aim at a seat in the U.S. Senate. It didn't come off. But Al was never one to set his sights low.

If you resented Al Bentley falling heir to many millions of dollars, this was a resentment that had nothing to do with the "real" Al Bentley. That was your own hangup, and Al would gladly have helped you with that problem if given half a chance.

One measure of the man was evidenced when he showed sympathy instead of malice toward the Puerto Ricans who shot him down on the floor of the House of Representatives. Many friendships were cemented when the Bentleys later visited Puerto Rico.

Being on one of Al Bentley's committees here in Shiawassee County or elsewhere was quite an experience. As that housewife said, you got to like the guy. And you liked the way things got done, because Al Bentley always did his homework. He was a leader and his leadership was based on doing more than his share of the work and listening with patience and interest to all sensible points of view.

While he was patient and understanding, Al Bentley was also a fighter. When your

motivations and station in life reach as high a plateau as did Al's, there is nothing to do but fight for that in which you believe.

In politics, of course, infighting was one of the rules of the game. However, if you lost to Al Bentley in one of those fights, you never had the justification to claim "foul."

How many of us would have carried out our trusteeship for the public good nearly as well as did Alvin Morell Bentley? Too few, we fear.

The list of Al Bentley admirers who will come from the state and nation to Owosso to pay their last tribute to the man will be impressive and lengthy.

No one will ever know the numbers of those who are left to say, in eloquent simplicity, "I liked that guy."

[From the Detroit (Mich.) Free Press, Apr. 14, 1969]

MR. ALVIN BENTLEY, TRUE MIDWESTERNER  
(By Judd Arnett)

There is sadness in this corner at the news of the passing of Alvin M. Bentley of Owosso. He was a good man in the true sense of the phrase and those who had more than a surface knowledge of what he stood for and what he wanted to do for others will long regret his demise at the still-tender age of 50.

Generally speaking, Alvin Bentley was best known as a four-term Republican Congressman who survived an assassin's wounds in the 1954 attempt on the life of Harry Truman and other public figures. Later, he gave up his safe seat in the House to run for the United States Senate; and subsequently he sought to be elected Congressman-at-Large when our state was in the throes of mal-districting. On both occasions the majority said "no," quite decisively. He never complained of this rejection.

Had Alvin Bentley, with his advantage of great wealth, been Eastern-born and Eastern-indoctrinated, his political career might well have matched that of those from the area still in the limelight. But he was small-town-Midwestern to the core, and shy, sensitive and reserved to boot; no better equipped, really, to repel the slings and rebuffs of public life than you, dear reader, would have been.

There were times when his money—he never seemed to grasp the extent of it—was more of a handicap than a help. Not that he feared losing it. Rather, one seemed to sense in him the fear that it might lead him into false circumstances, into advantages, person-to-person, he had not otherwise earned. He was one of the least ostentatious of the very rich, and one of the most considerate in small and polite ways. He had good manners; he was what we once called "well raised."

Again in the general sense, here was a man few people knew or understood. Yet in many ways he contributed to the betterment of his fellow man, Michigan, which he loved, is poorer now that he is gone.

PROJECT CONCERN DEDICATION  
OF MEMORIAL HOSPITAL—ADDRESS BY GEN. W. C. WESTMORELAND

### HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. TEAGUE of Texas. Mr. Speaker, I had the unique experience of attending the dedication ceremonies of a clinic and refugee center under the auspices of the major veteran organizations of Worcester County, Worcester, Mass., to be located in the central highlands of Vietnam.

Some 3 years ago, the people of Worcester, Mass., decided that what was needed most in Vietnam was a living memorial to the war dead of Worcester. They approached Dr. James W. Turpin of Project Concern. Today, as a result of the concentrated efforts of the people of Worcester, Mass., there stands a living memorial in the form of a 60-bed hospital and refugee center, serving over 200,000 citizens of the area of Da Lat, Vietnam.

Making the main address of the ceremony was Chief of Staff of the U.S. Army Gen. W. C. Westmoreland whom I had the pleasure of accompanying. Under leave to extend my remarks in the RECORD I wish to include the text of General Westmoreland's address:

REMARKS BY GEN. W. C. WESTMORELAND, CHIEF OF STAFF, U.S. ARMY, AT THE MEMORIAL HOSPITAL DEDICATION DINNER, WORCESTER MEMORIAL AUDITORIUM, WORCESTER, MASS., APRIL 13, 1969

As many of you know, President Nixon was also invited to be here tonight to join with us in dedicating this splendid living memorial to the gallant men of Worcester County. However, in view of the heavy commitments on his schedule during the time of the Ministerial Meetings of the North Atlantic Treaty Organization, the President was not able to leave Washington. President Nixon is extremely interested in the type of selfless dedication shown by your community effort, and he asked me to convey to you again his personal regrets in being unable to be present tonight.

I am grateful for the privilege of being associated with Project Concern—even in such a small way. And, I appreciate the opportunity to join you tonight . . . because I can think of no group more deserving than the men you honor . . . or of no finer tribute to their heroic deeds and unselfish acts than what you are doing here tonight in their name.

It is a refreshing experience for me—and I believe for a majority of people—to witness a community effort such as yours. Too many people waste their energies in pointing out what is needed to improve our world. All too few are willing to do more than just identify what is wrong. Yet, here you have both seen a need and done something to fill that need—and in the name of men who also have seen a need and acted to fill that need.

Both they and you have acted to share the responsibility of providing for the needs of your fellow men. The fighting men of Worcester County are helping to share the responsibility for defending the life of a young nation. You are helping to share the responsibility for caring for the sick and homeless people of that young nation.

The beloved American Poet, James Russell Lowell—a man from Massachusetts—expressed this thought far better than I when he wrote:

"Not what we give, but what we share—  
For the gift without the giver is bare."

Yes, you and the men of Worcester County are sharing. Also, our Nation is sharing; and our youth are sharing.

And—not unlike Project Concern—our Nation, our youth, and each of us are deeply concerned with the ills and needs of our world.

For a few moments I should like to speak about how our Nation and our youth are sharing their gifts with other nations and people in the world who need them.

I believe that we Americans could do well to take time from our daily routine to think of what our Nation has done for mankind. Now, I say this in all sincerity, even though I am fully aware that it sounds boastful and

that it smacks more than a little of patting ourselves on the back. I am proud both of what our Nation has done and why. I see no reason why we should not accept credit for doing good. We certainly have enough critics willing to take us to task for all of our failings. Let us be proud of ourselves.

In my opinion, we Americans can be proud of what we see. America has chosen not to flaunt her great strength among the less fortunate nations. Quite the opposite. America has shown her deep sense of responsibility. She has willingly assumed the burden of a great nation. She has shared her wealth and her energies with other nations and peoples who hope to live without fear of their neighbors' greed.

Throughout her relatively short history, our Nation has championed the concept of free society, and she has stood ready to defend that concept for herself and for others.

In 1954, South Vietnam in distress called for American help. In answer to this plea, President Eisenhower enunciated a policy of assistance to South Vietnam—a policy that was endorsed by President Kennedy, reiterated by President Johnson, and recently reconfirmed by President Nixon.

Our assistance took several forms. In an effort to stem the tide of rising communist insurgency, we began economic and military assistance. Our aim was to bolster a small and literally helpless nation until it could achieve the strength needed to resist aggression and—at the same time—take care of its own people. Our Nation sought nothing in return—only the satisfaction of helping a people to remain free.

However, North Vietnamese Army units invaded the south to finish the job the insurgent had started earlier. South Vietnam was faced with certain defeat at the hands of the aggressor from the north. America was called upon to make good her moral commitment. And America responded, as a responsible nation.

America's response was in the form of the necessary military forces to do the job. She chose not to unleash her vast power. Rather, she chose to exert only the means required to save a small nation. By design, America chose to undertake a limited war, with limited objectives and to use limited means.

As instruments of that national policy, our Armed Forces undertook their missions. And they accomplished a great deal in Vietnam:

They prevented South Vietnam from being militarily overrun by Hanoi.

They provided a shield behind which the South Vietnamese people began to build a democratic nation in accordance with their own desires.

They gained time for South Vietnam to build its armed forces to a point where, now, it gradually assumes a greater portion of the fighting burden.

Moreover, this union of military force and political policy enabled the South Vietnamese to: Mobilize their manpower . . . Galvanize their collective will . . . and, Help stabilize their economy.

In my judgment, there are many aspects of these accomplishments that were not brought fully to the attention of the world. Perhaps it is reasonable to expect that the nature of military operations and the drama associated with battle overshadow the less spectacular events of nation building. Yet, from the outset, our aim has been to build a nation capable of standing on its own. And nation building—publicized or not—has been very much in evidence. Our military operations, of course, provided the needed shield.

Project Concern is a part of that nation building. Worcester County's living memorial to its Vietnam War Heroes is nation building in its finest form.

I was struck by the deep significance of a remark made by Commander Carroll in his recent letter to me in which he discussed this

dedication ceremony. He wrote, in part, that: "We believe Worcester County typifies a segment of our population who feel a humanitarian contribution to the Vietnam cause will better serve the wishes of our people."

No one can disagree with the logic of this statement—nor would anyone hope or want it to be any other way. However, I cannot help but wonder how long any humanitarian contribution could exist without the shield of our past—and present—military operations. The Viet Cong have clearly and repeatedly demonstrated their total disregard for humanitarian efforts.

However, I hasten to add that I fully agree with Commander Carroll's thought. And, I would even go one step further. I am sure that all Americans would hope to join the people of Worcester County in this wish. But we cannot forget that it is our youth who are making such a wish even a remote possibility—the same youth whom we honor tonight.

During my career as a soldier, I have served with many of the youth of our Nation. None have been finer or more representative of American ideals than those whom it was my privilege to lead in carrying out our national policies in Vietnam.

They have matched wits and skills with a determined foe, and they have shown themselves to be winners.

Yet, at the same time, these young men are demonstrating their compassion for . . . and deep understanding of . . . the Vietnamese people.

They have played important roles at the "grass roots"—or "rice roots"—level of South Vietnam, particularly as advisers. Extraordinary demands have been placed on them. Nevertheless, they have ably advised and assisted their Vietnamese counterparts in carrying out programs dealing with administration, education, sanitation, and medical aid—as well as military programs.

Our young men and women have earned the respect of the South Vietnamese people by their courage, their deeds, and their humanitarian acts. They have given voluntarily of their pay to build hospitals, churches, and orphanages. Unfortunate civilians have been cared for by the contributions of our fighting men—people who have been caught and impoverished in the path of war. They have built . . . they have repaired . . . and they have brought comfort. They—like all of us—would much rather devote their energies to building than to destroying.

Our young people in Vietnam have demonstrated by their attitude and conduct that they are for the Vietnamese people. By teaching the Vietnamese to help themselves and by giving them the opportunity to shoulder their own responsibilities, they have raised the dignity of the Vietnamese people. At the same time, they have helped overcome the apathy and indifference which followed in the wake of 90 years of colonial domination.

If you detect an unbounded pride in my accounting for the efforts of these splendid young people, you are correct. No one who has known them—or who has seen them perform—could hold them in other than the highest esteem.

In my judgment, every American can be proud of what these young men and women have done and are doing. They have willingly stepped forward when their country called; they have shouldered responsibility while a few others of their age have sat by idly and dreamed. Unlike these few contemporaries who have chosen to demonstrate their apparent disrespect for authority, these young people have demonstrated their great sense of responsibility under the most difficult conditions.

They have given much of themselves. In time of their country's need, they turned to—not against those lofty principles on

which our Nation was founded—those same principles that have sustained our Nation throughout the years. I welcome them as our future leaders. I thank The Almighty for them.

One thing is certain. They can return to civilian life and be proud. They can stand tall; they can hold their heads high; they can look any man in the eye. They can proudly take their place with the veterans before them with the same sense of satisfaction. Like their predecessors, they have echoed the firm conviction that freedom is not free.

Yes, the youth of our Nation are sharing their gifts with others in need—gifts made up of their talents, and, if need be, their lives. Like the Nation they represent so ably, their gifts are far from being bare; their gifts are unselfishly given from the heart.

Earlier, I said that our Nation, our youth, and each of us are deeply concerned over the ills and needs of the world. This is as it should be. We are a working partner in the affairs of the world. We have demonstrated repeatedly our intense concern in the well-being of others who share our planet. Our concern is manifested everywhere a member of our Armed Forces stands prepared to thwart aggression.

Nowhere is that concern more evident than in South Vietnam today . . . and in Paris where we seek peace.

We earnestly pray that peace can come to this war torn land.

We earnestly pray for the day when your fine hospital at Lien Hiep can give your gifts of love and care without any need for a protective shield of soldiers.

We earnestly pray for the day when there will be no need for a refugee center at Lien Hiep or any other place.

But until that day comes, America, her youth, and each of us will continue to demonstrate our concern . . . will continue to share our gifts with these unfortunate people.

Like each of you, I am proud to be among the concerned. And, like each of you, I am proud of the gallant men and women of our Nation who have exercised that concern and shared their gifts with others.

Thank you for permitting me to share this occasion with you. You can be very proud of both the men whom you honor and of your humanitarian effort.

#### IKE TRIBUTES RENEW FLOOD OF LOYALTIES

**HON. RICHARD L. ROUDEBUSH**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. ROUDEBUSH. Mr. Speaker, many fine eulogies to President Eisenhower have appeared, but one of the best I have read appeared in the Indianapolis News, the largest afternoon daily newspaper in Indiana.

Mr. Fremont Power is the author of the eulogy which emphasizes the human qualities that President Eisenhower possessed to such a great degree.

Fremont Power has long been recognized as a writer and columnist of exceptional talent, and his column about President Eisenhower is typical of his ability to get to the heart of a situation and interpret the importance of an event.

The article from the April 7, 1969, edition of the Indianapolis News follows:

#### IKE TRIBUTES RENEW FLOOD OF LOYALTIES

(By Fremont Power)

Dwight D. Eisenhower is dead and properly eulogized and, with simple dignity, interred in Abilene, Kan., whence he sprang.

The Eisenhower era in American history is thus closed.

But some thoughts of last week remain and they don't go away.

The man, even in death, seemed still to be speaking to America, for whom he gave so much. And the essence of the message was that the old verities remain and that more millions of Americans adhere to them than may ever be counted.

It is easy, particularly in this business that deals with the unusual rather than the ordinary, to acquire, unconsciously, an impression that this whole country is caught up in quarreling, bitterness, legal pornography, defiance of authority and a predilection for anarchy.

#### NOT SO SELF-SUFFICIENT AFTER ALL

It just isn't so. The way the nation responded to the old soldier's passing made this very plain once again.

Godless as we may seem to be, how many millions of breaths must have been caught as the old hymns came pouring forth from the organ of the Washington National Cathedral, played, incidentally, by Indianapolis-born John R. Fenstermaker Jr. These simple expressions of faith stir old memories, old loyalties, old ideas of rightness.

Not all feel as self-sufficient as they might pretend.

As pictures of these solemn ceremonies came flooding over the news wires and the television screens, there was one recurring, refreshing feature: The young faces, looking on in seeming awe.

#### NO OCCASION FOR NEW OUTBURST

When Eisenhower died, a grisly thought crossed the mind: What if the rebellious misanthropes took even this sad opportunity to insult and shock those who feel there are still some things worth saving in this country?

Considering some of the other outbursts, it didn't seem beyond possibility. But it didn't happen. Instead, there were these young faces, looking on as respects were paid one whom they could only have known as an old man long passed from the stage of public affairs.

Even they seemed to reflect some of the love that America held out to this man.

As the funeral train went west, there was this picture of a girl at Washington, Ind., holding up a penny flattened by the wheels that carried Eisenhower home. More memories came springing up, of small towns in another day where, if there was nothing else to do, there was always the putting of things on the railroad tracks to be flattened: Nails, pennies, a washer.

#### SOLDIERING NOT WHOLLY DAMNED

Now this girl has a proper souvenir which surely she will want to show her children some day and tell them how it was when the train went through bearing a man they could know only from their schoolbooks.

Perhaps if she conveys to those children that he meant something to her, he will mean something to them.

Eisenhower showed us in death that we are still capable of gratefulness to one who gave so much, that soldiering is not universally damned, that there are principles worthy of cruel sacrifices, that simple religious faith has not been completely computerized from the American psyche.

These old verities are still cherished by the masses of Americans.

As in any other death, we must return now to today's battles and not dwell overlong on yesterday's sorrow. But it has been good to have this pause, to see that decadence has not become a way of life for so many.

#### IMPROVEMENT OF THE ELECTORAL COLLEGE SYSTEM IS URGENT

**HON. HAROLD D. DONOHUE**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. DONOHUE. Mr. Speaker, in a news interview last January, preceding the opening of Congress, I expressed the prediction and conviction that the House would and should take early action on the challenging problem of electoral college reform.

Accordingly, I have been very pleased that the esteemed chairman of the House Judiciary Committee, of which I am a member, saw fit to initiate public hearings on February 5, 1969.

There is no question but that the problem of electoral college reform is an extremely difficult and complex one. However, it is clear that the great majority of American citizens very earnestly desire the Congress to effectively deal with the problem, and I most earnestly hope the House and Senate will complete legislative action on this issue before the end of this session.

At this point, I am including the statement I presented to the House Judiciary Committee on the first day of the committee's public hearings, last February 5, urging appropriate committee action at the earliest possible date. The statement follows:

Mr. Chairman, may I first be permitted to extend my own very deep gratitude, together with that of untold numbers of my constituents, to you and the esteemed members of this committee for promptly initiating in this new Congress, these hearings on the great number of bills before you, including two proposals of which I am co-author, H.R. 4867 and H.J. Res. 317, concerned with the very important subject of electoral college reform.

At the outset, let me make it very clear that I well recognize as all of you do, that the accomplishment of such reform is a far more complex and challenging problem than may appear on the surface. I would not, then, be so presumptuous as to contend that the corrections advocated and the reforms suggested in the bills in which I have joined contain the complete and errorless answer.

My primary purpose, here, is simply to urge your concentrated attention upon and your earliest recommendation for the achievement of the basic objective of all these measures pending before you, namely, to enable the people of the United States to select their President without hindrance, in the freest democratic manner that will truly reflect the popular will, and avoid any necessity to resort to any other agency including the House of Representatives.

I believe that is the desire of the great majority of American voters and I think it is the duty of this committee and the Congress to carry out that desire to the highest degree of our legislative wisdom.

It is my own conviction as set forth in the resolution I have co-authored, H.J. Res. 317, that this desired electoral college reform can best be accomplished by adoption of a constitutional amendment providing for the election of the President and Vice President by direct vote of the people.

Our proposed amendment would further require that a presidential candidate receive at least forty per cent of the total vote cast in order to be elected and that a national runoff election be held in the event that no

candidate obtained forty per cent of the vote.

I believe, also, that the direct popular vote would serve to strengthen the two party system by making each State a voting prize well worth a concentrated campaign effort by both sides. It ought, also, to strengthen the democratic ideal by stimulating and spreading voter interest and participation everywhere throughout the country. In effect, it would extend the one-man, one-vote principle to presidential elections.

Beyond these fundamental advantages to the proposed direct popular vote system, there are several others that deserve mention. This proposed reform would make it impossible for the candidate with the greatest number of popular votes to be defeated by a candidate with fewer popular votes. This system would give every vote, regardless of where it was cast, equal weight. Voters other than those from the so-called "pivotal" states would receive the concentrated attention of the candidates, and the votes from the large "doubtful" states would not be as overwhelmingly important as they are now. The weight placed upon selecting a candidate from a large "key" state would be greatly diminished, since there would not be a disproportionate chance of the candidate completely carrying his home state. The possibility of a candidate coming from the smaller states would be increased. No less than eighteen major party candidates since 1900 have come from New York and Ohio. It is believed that the results of any nationwide direct election would not be so close that small scale frauds or minor accidents would have a significant effect on the outcome of the election. Also direct election would permit the establishment of equitable nationwide standards for the privilege of voting.

Surely, the time is appropriate to focus legislative attention and exert legislative action to improve the method by which we elect the president and the vice president of the United States. The present system appears rightly described as undemocratic, complex, and dangerously frustrating to the popular will. History shows that three times it has resulted in the choice of presidents who received less votes than their opponents. Some historians insist that on one occasion it unjustly deprived a candidate of the presidency to which he had been rightfully elected. But whatever these contentions, there can be no doubt that on many presidential election occasions in the past the thwarting of the popular will has scarcely been avoided.

No later than last November, the American public had to wait many anxious hours to find out whether or not the United States House of Representatives would be called upon to select a President, with all its inevitably attendant partisan temptations and disruptive potential.

Mr. Chairman, the evidence clearly shows there is an urgent need for congressional legislative action to reform our current presidential election procedure for the simple reason that the electoral college system as now projected can and has defeated the majority will.

Of course, many people may be rightfully hesitant about proposals to amend our most cherished document, the Constitution. This is a justifiable attitude and it is one of the reasons our founders very properly made the process of amending the Constitution both difficult and time consuming.

Nevertheless, the fact is that the Constitution has been amended twenty-five times and when such amendment is clearly designed to eliminate an anachronism in our modern democracy, as it obviously does in this instance, I believe, the Constitution should be amended again. Therefore, Mr. Chairman, I respectfully urge you and your distinguished committee members to carefully and thor-

oughly examine, as I know you will, all the various legislative proposals before you and assemble from them a legislative recommendation that will enable, as fully as is humanly possible, the true popular will of the American electorate to be a reality in all future elections of the President and the Vice President of the United States.

May I thank you for your kind attention and courtesy.

#### RETAIN PORTSMOUTH NAVY YARD

#### HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. PHILBIN. Mr. Speaker, I am gratified to note following my most recent intercessions to retain the indispensable naval shipyard at Portsmouth, N.H., that the Navy and the Department of Defense propose to take another careful look at the decision of the former Defense Secretary to close this invaluable yard by phasing out procedures over a period of time.

Naturally, I am very anxious to cooperate with my colleagues of the Massachusetts, New Hampshire, and New England delegations in urging our former, esteemed colleague and present able and distinguished Secretary of Defense Laird, not only to take a close look, but to cancel out, the incredible decision to close this invaluable, naval facility with its unique nuclear potential.

The defense of the United States must have our top priority attention at all times. The fantastic plans to dispense with this historic Portsmouth yard that is rendering such vital services to the Navy and our defense, one of the few installations in the Nation, and the only one on the northeast coast with nuclear potential, is something that demands immediate consideration and action of the Defense Department, our Armed Services Committees and the Congress in order to reverse as soon as possible, the previous, unwise decision to close this yard, and order it retention on a permanent basis until world peace is assured.

I propose to continue my efforts and join with those of my interested colleagues in pressing this matter in the Armed Services Committee and the House, and in every other possible way, with the hope and expectation that we will secure favorable results before long, guaranteeing the retention of this great, naval installation.

I urge our great President, and our esteemed former colleague, the Secretary of Defense, to scrap the plan to close this great, inexplicable yard, and establish it as a permanent installation. It would be merely compounding a very serious error of judgment not to cancel out this proposed closing as soon as it can be done.

I earnestly solicit the help and support of the House to retain the Portsmouth Navy Yard on a permanent basis and move ahead toward early implementation of this great facility as a modern base.

#### THE TIME FOR CORRECTING TAX INEQUITIES HAS COME

#### HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. BINGHAM. Mr. Speaker, on April 1 I testified before the House Ways and Means Committee on H.R. 3655, the Tax Equity Act which I have sponsored, and other tax reform legislation. This legislation if enacted, would close a number of the most glaring loopholes in our Federal tax system, bringing in additional revenue without adding to the burdens on moderate-income taxpayers, and hopefully permitting some reductions in taxes on moderate-income families.

This legislation would also bring to the tax structure a measure of equity which is currently lacking, and which the American people need and deserve, but do not now enjoy.

In order to make my statement to the committee more readily available, I am including it in the RECORD at this time.

TESTIMONY OF THE HONORABLE JONATHAN B. BINGHAM BEFORE THE COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., APRIL 1, 1969

I want first to compliment you, Mr. Chairman, and the members of your Committee, for scheduling these very crucial hearings. I am grateful to be accorded this opportunity to appear before you and to register my strong support, and the support of my constituents, for prompt and sweeping changes in the tax system.

I am the sponsor of H.R. 3655, and a co-sponsor of the Congressman Reuss' bill, H.R. 5250, both omnibus bills containing a number of suggested tax reforms. I have been urging for some time that legislation of the kind I have sponsored be considered actively by this Committee and the members of the House, and I was gratified earlier this year when the Committee announced its intention to convene these hearings and when the new Administration announced its intention to support tax reform legislation. The hearings that this Committee has been conducting for several weeks now have contributed immensely to a better understanding of the inequities in our tax system, and the need for remedial action by the Congress. I am quite disappointed, however, by the recent announcement by Treasury Secretary Kennedy that the Nixon Administration does not intend to submit a major tax reform proposal to the Congress in the near future.

Before discussing the specific tax reforms which I feel are most needed, Mr. Chairman, I would like to talk briefly about some aspects of the general need for this kind of legislation which I feel have not been adequately emphasized to date.

This nation is currently experiencing a crisis of confidence not only with regard to some of its policies, but with regard to its basic political structure. We cannot afford to underestimate the importance of taxation and tax equity as a factor in the despair and disenchantment which increasing numbers of citizens are feeling and expressing toward our system of government.

The income tax system of this nation touches more citizens, more directly, more consistently than perhaps any other single aspect of government. More than 74 million Americans file an income tax statement every year. For many of them—perhaps too many—it is the most intimate contact they have with the Federal government. As a re-

sult, it plays a major role in determining their attitudes about the American political system. The extent to which the Federal tax system appears to the average taxpayer to "live up" to the ideals of this society—particularly our national dedication to fairness and equality—must be regarded as a crucial factor in determining the confidence, the satisfaction, and the commitment with which the average citizen regards the Federal government.

Former Treasury Secretary Joseph W. Barr, writing in the March 22, 1969 issue of the *Saturday Review*, expresses amazement at the public response to his remark before the Joint Economic Committee of the Congress on January 17 that "we face now the possibility of a taxpayer revolt if we do not soon make major reforms in our income tax system." He describes the response to that statement as follows:

"The idea of a middle-class taxpayers' revolt caught the attention of the press, and the story was played up heavily around the country for a few days. Then the letters began to pour into the Treasury and Congress. Clearly this was an idea 'whose time had come.'"

Secretary Barr need not have been surprised. His statement elicited such an overwhelming response simply because it accurately described the full extent and intensity of public frustration with the operation of the tax system.

Briefly, what are the reasons for this frustration? I believe they can be summarized under three general headings. First, many individual taxpayers feel that the tax burden they have to bear is simply too great in relation to the tax burdens borne by non-individual taxpayers, such as corporations and other group enterprises. They cite, for example, facts like the following:

During the past year (1968), according to a recent Internal Revenue Service report, taxes on corporate profits dropped \$5 billion. But the tax burden on individual citizens through personal income taxes increased by 13 percent during the same period.

"Real" net per capita income over the past eight years is up by 31 percent. But corporate profits after taxes have gone from \$26.7 billion to \$51 billion—a gain of 91 percent—in the same period.

The 1969 financial report of the First National City Bank of New York reports that "Corporations in the United States managed to improve their net earnings by 10 percent during 1968" and the rate of return on investment has remained steady. But "real" per capita income increased by only about 3 percent in 1968 over 1967, according to the Economic Report of the President transmitted to the Congress last January.

The question whether individual taxpayers as a group have come to shoulder an undue proportion of the growing tax burden—more than they need to bear and more than they should be required to bear—is being overlooked and ignored.

On this point, I am disappointed to notice, for example, that the extensive study of tax reform measures undertaken by the Treasury Department and printed jointly by this Committee and the Senate Committee on Finance, contains an extensive analysis and evaluation of tax reforms and inequities within the individual income tax structure, and within the corporate tax structure. But it does not get at the question of what many regard as an inequitable sharing of the tax burden by individual taxpayers in relation to corporate taxpayers.

In my view, we cannot afford to concentrate solely on inequities within the individual and corporate tax sectors, and fail to examine whether equity and rationality prevail with regard to comparative taxation levels between these two major taxpaying sectors. I realize this is a very complex ques-

tion—one that is not nearly as easily answered as asked. To even begin to answer it and draw the proper policy implications from it will require much sophisticated analysis. But it is a critical question, and given the basic trends and figures I have cited, I feel there is more than adequate cause to begin immediately to elicit the views and data of our very best economic brains to determine whether it would be feasible to readjust the tax burden borne by individual taxpayers in relation to corporate taxpayers without frustrating efforts to achieve our basic economic and social goals.

When that question has been answered—and I emphasize that I do not feel it has yet even been adequately posed—then it will be appropriate to decide, as a matter of policy, whether it would be desirable to establish alteration of the ratio between total corporate and total individual taxation as a major goal of tax reform. Any tax reforms instituted before a careful decision is made one way or the other on this question of purpose will be putting the cart before the horse, and will risk achieving little in the way of increased public satisfaction. If, after careful consideration, it can be demonstrated that the total burden of individual taxation cannot be shifted, the public deserves to know why not. If that burden can be lightened, then tax reforms must be instituted with that goal in mind. This Committee certainly possesses the authority and facilities to take the lead role in such a determination, and I hope it will not fail to do so as part of its current tax reform deliberations.

I do not intend to suggest by all this that inequities in taxes paid by some individuals as compared to those paid by other individuals are insignificant, or do not constitute a significant and legitimate area of concern. In fact, there is much evidence that such inequities exist and must be alleviated, and I believe these inequities constitute a second major source of frustration for taxpayers.

The fact is that individuals similarly situated often pay strikingly dissimilar rates of tax, and equal rates of tax are often paid by taxpayers with marked differences in income. This picture has been imprinted in the public mind by recent revelations that, on the one hand, some 2.2 million families with incomes below the "poverty line" pay taxes each year, while, on the other hand, there are numerous examples of individuals with annual incomes above half-a-million dollars who have paid little or no taxes. But the inequities are not confined to these extremes. The fact is, for example, that the comparability of effective tax rates in income classes erodes noticeably for income groups above twenty thousand dollars a year. Particularly at these higher income levels, the range of effective tax rates paid by individuals is broad, indicating that a substantial number of individuals are paying less tax than others with roughly equal ability to pay.

Furthermore, a large majority of individuals with adjusted gross incomes in the 3-5 thousand dollar range are taxed at an effective rate of 15-20 percent—the same rate at which an almost equal majority of individuals in the 10-20 thousand dollar range are taxed. Considering the substantial difference in buying power between \$5,000 of amended gross income and \$20,000 of amended gross income, is there really any wonder at the disenchantment of the "moderate income" taxpayer?

Third and finally, I feel that taxpayer discontent is a product of the increasing complexity of the tax structure. As the Treasury study to which I referred earlier clearly points out, the standard deduction, which is a device intended to simplify the tax form for most taxpayers, was once used by over 80 percent of those who filed returns. Due to

failures to increase the standard deduction to keep pace with increased earning levels and living costs, only an estimated 57 percent of the taxpayers who file returns in 1969 will employ the standard deduction option. Another example of unnecessary and frustrating complexity in the tax system is the extra 15% tax credit accorded senior citizens on incomes from private and government pensions other than Social Security and Railroad Retirement benefits. The computation required is so complex that many elderly people do not understand it, and thereby lose badly needed benefits to which they are entitled.

Even sweeping tax reform will not, of course, provide a total solution to the economic problems of the nation. But that is not to say that tax reform would not provide a significant increase in tax revenues. Although estimates vary on exactly how much increased revenue could be realized with a major tax reform program, a number of tax experts believe the amount would be enough, for example, to replace the "tax surcharge" now in effect.

Similarly, sweeping tax reform cannot be expected to solve the problems of social unrest and the apparent crisis of confidence toward government that appears to exist and to be growing in this country. But neither would it be appropriate to underestimate the importance of tax inequities as a contributing factor in the erosion of respect and confidence in government. The contention of those in our society who are, in Secretary Barr's terms, on the verge of revolt is that the institutions of government are unresponsive to changing conditions—that these institutions and their policies are hopelessly frozen, insulated from legitimate pressures for revision and change. That, it seems to me, is a reasonably accurate description of what has happened in the case of our tax system.

To a great extent, what constitutes the best combination of tax reforms hinges on the particular goals the Congress wishes to achieve. Those goals, in turn, depend upon the answers obtained to some of the kinds of questions I have tried to raise in this testimony.

But regardless of the answers that eventually emerge to these overriding policy questions, I believe it is possible to designate some areas of reform which are likely to require highest priority in any tax reform program. Without going into great detail on the provisions in my own bill, or even necessarily confining myself to them, I would like to suggest some of the areas of reform that I feel should receive top priority in the process of developing the best possible program of tax reforms.

In general, Mr. Chairman, I feel top priority must be given to tax treatment of the fabulously large fortunes that are continuing to be made each year in this country, both by individuals and corporations. Many of these huge fortunes are made possible by the fact that gaping loopholes in the tax laws abound particularly at the highest income levels.

These loopholes are well known. Unrealized capital gains are not taxed at the time of an individual's death, except as part of his estate. Accelerated tax depreciation is permitted on speculative investments. Large percentages of corporate gross incomes in the oil and mineral industries are deducted as depletion allowances. Corporations can treat all kinds of questionable expenses as deductible "business expenses"—a category which too often includes the costs of lobbying, lavish entertainment and travel, and even airing of political views. Seven percent of the amount corporations and individuals invest in capital expansion is written off as a tax credit.

Unfortunately, the undesirable effects of these loopholes do not end with the tax

avoidance they permit. Many economic experts feel capital investment credits and methods of accelerated depreciation accentuate cycles of deflation and inflation, acting particularly as stimuli to added investment and production in periods of inflation when the economy is already overheated.

Through misuses of the "business expense" deduction, the public and the government are put in a position of encouraging and helping to finance excessive advertising and consumption, particularly of products like cigarettes which can be harmful to health. The lobbying efforts of corporations, and the political propaganda of individuals like Mr. H. L. Hunt and corporations such as Ever-sharp-Shick which make a practice of mixing political views with product advertising are also subsidized by the public through the "business expense" deduction. While the Congress in 1962 wisely attempted to cut down the list of travel and entertainment activities that can be included in the "business expense" deduction, the government and the public still subsidize too much high living by businessmen, and more needs to be done to close the door on this situation.

In addition to these lines of approach, I would like to urge the Committee to give serious consideration to establishing progressive tax rates for capital gains. The effective flat rate of 25% on long term capital gains is probably the most useful tool of all for those who are intent on building fortunes without paying commensurate income taxes. While there may be considerable technical difficulties involved in applying a higher rate to net capital gains as the amount of such gains increases, I believe the effort ought to be made. If it is done, however, it would be more than ever important to change the present provision which permits capital gains to go untaxed as such at death, so that there will no longer be the incentive for people of advancing years to avoid selling holdings which show substantial long term profit.

Finally, I strongly support proposals to institute a minimum income tax, and such a proposal is contained in the tax reform legislation I have sponsored. But it would be a mistake to fall back solely on this approach as a solution to tax problems. The tax loopholes I have cited, as well as others, are the ultimate cause of inadequate taxation on many large incomes, especially when several tax loopholes are claimed in tandem by a single taxpayer. A minimum income tax should be looked upon only as a final safeguard to insure that if all other tax provisions fail, every taxpayer will pay some taxes. This should, however, be a supplement to action to close the tax loopholes that are the source of the problem, not a substitute for such action.

Neither should a minimum income tax be looked upon as major source of added revenues. Its major positive effect is likely to be psychological, not financial. Nevertheless, as I have pointed out, we face a national crisis of confidence to which tax inequities contribute substantially, and changes which alone promise to strengthen public confidence deserve no less serious and prompt consideration than those which promise added revenues.

Tax reform is indeed an idea whose time has come. Moderate income families particularly are chafing under the real economic hardships the current tax system is imposing upon them, and the psychological hardships they also bear as a product of the blatant inequities in the system. If we fall now to meet their needs and expectations, and if we fail to live up to their ideals of rationality and equality, let us not marvel in the future at the wave of repudiation, already gathering in the land, that will assuredly crash with determination not only against the policies of the Federal government but against the very system itself.

## STOP THE FLOOD OF MAIL SMUT

**HON. GLENARD P. LIPSCOMB**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. LIPSCOMB. Mr. Speaker, the Alhambra, Calif., Post-Advocate, which serves an area of the congressional district it is my privilege to represent, recently carried a forceful and timely editorial entitled "Stop the Flood of Mail Smut."

The Post-Advocate is to be commended for speaking out vigorously against the flood of pornographic literature that is flowing through the mails. This problem has reached a point where it is a national disgrace.

Under leave to extend my remarks, I submit the editorial for inclusion in the RECORD:

[From the Post-Advocate (Calif.), Mar. 20, 1969]

### STOP THE FLOOD OF MAIL SMUT

Ugh! We are terrified!  
Let's stop smut and fast!

In recent weeks panderers have literally solicited thousands of decent families around the United States of America right in their homes in a new high level of permissive immorality.

The families have received in the mails a plainly-addressed envelope that contains nauseating, repulsive filth illustrating all kinds of sexual activity and depravity. Purpose of the mailing is to sell pornographic material that is even worse.

The pornography is mailed from California and East Coast cities. It seeks legitimacy by comparing its "literature" to the volumes in the Vatican Library and the British Museum. It could be opened by the youngest, most innocent child in the house.

The new floodtide of obscenity that is mailed, whether requested or not, is the last straw in the boldness of the pornographic seducers. The permissiveness that has made it possible rests squarely with the Supreme Court, which opened the gates to filth with a landmark 1957 decision.

Some blame also rests on the shoulders of the Congress, which has failed to define standards of obscenity or regulate the flow of filth in interstate commerce. If necessary, Congress could even limit the ability of the Supreme Court to review state pornography decisions.

A bill introduced by Rep. Bob Wilson, Republican of California, which would control the mailing of smut across state lines, is an essential minimum in the fight against interstate smut. Mr. Wilson should be applauded for his leadership and supported by the people his measure would help. The post office also should crack down harder on interstate smut peddling, just as it does against lotteries and racing results.

Some of the blame for the new boldness of the smut merchants rests with the state legislatures. To this day police departments in many areas do not have definitive legal guidelines to evaluate smut, particularly its sale to minors.

And not the least of the blame for the smut pollution lies at doorsteps of decent persons who fail to speak up. Apathy and silence in the fight against obscenity is tantamount to support for the seducers.

The breakdown of morality that undermines our nation is a major crisis. Youths can buy the filthiest of publications with ease, or see smutty movies at will in most states. Now entire families are exposed to the immoral filth through the mails.

The floodtide of pornography could reach legitimate motion picture places next. A Swedish film depicting a sexual act already has reached New York City. It was rejected just two years ago.

It is not a coincidence that forcible rape increased 14 percent in the United States last year—and much of this crime is unreported because of embarrassment.

The time has come to act decisively in stamping out the menace of filth in our nation. If the three branches of government will not assume the responsibility, the people must.

The danger of this is that the public reaction could be so violent that censorship will be the result instead of the smut control that is possible without it.

## EEOC SUCCESSFUL IN EMPLOYMENT CONCILIATION WITH LOCKHEED

**HON. JAMES C. CORMAN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. CORMAN. Mr. Speaker, I am concerned about recent charges that Chairman Clifford L. Alexander, Jr., and the Equal Employment Opportunity Commission as been "harassing" the business community.

EEOC's efforts to persuade the business community to comply with the law of the land which prohibits employment discrimination can hardly be considered harassment.

EEOC has no enforcement powers but must rely on persuasion through the conciliation process after charges of discrimination have been filed. Or, it can hold public hearings to discuss discriminatory job patterns in industry and unions as it did in Los Angeles in March, and urge their respective leadership to develop and implement an effective affirmative action program.

I would like to call to the attention of my colleagues on both sides of the aisle a recent and notable example of business-government cooperation where the company involved worked with EEOC to increase and upgrade its minority work force.

Only recently, the industrial relations director of the Lockheed-Georgia Co., Mr. C. A. Jenkins, had this to say following a conciliation agreement negotiated by EEOC with his company:

Lockheed is pleased but not content with its equal employment opportunity accomplishments. We are excited about our most recent developments in the field of human relations—

Mr. Jenkins said—

particularly those developed in 1968 with the assistance of EEOC.

The innovations developed through the assistance of EEOC to the Marietta, Georgia division of Lockheed, include:

A new individual development program was designed to provide formal, individually tailored programs for specific development of an employee's potential for advancement. Revisions in testing procedures brought about more effective selection of employees for training and promotion.

Important advancements were made in the company's established management selection procedures.

A financial planning and counseling service was designed to deal with the "root causes" of financial difficulties, and to ameliorate garnishment action against employees—the first known service of its kind in private industry.

New promotional profiles and career paths posters opened communications for all segments of the work force.

Other unique accomplishments included formal career counseling for hourly and salaried employees and the pre-hiring training and employment of more than 500 persons previously considered underemployed or unemployable.

A Federal contract was negotiated to establish an industrial plant—the Ventura Manufacturing Co. in San Antonio, Tex.—for employment of disadvantaged and hard-core unemployed. Lockheed supplied key staff members for guidance and assistance. By the end of 1968, a total of 113 Mexican Americans and Negroes were trained and employed.

Progress was reflected in specific advancement of job opportunities for Negroes within the Lockheed-Georgia work force.

During the 12-month period ending December 31, 1968, 1,614 Negroes were hired, raising the total Negro work force to 2,636. The number of Negroes holding exempt salaried jobs increased from 95 to 163. Negro supervisors increased from 31 to 54.

More than 1,450 Negroes were promoted to higher rated jobs, substantially aided by the new career counseling services.

As part of the internal promotion programs, minority employees completed more than 2,200 prehire, skills, technical, and career development training programs.

In announcing the successful agreement, Chairman Alexander stated:

By working closely together Lockheed and EEOC made significant steps forward. This was the result of mutual respect on the part of industry and Government.

Chairman Alexander is to be commended for the progress the Commission made under his chairmanship in assisting the business and labor community to carry forward our national purpose as defined in title VII of the 1964 Civil Rights Act.

It will indeed be regrettable if vacillation and confusion replace solid accomplishment in the elimination of racial discrimination in employment.

#### DECADE OF ARMS BLUNDERS NOW AN ISSUE IN ABM DEBATE

### HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. GROSS. Mr. Speaker, the following article in the April 13, 1969, issue of the Des Moines Register, by Mr. Clark Mollenhoff, one of the best informed journalists in Washington on matters dealing with the Department of Defense, is well worth reading by all Members of

Congress in view of the debate involving the anti-ballistic-missile system.

In order to make it available I am inserting it in the RECORD at this point:

NOW THERE IS AN ISSUE IN ABM DEBATE—  
FOES EMPHASIZE PAST FAILURES

(By Clark Mollenhoff)

WASHINGTON, D.C.—A decade of documented cases of waste, mismanagement and corruption at the Pentagon is plaguing the Nixon administration as it faces the first major political test on the Safeguard anti-ballistic missile (ABM) program.

While the United States has constructed and maintained what many call "the most formidable military machine in history," the reports of Congress have documented a decade of multi-billion-dollar blunders that have suddenly become the targets of dozens of major political figures.

The new focus of attention on the "military-industrial complex" is creating alarm in the highest circles in the Nixon administration.

At the White House, at the Pentagon, and in Congress there is real concern that a flaming reaction against instances of Pentagon blunderings and mismanagement under the last two administrations could create serious problems in obtaining public and congressional support for funds the administration feels are necessary to meet American military commitments.

That concern became alarm in the last week, with the highest level White House and Pentagon personnel giving much of their time to the job of smothering the blaze of concern that could seriously harm President Nixon's political future.

Republicans fear that the new President could be the political fall guy for past Pentagon blunders.

Reaction against the military-industrial complex has included speeches by such political figures as Senator Edward M. Kennedy (Dem., Mass.), Senator Edmund S. Muskie (Dem., Maine), Senator George McGovern (Dem., S.D.) and former Vice President Hubert Humphrey.

The reaction is growing in an inflammable atmosphere of frustration resulting from the high costs and casualties of the long and inconclusive Vietnam war and from new instances of scandalous military buying practices.

#### A \$1 BILLION BOO-BOO

Within the last few months there have been new hearings and reports that have revealed that the Army made what Representative Samuel Stratton (Dem., N.Y.) called a "billion-dollar boo-boo" in construction of the Sheridan tank and its Shillelagh missile and 152-mm. gun-launcher.

The blunder continued for nearly ten years, with high ranking army officers using a secrecy stamp to hide their fumbling from Congress. Correspondence established that even when the lack of reliability of the tank and missile system were obvious to a command using them, the officers put the tank into a production schedule to avoid the possibility of having the budget cut.

The waste in this case has been estimated at \$1.5 billion as a minimum, with some saying it could reach \$5 billion. The blame in this case is almost all with high Army officers who continued to pour funds into a pet project in the face of plentiful evidence that it was a failure.

Likewise, there were high ranking Army officers at fault along with political appointees in the waste of more than \$40 million on contracts for the M-16 rifle.

Under former Defense Secretary Robert McNamara, the Pentagon awarded a contract for 240,000 M-16 high-velocity rifles to the Hydra-Matic Division of General Motors for \$56 million—a full \$20 million more than the \$36 million bid of the Maremont Corp. of Saco, Maine.

Other bungling on the M-16 contract in-

cluded the initial single-source award to the Colt Manufacturing Co. that permitted that firm to make profits of from 13.4 per cent to 19.6 per cent on a negotiated contract.

#### CONFLICT OF INTEREST

A Senate armed services subcommittee saw a "conflict of interest" problem for former Navy Secretary Fred Korth in the purchase of the X-22 vertical take-off and landing plane from the Bell Corp. Korth, a former director of Bell, couldn't get his own subordinates to award the contract so he turned it over to his superior, Deputy Defense Secretary Roswell Gilpatric.

Gilpatric then consulted with Korth, and made the decision to overrule recommendations for Douglas Aircraft, according to the committee report.

The result was that Bell got the contract despite the views of highest ranking Navy officers that Douglas had the best plane, and at a price that was at least \$350,000 to \$1 million lower than Bell's.

It took a threat of public hearings by Senator John McClellan (Dem., Ark.) permanent investigating subcommittee to stop Air Force Secretary Harold Brown, one of the so-called McNamara Whiz Kids, from awarding a \$60 million computer contract to the high bidder, IBM. All three other competing firms, RCA, Honeywell and Burroughs—were well qualified and had bid about half of IBM's bid on this \$120 million contract.

The Joint Committee on Atomic Energy in several unanimous reports criticized McNamara for pouring more than \$200 million into a conventional aircraft carrier, the John F. Kennedy, rather than into a nuclear-powered carrier. The committee charged that the John F. Kennedy was obsolete in a nuclear age.

#### TFX CONTROVERSY

Senator McClellan has dubbed the TFX warplane "a multi-billion-dollar disaster." After waste of \$1 billion or more, the Navy version, the F-111B, was canceled as too heavy, too costly and inadequate to meet Navy mission requirements.

The bomber version is reported nearly as inadequate for its mission, and it has been sharply cut back. The plane has only 70 per cent of the range of present B-52s and B-58s, and failed to meet the bomb-load performance and speed criteria.

The Air Force is going ahead with purchase of F-111A planes because there is no alternative, despite the fact that the cost of the plane has jumped from \$2.8 million to about \$10 million each and does not meet original performance specifications.

Also, it was noted by such critics as Senator John J. Williams (Rep., Del.) and Representative H. R. Gross (Rept., Ia.) that there were serious "conflicts of interests" by two of McNamara's top subordinates—Deputy Secretary of Defense Gilpatric and Navy Secretary Korth.

Gilpatric, a former lawyer for General Dynamics, took a full role in making the TFX decision for General Dynamics.

#### LOAN TO FIRM

Korth, former president of Continental National Bank of Fort Worth, Tex., counted General Dynamics among his bank's best customers. Only a few months before he became Navy secretary, Korth personally had approved a \$400,000 loan to General Dynamics.

Senator Stuart Symington (Dem., Mo.), originally a defender of the TFX contract, now calls it a blunder and declares that all versions of the contract should be canceled to let the Air Force move into a long-sought Advanced Manned Weapons System—a long-range, high-speed, manned bomber.

Symington, a former secretary of the Air Force, has become a strong critic of a whole range of past decisions. He told the Senate that the U.S. has spent over \$23 billion on missile systems deployed and then abandoned.

Senator William Proxmire (Dem., Wis.) has

been critical of the cost overruns of about \$2 billion on the C-5A, the world's largest aircraft. That contract was a McNamara decision.

It has been pointed out by Senator Edward Kennedy that there have been studies of 13 major aircraft and missile programs that show "only four programs, totaling \$5 billion, could be relied upon to perform at more than 75 per cent of their specifications."

"Five, costing \$13 billion, failed 25 per cent more often than promised." Kennedy told the Detroit Economic Club last week. "Two, costing \$10 billion, were dropped within three years because of low reliability; and two, after an outlay of \$2 billion, were dropped outright because they performed so ineffectively.

"This same study revealed that complex electronic systems generally cost 200 to 300 per cent more than the Pentagon predicts, and are generally delivered to the military two years later than promised," Kennedy said.

#### CITIES NEED AID

Kennedy contrasted the waste at the Pentagon with the need for more billions for the poverty areas in American cities, and he pictured the "Safeguard" ABM as likely to be more of the same waste.

President Nixon and Defense Secretary Melvin Laird are concerned that they may appear to be defenders of the military-industrial complex with all of its worst implications of favoritism and impropriety.

The critics of Mr. Nixon's ABM decision lean heavily upon quotations from the late General Dwight D. Eisenhower warning that "We must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex."

White House officials say that those pushing for sharp cuts in the military budget seldom note that, in the same speech, General Eisenhower also said: "Our arms must be mighty, ready for instant action so that no potential aggressor may be tempted to risk his own destruction."

One high ranking military officer said last week that "The critics from the scientific and academic field seldom note that the Eisenhower warning on the military-industrial complex was coupled with a warning against becoming 'the captive of a scientific-technological elite.'"

These will be points that President Nixon and Defense Secretary Laird will stress as they campaign actively in the next few weeks for the \$800 million in ABM funds they will need for next fiscal year as a part of the \$7-billion ABM program planned.

#### NO SCHEDULE

White House Press Secretary Ronald Ziegler would give no schedule on President Nixon's campaign for the ABM nor for the \$77 billion defense budget.

Laird also plans a major presentation before the American Society of Newspaper Editors (A.S.N.E.) late this week.

From the administration as well as from the Republicans in Congress there is expected to be a strong effort to point up that the series of scandals involving waste and corruption flow from the Kennedy and Johnson administrations.

Also, some special attention is expected to be given to Gilpatric, whose activities for General Dynamics and whose role in the TFX contract represent one of the documented problems of the "military-industrial complex."

He has turned up as a member of Kennedy's Ad Hoc Committee of New Yorkers Against ABM. This is regarded by the Nixon administration as a fortunate occurrence since it presents the possibility for dramatically planting the "military-industrial complex" label on one of those closest to a man they regard as the most likely Democratic candidate in 1972.

In the fight over the ABM and the defense budget, the Nixon administration will be

supported by such influential Senate Democrats as Richard Russell (Dem., Ga.), chairman of the Senate Appropriations Committee, McClellan, and Henry M. Jackson (Dem., Wash.), a high-ranking member of the Senate Armed Services Committee as well as the Joint Committee on Atomic Energy.

The Nixon administration is seeking to keep the ABM and defense appropriations fights away from the past problems of waste, mismanagement and corruption in the last decade, and place the blame for those scandals on McNamara or the military or civilian subordinates who made the decisions.

"If the ABM fight is settled on its merits, I am sure the President can convince the people that this is only an advanced research and development project and it is the minimum we can do in the light of the Soviet's SS-9," a White House aide said last week.

#### MILLER'S VIEW

Senator Jack Miller (Rep., Ia.) said he is hopeful that the discussions of defense spending and the military-industrial complex "will be kept in perspective."

Miller declared that we need a great industrial complex to build today's weapons, and we need a well trained military corps to use them.

"The real point of concern is that this power be managed in such a way as to meet our security requirements without allowing it to lead to excesses and abuses—well-intentioned or otherwise—which jeopardize our society," he said.

He declared that much of the problem arises because "those with little or no experience with the military are often so overwhelmed by the immensity of our requirements as to feel helpless."

Miller said the U.S. cannot expect all right decisions by the military or civilian leaders in the Pentagon in dealing with highly sophisticated weapons systems. But he noted that Congress has provided a continuing review, has focused attention on the major blunders of the past, and has forced the Defense Department to correct some wrong decisions.

Representative Gross declared that "there are dangers inherent in having high ranking military officers being recruited for defense industry, and in having executives of defense industries working at the Pentagon."

"Congressional committees and the General Accounting Office must be constantly alert to the possible conflicts of interest. A few prosecutions by the Justice Department would straighten out much of the outright dishonesty in this area," Gross said.

#### CONGRESSMAN GILBERT ANNOUNCES RESULT OF 1969 CONGRESSIONAL QUESTIONNAIRE

### HON. JACOB H. GILBERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. GILBERT. Mr. Speaker, I recently sent to my constituents in New York's 22d Congressional District, Bronx, my annual congressional questionnaire. The response was immediate and enthusiastic, and I want to thank the many thousands who were sufficiently concerned to take the time and trouble to complete and return this poll. Particularly gratifying was the high degree of respondents who further elaborated their views with notes and letters. I regret that space limitations make it impossible for me to share these comments with my colleagues, but I can testify to their worthwhile nature.

My questionnaire was written to re-

flect issues of particular concern to my district, as well as the current major national and international issues. In the multiple-choice questions, many respondents chose several alternatives. Mr. Speaker, I wish to include here in the RECORD, the tabulated results of this poll:

#### RESULTS OF CONGRESSMAN GILBERT'S 1969 CONGRESSIONAL QUESTIONNAIRE

[In percent]

##### FOREIGN POLICY

1. What kind of settlement would you favor for ending the war in Vietnam?

a. A coalition government in Saigon, to include the National Liberation Front ----- 25

b. An agreement between our government and Hanoi to withdraw all outside troops, so the South Vietnamese can fight it out among themselves ----- 25

c. Withdrawal on our part, whether or not we reach agreement with the other interested parties ----- 15

d. No negotiation until we have won military victory ----- 15  
Undecided ----- 20

2. What policy should the United States adopt for assuring stability in the Middle East?

a. A formal alliance with Israel, possibly including its admission to NATO, that would assure our intervention in the event of an Arab attack ----- 14

b. A public declaration that we would intervene on Israel's side in the event that the Soviet Union openly intervened for the Arabs ----- 13

c. Press for a negotiated settlement through the United Nations ----- 29

d. Join with the Soviet Union to guarantee formally the terms of a peace settlement ----- 17  
Undecided ----- 27

##### DOMESTIC POLICY

3. What should the Federal Government do about inflation?

a. Legally control prices and wages ---- 35

b. Maintain high interest rates and taxes, including the Surtax, in an effort to reduce consumption and slow business expansion ----- 8

c. Tie Federal salaries, Social Security benefits, welfare payments, Medicare and other outlays to the cost-of-living index ----- 26

d. Nothing, on the grounds that inflation is better than unemployment and business recession ----- 7  
Undecided ----- 24

4. What should the Federal Government do about crime?

a. Increase anti-poverty expenditures ---- 9

b. Increase assistance to local police forces, for higher salaries, improved training and better equipment ---- 25

[In percent]

c. Revoke the constitutional guarantees recently affirmed by the Supreme Court to assure representation by counsel, avoid coercion in the extraction of confessions and end illegal wiretaps, searches and seizures ----- 8

d. Enact more stringent laws to reduce the careless trafficking in firearms -- 19  
Undecided ----- 39

##### SPECIAL ISSUE

Would you approve of a Constitutional amendment which would substitute Popular Election of the Presidency for the present Electoral College?

Yes ----- 77

No ----- 11

Undecided ----- 12

NATIONAL PRIORITIES

[In percent]

What is the order of importance that you ascribe to the following budgetary items? Replies in Priority Order:

1. Aid to public schools and higher education.
2. The elimination of slums and low-income housing.
3. Health care and health programs.
4. Anti-poverty program, including job training.
5. The Vietnam war.
6. Increased Social Security benefits.
7. National defense (apart from Vietnam).
8. Mass transit, including inter-city rail transit.
9. Space exploration.
10. Highway construction.

Mr. Speaker, if I were to make some observations on these results, they would be the following:

First. Three-fourths of those answering the question indicate clearly their opposition to continuing the war in Vietnam to win a military victory. They share my view that we should act with dispatch to get out of Vietnam.

Second. A plurality of respondents favors our pursuing an effort to achieve peace in the Middle East through the auspices of the United Nations. A clear majority, however, appears to accept the view that the United States has a responsibility to assure Israel's integrity and safety. That is also my position.

Third. A substantial plurality of respondents is sufficiently concerned about inflation to favor price and wage controls. Combined with the number which favors tying various Federal benefits to a cost-of-living index, I think there is ample indication that inflation is on people's minds. In my opinion, the most sensible approach to check inflation is to cut back in military expenditures and to channel more Federal funds into domestic programs.

Fourth. More than three-fourths of respondents answering questions on crime took the sensible view that we should improve our police forces and reduce careless trafficking in firearms. An overwhelming majority of respondents left no doubt in my mind that we urgently need more foot patrolmen on our streets and in our apartment buildings to protect lives and property. We must provide more adequate salaries for policemen. While police protection is primarily a matter for local authorities; nevertheless, as U.S. Congressman, I have supported Federal funds, training and equipment to local police departments, and I shall continue these efforts.

Fifth. In a question on national priorities, the overwhelming number of respondents conveyed their preference for domestic rather than military expenditures. They ranked aid to education first, followed by the elimination of slums, health care and research, and anti-poverty programs. I heartily endorse their sense of national priorities.

Finally, I think it is important to note that 85 percent of those answering the question favor the popular election of the Presidency over the present electoral college system. I have often spoken out in support of such a change and I commend this expression of opinion not only to my colleagues, but to the President,

who I hope will see fit to recommend this kind of amendment to the Constitution.

WHAT WILL HAPPEN TO SILVER DOLLARS?

HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. SCHADEBERG. Mr. Speaker, the toughest kid in my neighborhood when I was a boy has taken time to inform me of a program which he is vitally interested in. I would like to share these thoughts with you:

KENOSHA, WIS.,  
March 24, 1969.

Congressman SCHADEBERG,  
Washington, D.C.

DEAR HENRY: I don't recall ever writing to you, but today is a must. I was very happy to see you at the State convention for the Disabled American Veterans last June. We were all happy that you took time out of your busy schedule to spend a few moments with us. During the campaign I had the privilege of telling my friends that I knew you when you were a kid with a running nose. Also that you were born in the house on the next street back of ours. I also told them that if they returned you to Congress, they could rest assured that there was one honest politician in Congress. Yes when I think of the good old days back home in Manitowoc it pulls on the heart strings a little. Just to give you some of the old food for thought. Barney the horse, riding down the hill next door on the sled you kids had that we called rooster. The old Garfield School, the Soo Line swimming hole, and the wreck of the Midnight Limited. Oh yes the day that Tuffy Zinkel had a new sling shot and tried it out on the weather vane on your barn. Remember I missed and the stone went through your window, hit your Dad while he was shaving and he cut himself. Well the Blacksmith put his kid over his knee heated up his butt and took out the window and repaired it. This is what parents should do today. The days of the nickel for the show and a nickel for popcorn are gone but not forgotten. Today Hank I am writing about Three Million Dollars. Enclosed is clipping from local paper. As you know, I am blind and travel about like our friend Ed Broxmeler used to only not as well. All the rehabilitation I received for my new life I received at Hines V.A. Hospital. I learned how to type, such as it is, but I never typed before in my life. I learned Braille, and how to travel with a cane alone. In general we were taught to be as normal as other people. On my last visit to Hines Hospital they were training 30 blind Veterans from Viet Nam and they had a waiting list. While I was there there was a young man there, blind and minus both hands, he had to be fed, and helped in the bathroom. Yet at this school he was in high spirits thank God. All the teachers, instructors, and personnel were just wonderful to all of us and they never tired of helping anybody, regardless of the problem. Along with training us they had a bountiful program of recreation lined up to keep all the patients in the best of spirits. I suggest that the Three Million Dollars be put on sale by the Mint at a Premium, and the proceeds be used to create more Blind Centers in the Veteran Administration Hospitals throughout this great country. I was at Wood Hospital last week for my annual examination, and they were just wonderful to me. I am sure they could use a few dollars there to further their program. Hank, not for my sake but for the sake of the young Boys that gave their eyes so others can see

and read what is going on. Please, Hank with all the power that God has vested in you think about it and then act.

Sincerely, Your Old Neighbor,  
ROLAND TUFFY ZINKEL.

WHAT WILL HAPPEN TO SILVER DOLLARS?

United States government vaults hold approximately 3,000,000 silver dollars, a majority of which were struck in Carson City, Nev. Coins from this mint are desirable to collectors, and some of them sell at fairly high prices.

Government officials have not decided what method will be used to dispose of them. Among the thousands of suggestions, the most sensible are those which would enable the country's leading national health agencies, such as mental health, heart, cancer, and others, to profit from the sale of these dollars.

Spokesmen for these groups and representatives of the coin-collecting fraternity have testified at Senate hearings on the disposition of these coins.

The government is fearful that abuses might take place in the disposition, but there must be a way it can be done under supervision and still help these groups.

Another suggestion is that the coins be sold as collector items to numismatists and curiosity seekers at three or four times their face value. This would easily give the government an approximate profit of \$10,000,000.

Your suggestions should be sent to your congressman and senators so that they will know your feelings regarding the silver dollars.

OUR MODERN DUTCH BOYS

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. NELSEN. Mr. Speaker, those inclined to take a pessimistic view about the goodness of young people today just have not met our kids. The people of the Second District will be everlastingly grateful for the tremendous help being provided by our young people in fighting devastating floods. As a case in point, I include for the RECORD an editorial by Bill Macklin, which appeared in the April 9 issue of the New Ulm Journal, New Ulm, Minn.:

OUR MODERN DUTCH BOYS

Everyone knows the story of the Dutch Boy who put his finger in a hole in the dike and saved Holland, or part of it. This week Southern Minnesota has a lot of Dutch boys, who are winning praises for their work in preventing greater damage than the flood is doing.

Delby Ames, the Springfield postmaster, sang the praises of the students who have responded to pleas for help in manning the dikes in the town, which has stood up to the relentless pounding of the Cottonwood River since the week end.

"We asked for 50 from Southwest State College at Marshall and 60 came," said Ames. "They had to cut off the volunteers."

One young man came in a wheel chair, yet filled 300 sandbags with soil Monday night. A former Springfield boy, Douglas Bloemke, who is still crippled by polio, came back to help his hometown in its hours of peril.

"That lad walked the dikes on his aluminum arm crutch from 9 p.m. until 7 a.m. right up there with the rest of them," said Ames.

Dr. Don Tostenrud, in charge of filling sandbags, said he had never seen boys work

so hard. It wasn't just college students, either. The Springfield schools took a day off Tuesday to let students work, and they did.

One student worked 36 hours without going home to sleep. Twenty-four hours of steady duty was not uncommon.

It's a well-known story that people are at their best in a crisis. It certainly is true in the flood.—WEM

#### NAVAJO PATRIOTISM PRAISED

### HON. ED FOREMAN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. FOREMAN. Mr. Speaker, today when college campuses across the Nation are being subjected to demonstrations on various subjects and especially against the action of our boys in Vietnam, I am proud to note that a group of Navajo Indians ejected a group from their campus seeking to promote their anti-Vietnam theme.

As it is pointed out in an editorial of the Farmington, N. Mex., Daily Times on April 10, the Navajo students did not fall for the line a group of San Francisco students, calling themselves entertainers, attempted to voice and disrupt the college. This group of Navajo students displayed their belief and support in America by opposing the demonstrators.

Mr. Speaker, under unanimous consent, I include the editorial of the Farmington Daily Times, April 10, 1969, in the CONGRESSIONAL RECORD:

#### HURRAH FOR NAVAJO STUDENTS

Patriotism on American college campuses is not dead!

Students at Navajo Community College in Many Farms, Ariz., provided a reassuring and refreshing news story Monday night when they evicted the San Francisco Mime Troupe from the campus after two skits of a scheduled performance.

The Navajo Indians didn't fall for the anti-Vietnam war theme of the so-called performers who one college official said used "obscene gestures and language" and "ridiculed the government and the national anthem."

Individual Americans have a right to be opposed to the Vietnam war. Most Americans are opposed to war in any place. But a governmental system which gives individuals a right to protest certainly deserves a degree of respect not generally associated with campus protest groups.

It might be pointed out to the more demonstrative anti-war protestors that the Indians of this country perhaps have the most to gain by the cessation of hostilities in Vietnam.

When it comes to who should be first in anti-poverty programs which might result at the conclusion of the Vietnam war, few will deny that the Indian population of this country in all fairness should be given top priority.

We can think of no element of our population which has undergone the degradations and poverty to which the Indian has been subjected.

And yet in times of crisis when the nation calls for the support of its citizens, the Indian has been among the first to answer that call. All of us should be proud of the heroism shown by the Navajos and other Indians who have served in the armed forces of this country.

Despite their generally stoic mannerisms, the students of Navajo Community College

have displayed a brand of citizenship which should put many of their fellow-Americans to shame.

### PRESIDENT DWIGHT D. EISENHOWER: A TRIBUTE

### HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. WHALEN. Mr. Speaker, I would like to take this occasion to pay tribute to the memory of our 34th President.

Dwight David Eisenhower was a great public servant who had the respect and admiration of the American people perhaps more consistently than any other American Chief Executive.

He first captured these feelings as the planner and leader of the invasion of Europe and held them for the rest of his life.

His personal popularity was immense after D-day and, once established, never really declined. It remained strong enough for him to run for President successfully some 8 years later.

Ike was an honest and uncomplicated man. And these qualities enabled him to achieve his many successes both in war and in peace.

His direction of the European invasion is cited as the best example of his uncanny ability to influence people to follow his leadership. That war effort involved men of many nationalities, including some with major reputations.

They were placed under the command of a junior American general who was not even well known in his own Army.

Despite this, the enormously dangerous and complicated operation of retaking Europe from the Nazis came off and exceedingly well.

As President, Ike did not accomplish everything he advocated. No President ever does.

But his 8 years in office were a reflection of the man himself. His tenure was characterized by a general tranquillity, a period of consolidation.

The 1950's, it turns out, really represented a period of transition. We were still recovering from the aftereffects of World War II when we were plunged into the Korean war. Thus, the stability we desired right after the Second World War was delayed until the Korean conflict could be resolved.

Ike presided over that transition. Toward the end of his term of office, the first signs of the turbulence that was to mark the sixties appeared.

Although a general and a war hero, Ike was a man devoted to peace. It was he who issued the warning about the military-industrial complex just before leaving office, words that have equal validity today.

It also was Ike who cut back military expenditures to the bone after ending the Korean war.

As many were moved to comment during the 5 days of mourning for this great man, his death may mark the passing of another era in our history.

Ike was the storybook hero come true. The product of small-town America, he became part and parcel of the interna-

tional America. And he did it all on his own, the very model of the traditional American virtues of hard work and self-reliance.

So now he is gone after a hard year-long fight against a weakening heart. He confounded the medical profession by surviving as long as he did. Of course, he had excellent medical care. But it would have meant little without Ike's tremendous will to live.

He was a great American who spent virtually his entire adult life in the service of the Nation.

It is a monument—

The Cincinnati Enquirer editorialized—

that when death came to him, it found his stature undiminished in the eyes of his countrymen.

#### NATIONAL STUDENTS COMMITTEE ON COLD WAR EDUCATION

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. ASHBROOK. Mr. Speaker, a number of years ago several national organizations proposed and supported responsible courses dealing with education about communism in the schools. Contrasting the oppressive nature of communism with our democratic way of life, organizations such as the American Bar Association, the American Legion, the Veterans of Foreign Wars, and the National Education Association, among others, sought to alert the young people of the danger to the free world of this alien and totalitarian philosophy.

To further increase knowledge in this all-important area, the Young Americans for Freedom, an alert and active organization of young Americans who seek to protect and preserve our constitutional form of government, established its national students committee on cold war education. The goal of the committee is to help initiate activities in State legislatures to enact a statute requiring the successful completion of a secondary level course on freedom versus communism as requirement for graduation. As an aid toward this end the committee compiled and composed an action kit complete with the texts of several State statutes, the text of a suggested bill, sample news releases, suggested texts of resolutions for organizations of various types, a selected bibliography of materials of communism, and other pertinent information.

Also included in the kit is a copy of the report of the Committee on Cold War Education of the National Governors' Conference of 1963. This report was presented to the National Governors' Conference and adopted as presented by the unanimous vote of the 51 State and territorial Governors participating. The report was the product of an interim study committee which surveyed the views and activities of more than 200 individuals, institutions and organizations active in cold war education. Included in the survey were major educational institutions of the Nation engaged in some

facet of cold war education; those engaged in official stimulation of cold war education, including Governors, Members of Congress, officials of the executive branch agencies having concern in this area, and local-level educational and governmental leaders, along with other individuals and organizations from the educational, labor, and business fields.

The report of the National Governors' Conference in 1963 by its committee on cold war education was but another responsible effort to emphasize the urgent importance of learning the foundations of American freedom while at the same time studying the philosophy, strategy and tactics of the international Communist movement.

The effort by the Young Americans for Freedom to encourage education in this area is certainly to be commended. They should be aided by all those who would approach the grave danger of international communism by first of all learning the very nature, strategy, and tactics of the enemy we face.

SWEDISH HAVEN FOR DESERTERS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. RARICK. Mr. Speaker, Sweden, by admitted count, has volunteered "privileged sanctuary" to several hundred U.S. military deserters and draft dodgers from service to their country.

An inquiry directed to the State Department as to the existence of an extradition treaty with Sweden brought a guarded reply from State, professing the existence of a treaty but that military absenteeism was not grounds for extradition.

Interestingly enough, a report from the Senate Armed Services Subcommittee indicates that the Swedish Government, following World War II, disregarded all humanitarian consideration to the military absentees from Germany, Estonia, Latvia, and Lithuania and in the infamous "Baltic Affair" extradited 3,000 military refugees from these European countries to Russia where they were executed.

If our State Department really wanted the return of these deserters, I am sure the Swedes could oblige by following the earlier precedent with the Soviets.

I include State's correspondence, Paul Scott's column of April 5 from Human Events, a clipping from the Miami Herald, and the Convention on Extradition Between the United States and Sweden:

DEPARTMENT OF STATE,  
Washington, D.C., January 24, 1969.

HON. JOHN R. RARICK,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN RARICK: Secretary Rusk asked that I reply to your letter of January 13 asking whether there is a reciprocal extradition treaty with Sweden and, if there is, what steps have been taken to extradite the military deserters and draft-dodgers who have gone to Sweden.

There is a treaty on extradition with Sweden. This convention entered into force

on December 3, 1963. As is usually the case with such treaties, military offenses are excluded. There are thus no grounds for requesting the extradition from Sweden of military absentees from the United States armed forces.

According to our information, Sweden does not grant permanent residence to Americans who are in violation of the United States Selective Service Act. In any event, this offense also is not covered by the extradition treaty.

Our Embassy in Stockholm has had considerable success in convincing military absentees they should return to United States military control and face the consequences of their acts. The absentees return voluntarily and must take the initiative in contacting an Embassy officer for advice and assistance, if needed. American deserters in Sweden know that they can arrange to return to military control with the help of the Embassy and about 40 have done so to date.

If I can be of further assistance, please do not hesitate to let me know.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,  
Assistant Secretary for  
Congressional Relations.

[From Human Events, Apr. 5, 1969]

ON MILITARY DESERTERS: SWEDEN'S DOUBLE STANDARD

(By Paul Scott)

In handling military deserters and refugees from foreign countries, Sweden has operated under a double standard.

While asylum is granted American military deserters, the Swedish government has gone out of its way to turn over to Russia military refugees that it requests.

A study made by the Senate Armed Services subcommittee on Sweden's handling of military refugees and deserters highlights this double standard, stating:

"Not only is the policy of accepting and helping support U.S. military deserters one of choice on the part of the Swedish government, but it is a policy which has not been consistently followed in the past.

"The subcommittee has noted that the Swedish government disregarded humanitarian consideration regarding military refugees in the immediate post-World War II period. This involved the famous 'Baltic affair.'

"According to accounts available to the subcommittee, approximately 3,000 German, Estonian, Latvian, and Lithuanian soldiers risked their lives in crossing the Baltic in rowboats. They went to Sweden seeking asylum from the almost certain fate of Siberia or slaughter which awaited them if captured by the Russians.

"In callous disregard of the fate of these military refugees, Sweden, in compliance with Russian demands, turned over these refugee soldiers to the Russian government.

"In other words, the Swedish government chose, in the Baltic affair, not to give sanctuary to the German, Estonian, Latvian and Lithuanian troops who were actually in Sweden at the time and chose, instead, to consign them to Russian authorities.

"In contrast, the Swedish government today chooses to grant sanctuary to deserters and defectors from the Armed Forces of the U.S."

In discussing the motives of the Swedish government in establishing this double standard, the subcommittee report concludes:

"One can only speculate as to the motives of the Swedish government in sending thousands of World War II refugee soldiers to Russia and the fate awaiting them, while today the Swedish government gives aid and comfort to deserters and defectors who have fled to Sweden to escape U.S. military jurisdiction and punishment for their crime."

[From the Miami (Fla.) Herald, Apr. 13, 1969]

DESERTERS ASK DEAD GI'S DAD FOR AID

NEW PORT RICHEY.—Before dying in Vietnam, Arthur Moody's son told him the war was just. But the American Deserters' Committee in Sweden is asking Moody to help end "the senselessness and the futility."

And, according to a letter Moody received from the deserters, he may be one of hundreds of grieving parents who will be asked to put pressure on the President and Congress to end the war.

Arthur "Butch" Moody III, 22, died in Vietnam in 1965. This week his father got a letter addressed to "the Gold Star Mothers of America, surviving widows, as well as other relatives."

The deserters said they were appealing to this group "since you have directly suffered a tragic loss, a loss which is made even more tragic since it resulted from a futile and senseless war."

The letter—signed by the American Deserters' Committee, Stockholm, Sweden—asks the survivors "to force our government to cease and desist in the blood war in Vietnam, an aggression against the Vietnamese people."

The letter urges: "Write your representatives and senators in Congress and demand that they decisively act to put an end to the Vietnamese conflict. Similarly, turn to President Nixon with the request that he stop the war in Vietnam, thereby showing the same resoluteness of decision as did President Eisenhower during the Korean conflict."

The committee asks relatives of dead soldiers to "convince your friends and acquaintances of the senselessness and the futility of the war in Vietnam." It suggests this is the way to "fulfill the legacy of your dear departed ones, and also that of other young Americans who have perished on the battlefields of far off Vietnam.

"It is your moral responsibility," the committee says, "to preclude additional thousands of American families from suffering the tragic loss of fathers, husbands, sons and brothers similarly as you have. Only your decisiveness and civic courage can help put an end to the unjust war" which is robbing America of "the cream of her manhood."

The deserters say they "found in ourselves sufficient courage and determination to refuse to obey the commands of our government." They add: "Although compelled to seek asylum, support and work here in Sweden, we would prefer to live in our homeland provided we could live and work there peacefully, as here."

They can stay in exile, says Moody, and they need not have wasted the postage.

"Anybody who can't serve their country to the best of their ability belongs in Sweden or Russia or some place like that," Moody said.

"Butch was a professional soldier. I know how he felt. In his letters he said this was a just war and if we didn't fight it there we would some day be fighting in our own backyard."

Moody—himself a disabled veteran—said: "I'm sick and tired of protesters. I protest the protesters."

SWEDEN EXTRADITION

Convention and protocol signed at Washington October 24, 1961;

Ratification advised by the Senate of the United States of America October 22, 1963;

Ratified by the President of the United States of America October 29, 1963;

Ratified by Sweden April 27, 1969;

Ratifications exchanged at Stockholm December 3, 1963;

Proclaimed by the President of the United States of America December 20, 1963;

Entered into force December 3, 1963.

A PROCLAMATION BY THE PRESIDENT OF THE  
UNITED STATES OF AMERICA

Whereas a convention on extradition between the United States of America and Sweden, together with a related protocol, was signed at Washington on October 24, 1961, the originals of which convention and protocol, being in the English and Swedish languages, are word for word as follows:

"CONVENTION ON EXTRADITION BETWEEN THE  
UNITED STATES OF AMERICA AND SWEDEN

"The United States of America and the Kingdom of Sweden desiring to make more effective the cooperation of the two countries in the repression of crime, have resolved to conclude a Convention on Extradition and for this purpose have appointed the following Plenipotentiaries:

"The President of the United States of America: Dean Rusk, Secretary of State of the United States of America, and

"His Majesty the King of Sweden: Gunnar Jarring, Ambassador Extraordinary and Plenipotentiary of Sweden to the United States of America,

who, having communicated to each other their respective full powers, found to be in good and due form, agree as follows:

"Article I

"Each Contracting State undertakes to surrender to the other, subject to the provisions and conditions laid down in this Convention, those persons found in its territory who have been charged with or convicted of any of the offenses specified in Article II of this Convention committed within the territorial jurisdiction of the other, or outside thereof under the conditions specified in Article IV of this Convention; provided that such surrender shall take place only upon such evidence of criminality as, according to the laws of the place where the person sought shall be found, would justify his commitment for trial if the offense had been there committed.

"Article II

"Extradition shall be granted, subject to the provisions of this Convention, for the following offenses:

"1. Murder, including infanticide; the killing of a human being, when such act is punishable in the United States as voluntary manslaughter, and in Sweden as manslaughter.

"2. Malicious wounding; mayhem; willful assault resulting in grievous bodily harm.

"3. Kidnapping; abduction.

"4. Rape; abortion, carnal knowledge of a girl under the age specified by law in such cases in both the requesting and requested State.

"5. Procurement, defined as the procuring or transporting of a woman or girl under age, even with her consent, for immoral purposes, or of a woman or girl over age, by fraud, threats, or compulsion, for such purposes with a view in either case to gratifying the passions of another person; profiting from the prostitution of another.

"6. Bigamy.

"7. Robbery; burglary, defined to be the breaking into or entering either in day or night time, a house, office, or other building of a government, corporation, or private person, with intent to commit a felony therein.

"8. Arson.

"9. The malicious and unlawful damaging of railways, trains, vessels, aircraft, bridges, vehicles, and other means of travel or of public or private buildings, or other structures, when the act committed shall endanger human life.

"10. Piracy; mutiny on board a vessel or an aircraft for the purpose of rebelling against the authority of the Captain or Commander of such vessel or aircraft; or by fraud or violence taking possession of such vessel or aircraft.

"11. Blackmail or extortion.

"12. Forgery, or the utterance of forged

papers; the forgery or falsification of official acts of government, of public authorities, or of courts of justice, or the utterance of the thing forged or falsified.

"13. The counterfeiting, falsifying or altering of money, whether coin or paper, or of instruments of debt created by national, state, provincial, or municipal governments, or of coupons thereof, or of bank-notes, or the utterance or circulation of the same; or the counterfeiting, falsifying or altering of seals of state.

"14. Embezzlement by public officers; embezzlement by persons hired or salaried, to the detriment of their employers; larceny; obtaining money, valuable securities or other property by false pretenses, or by threats of injury; receiving money, valuable securities or other property knowing the same to have been embezzled, stolen or fraudulently obtained.

"15. Making use of the mails or other means of communication in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretenses.

"16. Fraud or breach of trust by a bailee, banker, agent, factor, trustee or other person acting in a fiduciary capacity, or director or member or officer of any company.

"17. Soliciting, receiving, or offering bribes.

"18. Perjury; subordination of perjury.

"19. Offenses against the laws for the suppression of slavery and slave trading.

"20. Offenses against the bankruptcy laws.

"21. Smuggling, defined to be the act of willfully and knowingly violating the customs laws with intent to defraud the revenue by international traffic in merchandise subject to duty.

"22. Offenses against the laws relating to the traffic in, use of, or production or manufacture of, narcotic drugs or cannabis.

"23. Offenses against the laws relating to the illicit manufacture of or traffic in poisonous chemicals or substances injurious to health.

"24. The attempt to commit any of the above offenses when such attempt is made a separate offense by the laws of the Contracting States.

"25. Participation in any of the above offenses.

"Article III

"1. The requested State shall, subject to the provisions of this Convention, extradite a person charged with or convicted of any offense enumerated in Article II only when both of the following conditions exist:

"(a) The law of the requesting State, in force when the offense was committed, provides a possible penalty of deprivation of liberty for a period of more than one year; and

"(b) The law in force in the requested State generally provides a possible penalty of deprivation of liberty for a period of more than one year which would be applicable if the offense were committed in the territory of the requested State.

"2. When the person sought has been sentenced in the requesting State, the punishment awarded must have been for a period of at least four months.

"Article IV

"1. Extradition need not be granted for an offense which has been committed within the territorial jurisdiction of the requested State, but if the offense has been committed in the requested State by an officer or employee of the requesting State, who is a national of the requesting State, the executive authority of the requested State shall, subject to its laws, have the power to surrender the person sought if, in its discretion, it be deemed proper to do so.

"2. When the offense has been committed outside the territorial jurisdiction of the requesting State, the request for extradition need not be honored unless the laws of the requesting State and those of the requested

State authorize prosecution of such offense under corresponding circumstances.

"3. The words "territorial jurisdiction" as used in this Article and in Article I of this Convention mean: territory, including territorial waters, and the airspace thereover, belonging to or under the control of one of the Contracting States; and vessels and aircraft belonging to one of the Contracting States or to a citizen or corporation thereof when such vessel is on the high seas or such aircraft is over the high seas.

"Article V

"Extradition shall not be granted in any of the following circumstances:

"1. When the person sought has already been or is at the time of the request being proceeded against in the requested State in accordance with the criminal laws of that State for the offense for which his extradition is requested.

"2. When the legal proceedings or the enforcement of the penalty for the offense has become barred by limitation according to the laws of either the requesting State or the requested State.

"3. When the person sought has been or will be tried in the requesting State by an extraordinary tribunal or court.

"4. When the offense is purely military.

"5. If the offense is regarded by the requested State as a political offense or as an offense connected with a political offense.

"6. If in the specific case it is found to be obviously incompatible with the requirements of humane treatment, because of, for example, the youth or health of the person sought, taking into account also the nature of the offense and the interests of the requesting State.

"Article VI

"When the person sought is being proceeded against in accordance with the criminal laws of the requested State or is serving a sentence in that State for an offense other than that for which extradition has been requested, his surrender may be deferred until such proceedings have been terminated or he is entitled to be set at liberty.

"Article VII

"There is no obligation upon the requested State to grant the extradition of a person who is a national of the requested State, but the executive authority of the requested State shall, subject to the appropriate laws of that State, have the power to surrender a national of that State if, in its discretion, it be deemed proper to do so.

"Article VIII

"If the offense for which extradition is requested is punishable by death under the law of the requesting State and the law of the requested State does not permit this punishment, extradition may be refused unless the requesting State gives such assurance as the requested State considers sufficient that the death penalty will not be carried out.

"Article IX

"A person extradited by virtue of this Convention may not be tried or punished by the requesting State for any offense committed prior to his extradition, other than that which gave rise to the request, nor may he be re-extradited by the requesting State to a third country which claims him, unless the surrendering State so agrees or unless the person extradited, having been set at liberty within the requesting State, remains voluntarily in the requesting State for more than 45 days from the date on which he was released. Upon such release, he shall be informed of the consequences to which his stay in the territory of the requesting State might subject him.

"Article X

"To the extent permitted under the law of the requested State and subject to the rights of third parties, which shall be duly re-

spected, all articles acquired as a result of the offense or which may be required as evidence shall be surrendered.

*"Article XI*

"1. The request for extradition shall be made through the diplomatic channel and shall be supported by the following documents:

"(a) In the case of a person who has been convicted of the offense: a duly certified or authenticated copy of the final sentence of the competent court. However, in exceptional cases, the requested State may request additional documentation.

"(b) In the case of a person who is merely charged with the offense: a duly certified or authenticated copy of the warrant of arrest or other order of detention issued by the competent authorities of the requesting State, together with the depositions, record of investigation or other evidence upon which such warrant or order may have been issued and such other evidence or proof as may be deemed competent in the case.

"2. The documents specified in this Article must include a precise statement of the criminal act with which the person sought is charged or of which he has been convicted, and the place and date of the commission of the criminal act. The said documents must be accompanied by an authenticated copy of the texts of the applicable laws of the requesting State including the laws relating to the limitation of the legal proceedings or the enforcement of the penalty for the offense for which the extradition of the person is sought, and data or records which will prove the identity of the person sought as well as information as to his nationality and residence.

"3. The documents in support of the request for extradition shall be accompanied by a duly certified translation thereof into the language of the requested State.

*"Article XII*

"1. The Contracting States may request, through the diplomatic channel, the provisional arrest of a person, provided that the offense for which he is sought is one for which extradition shall be granted under this Convention. The request shall contain:

"(a) A statement of the offense with which the person sought is charged or of which he has been convicted;

"(b) A description of the person sought for the purpose of identification;

"(c) A statement of his whereabouts, if known; and

"(d) A declaration that there exist and will be forthcoming the relevant documents required by Article XI of this Convention.

"2. If, within a maximum period of 40 days from the date of the provisional arrest of the person in accordance with this Article, the requesting State does not present the

formal request for his extradition, duly supported, the person detained will be set at liberty and a new request for his extradition will be accepted only when accompanied by the relevant documents required by Article XI of this Convention.

*"Article XIII*

"1. Expenses related to the transportation of the person extradited shall be paid by the requesting State. The appropriate legal officers of the country in which the extradition proceedings take place shall, by all legal means within their power, assist the officers of the requesting State before the respective judges and magistrates. No pecuniary claim, arising out of the arrest, detention, examination and surrender of fugitives under the terms of this Convention, shall be made by the requested State against the requesting State other than as specified in the second paragraph of this Article and other than for the lodging, maintenance, and board of the person being extradited prior to his surrender.

"2. The legal officers, other officers of the requested State, and court stenographers in the requested State who shall, in the usual course of their duty, give assistance and who receive no salary or compensation other than specific fees for services performed, shall be entitled to receive from the requesting State the usual payment for such acts or services performed by them in the same manner and to the same amount as though such acts or services had been performed in ordinary criminal proceedings under the laws of the country of which they are officers.

*"Article XIV*

"1. Transit through the territory of one of the Contracting States of a person in the custody of an agent of the other Contracting States, and surrendered to the latter by a third State, and who is not of the nationality of the country of transit, shall, subject to the provisions of the second paragraph of this Article, be permitted, independently of any judicial formalities, when requested through diplomatic channels and accompanied by the presentation in original or in authenticated copy of the document by which the State of refuge has granted the extradition. In the United States of America, the authority of the Secretary of State of the United States of America shall be first obtained.

"2. The permission provided for in this Article may nevertheless be refused if the criminal act which has given rise to the extradition does not constitute an offense enumerated in Article II of this Convention, or when grave reasons of public order are opposed to the transit.

*"Article XV*

"To the extent consistent with the stipulations of this Convention and with respect

to matters not covered herein, extradition shall be governed by the laws and regulations of the requested State.

*"Article XVI*

"1. This Convention shall be ratified and the ratifications shall be exchanged at Stockholm as soon as possible.

"2. This Convention shall enter into force upon the exchange of ratifications. It may be terminated by either Contracting State giving notice of termination to the other Contracting State at any time, the termination to be effective six months after the date of such notice."

FATHER JOSEPH F. THORNING OBSERVES PAN AMERICAN DAY IN THE HOUSE

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1969

Mr. REUSS. Mr. Speaker, for 25 consecutive years, our mutual friend, Father Joseph F. Thorning, has offered the prayer in the U.S. House of Representatives on Pan American Day. It is a tribute to the foresight of you and Father Thorning that together you took the initiative in inaugurating an official Capitol Hill celebration of the cause of inter-American understanding, friendship, and cooperation in April 1944. The annual observance is now a tradition, and has been productive of many benefits to all concerned.

It is a matter of special pride to me that Father Thorning was born in Milwaukee. He studied at St. Louis University and at Catholic University in Washington. He now finds time among his many duties to be associate editor of World Affairs, and Latin American editor of the Diplomat.

On more than one occasion in Washington, the world-renowned priest who gave the invocation yesterday on the 25th anniversary of our observance has been described as "the Padre of the Americas." The title was awarded to Father Thorning in this House by the distinguished gentleman from Montana who is now the majority leader in the other body, Senator MIKE MANSFIELD. Now, more than ever, inter-American programs need such leadership.

HOUSE OF REPRESENTATIVES—Wednesday, April 16, 1969

The House met at 12 o'clock noon. The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*By grace you have been saved through faith, and this is not your own doing, it is the gift of God.—Ephesians 2: 8.*

Our Father God, in whom we live and move and have our being, we humbly pray Thee so to guide and govern us by Thy spirit that in all the procedures of these hours we may never forget that Thou art with us. Send us out into this new day sustained by—

A faith that shines more bright and clear  
When tempests rage without;

That when in danger knows no fear,  
In darkness feels no doubt.

Into Thy keeping we commit our country and all who live and fight and die for her that freedom may continue to be gloriously alive in our world. Strengthen them in danger; comfort them in sorrow; keep them steadfast in the performance of duty and ever loyal to this Nation we love with all our hearts.

Lead us, our Father, in the paths of right; blindly we stumble when we walk alone, only with Thee do we journey safely on.

In the name of Him who is the way,  
we pray. Amen.

THE JOURNAL

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

PRESIDENT NIXON'S REVIEW OF THE 1970 BUDGET

Mr. MAHON. Mr. Speaker, for general information and reference purposes of Members who may be interested, I ask unanimous consent to insert in the extension section of today's RECORD the report summarizing the results of the review of the 1970 budget, released yesterday by the Executive Office of the President.